

OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 18 June 2019 at 5.00pm

Present:	Shaid Mushtaq Anthony France Lorna Unwin	Governor (Chair) Governor Governor
Officers:	Janet Frost Allan Tyrer Rebecca Johnson Patrick Clarke	Clerk to the Corporation Director of Finance Assistant Director of Finance ICCA
Apologies:	Michael Frankish Debra Woodruff	Grant Thornton Deputy Principal

36/18 Appointment of Chair

The Clerk reported that the first item on the agenda was to appoint a Chair for the committee for the last meeting of the academic year. Lorna Unwin proposed Shaid Mushtaq and this was seconded by Anthony France.

It was **RESOLVED** that Shaid Mushtaq be appointed Chair for the meeting.

37/18 Apologies

Apologies for absence had been received and were accepted from Michael Jenner, Grant Thornton and Debra Woodruff, Deputy Principal.

38/18 Declaration of Conflicts of Interest

Declarations of interest were made by Shaid Mushtaq should any discussion in the meeting relating to his area of work.

39/18 Permission for Officers of the Organisation to be Present

It was **RESOLVED** that officers present should remain in the meeting.

40/18 Minutes of the Audit Committee Meeting 19 February 2019

The minutes of the meeting held 19 February 2019 had been previously circulated to members for consideration.

It was **RESOLVED** that the minutes of the meeting be approved and signed by Anthony France as a correct record of the meeting.

41/18 Matters arising from the minutes of the previous meeting

There were no matters arising

42/18 Rolling Action List Update

(a) 19 February 2019 Min 21/18 - Risk Management Register

(i) A detailed report be presented at the next meeting on the medium and long term viability of the College,

(ii) AT to arrange to meet with governors to provide further clarity on the financial position and budget projections

(iii) the Student Operations Risk Register document reported the inherent risk score and net risk score the same and therefore required reviewing to ensure the correct information was recorded. It was **RESOLVED** that (i) and (ii) would be reported to the September 2019 meeting and (iii) was complete.

(b) 19 February 2019 Min 30/18 - Programme of Presentations of Individual Risks for 2018/19

A presentation be delivered on the capital programme at the April meeting and financial position for 2018/19 and 2019/20 at the June meeting.

It was **RESOLVED** that following the current meeting.

43/18 Notification of Items of Any Other Business

43/18.1 Appointment of External Auditors – The Finance Director reported that a tender exercise had taken place in May 2019 for the appointment of the external audit service. Eight companies had requested details of the tender pack however only two completed tenders were returned. The Finance Director reported that interviews had taken place on 11th June and the panel agreed to recommend for approval to the Corporation at its July meeting that Mazars be appointed as External Auditor commencing August 2019.

It was **RESOLVED** that members endorsed the recommendation to recommend approval to the Corporation at its July meeting that Mazars be appointed as External Auditor commencing August 2019

44/18 Programme of Presentations of Individual Risks 2018/19 (Item 9.1)

The Clerk reminded members that it had been agreed that at each ordinary meeting of the committee a presentation detailing the risks associated with a College area or activity and how those were mitigated would be delivered to members by a staff member or senior manager from the area/activity. This would form part of the training activity for Governors but be specifically directed at Audit members.

The Clerk advised members that in 2018/19 the committee had agreed the topics of presentations following the Special Meeting of the Audit Committee that had been held in September and which reviewed the key strategic risks for the organisation.

Members agreed that the same process be followed for 2019/20.

It was **RESOLVED** that the Audit Committee consider the programme of presentations of individual risks for 2019/20 at its September 2019 meeting

45/18 Presentation – Capital Programme (Item 9.2)

The Finance Director outlined the key risks associated with the Capital Skills Bid as determined at the current time. In summary:-

- The criteria states that the money must be spent by March 2021
- Early appointment of key posts necessary to ensure timeframe is maintained at the early stage
- The college has a contribution of £2m match funding
- The college has to pay contractor first and claim grant back
- GMCA have requested a charge on the property

Members considered the implications of each of the points raised and discussed further risks that needed to be managed including overspending on the project, not achieving the growth in numbers and not generating the required cash required.

Further discussion took place regarding the UTC building and timescale for the new school to be built and members agreed that this was an additional risk that was outside of the college's responsibility but did require close monitoring.

It was agreed that the risk register must reflect the importance of the risks highlighted.

It was **RESOLVED** that members received the report as presented.

46/18 Internal Audit Assignment Reports (Item 10)

The Internal Audit Assignment Reports 2018/19 had been prepared by ICCA in accordance with the Audit Plan for 2018/2019 and all had been previously circulated to members for consideration. In discussion the following reports were considered:-

46/18.1 Student Destination and Experience (Item 10.1)

The Internal Auditor introduced the report and highlighted the areas to be reviewed under the assurance objectives and audit areas: Intended destinations, actual destinations, reporting, submission of data and utilisation of destination data.

The Internal Auditor confirmed that as a result of the work carried out they provided management and the Audit Committee with **Reasonable Assurance** that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses.

In discussion it was noted that consideration was given by Principalship to bring the review of students and the destination survey in-house as it was felt that this may achieve a higher number of completed surveys.

A member asked if the numbers reported could be broken down so it was easier to identify 16-18, 19+ and apprenticeships.

It was **RESOLVED** that the report be received and the Committee accept that the Management response actions as detailed would effectively address the recommendations.

46/18.2 Benchmarking – Support Cost Review (Item 10.2)

A copy of the Benchmark Review for Support Costs had previously been circulated to members. The Internal Auditor advised that it was an advisory review of that considered the support staff costs.

PC reported that whilst the report was detailed it should be considered alongside other information and not taken in isolation.

Members discussed the usefulness of the report and the Finance Director explained that one use for the information is to ensure the right division of labour is available in different settings of the college.

It was **RESOLVED** that members noted the report and its findings.

46/18.3 Fundamental Financial Controls (Item 10.3)

The Internal Auditor introduced the report and highlighted the areas to be reviewed under the assurance objectives and audit areas: general ledger, cash and banking, purchasing and creditor payments and other income and debtors.

The Internal Auditor confirmed that as a result of the work carried out they provided management and the Audit Committee with **Substantial Assurance** that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses.

It was **RESOLVED** that the report be received and the Committee accept that the Management response actions as detailed would effectively address the recommendations.

46/18.4 ESFA Mock Funding Audit (Item 10.4)

The Internal Auditor introduced the report and highlighted the areas to be reviewed under the assurance objectives; enrolment, eligibility and existence, accuracy of source data, study programme, financial contributions, conditions of funding, provision of English and maths, planned hours, programme eligibility, attendance, withdrawals, incentive payments (new apprenticeships), payment from employers (new apprenticeships), achievements, free school meals, provider data self-assessment toolkit and learning support funding.

The Internal Auditor confirmed that as a result of the work carried out they provided management and the Audit Committee with **Reasonable Assurance** that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses.

It was **RESOLVED** that the Report be received and the Committee accept that the Management response actions as detailed would effectively address the recommendations.

47/18 Internal Audit Plan 2019/20 (Item 11)

Patrick Clarke of ICCA circulated the proposed audit plan for 2019/20. Members considered the report and reflected that it is important that audits consider HE and the college where necessary and this should be reflected in the scope for each audit area. The Finance Director updated members on those audits where HE and UCO had been included in 2017/18 and 2018/19.

It was **RESOLVED** that members received the plan as presented and recommended its approval to the Corporation at its July meeting.

48/18 Grant Thornton Independent Assurance Report

A report had previously been circulated that provided members with assurance that monies received from the National College of Teaching and Leadership (NCTL) and the Department for Education under the Grant Funding Agreement had been allocated in accordance with the terms of engagement letter.

It was **RESOLVED** that members received the report as presented.

49/18 Annual Report on Audits by Other Agencies (Item 13)

None to report

50/18 Risk Management Register (Item 14)

A report detailing the updated Risk Register had been prepared by the Finance Director and previously circulated for consideration.

The Finance Director introduced the report, advising the Committee that the key operational risks had been updated and the mitigated scores adjusted to reflect the current position noting that risks relating to the capital works and GDPR had been updated to reflect current areas with potential risk factors.

Members considered the report and agreed that at the Strategic Audit meeting planned for September consideration would be given to the departmental risks affecting the college and actions that are being taken to mitigate these.

It was **RESOLVED** that:-

- (i) the Risk Management Register as at June 2019 be accepted and endorsed and progress on the Colleges approach to Risk Management be noted
- (ii) The Departmental Risk Register Reports will be presented to the September 2018 Audit meeting.

51/18 Audit Rolling Recommendation Tracking Tool (Item 15)

A report detailing a copy of the Audit Rolling Recommendation Tracking Tool had been prepared by the Finance Director and previously circulated to members for consideration.

The Finance Director reported that the tracking system had been developed based on the RAG rated system of reporting and included all recommendations taken from the Internal Audit assignment reports that required implementation by the College.

Members noted the report.

It was **RESOLVED** that members noted the report and progress achieved with the implementation of actions.

52/18 Post 16 Audit Code of Practice 2018/19 (Item 16)

The Clerk presented a report that detailed the changes to the revised Post 16 Audit Code of Practice. Members considered and noted the changes.

It was **RESOLVED** that members noted the changes to the Post 16 Audit Code of Practice 2018/19.

53/18 Financial Regulations (Item 17)

A copy of the College's Financial Regulation had been previously circulated to members for consideration. The Assistant Director of Finance advised that the report was presented with only minor changes to note.

It was **RESOLVED** that members recommended approval of the Financial Regulations to the Corporation at its July 2019 meeting

54/18 Use of Consultants (Item 18)

The Finance Director informed members that Marina Gaze and Tom Sherrington had both provided services to the College since the previous meeting and details of the contract sums were provided for information.

It was **RESOLVED** that members noted the report as presented.

55/18 Workplan 2018/19 and Commentary on Changes (Item 19)

A copy of the Workplan for 2018/19 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted the changes.

It was **RESOLVED** that members noted the report

56/18 Items of Any Other Business

There were no Items of AOB.

57/18 Dates of meeting for 2019/20

To be confirmed.

The meeting finished at 6.45pm

Minutes Approved: **Date:**

Chair

Rolling Action List 18 June 2019

Meeting Date & Item No.	Rolling Action List (Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)	Actionee	Reported as Completed at meeting of
19 02 18 Min 21/18 18 06 19 Min 42/18 (a)	<p>Risk Management Register</p> <p>(i) A detailed report be presented at the next meeting on the medium and long term viability of the college,</p> <p>(ii) AT to arrange to meet with governors to provide further clarity on the financial position and budget projections</p> <p>(iii) the Student Operations Risk Register document reported the inherent risk score and net risk score the same and therefore required reviewing to ensure the correct information was recorded</p>	FD FD FD	
19 02 18 Min 30/18	<p><u>Programme of Presentations of Individual Risks for 2018/19</u></p> <p>A presentation be delivered on the capital programme at the April meeting and financial position for 2018/19 and 2019/20 at the June meeting.</p>	FD	18 06 19 Min 42/18 (b)
18 06 19 Min 47/18	<p>Internal Audit Plan</p> <p>The Internal Audit Plan be recommended for approval to the Corporation at its July 2019 meeting.</p>	FD	
18 06 19 Min 50/18	<p>Risk Management Register</p> <p>The Departmental Risk Register Reports be presented to the September 2018 Audit meeting</p>	FD	
18 06 19 Min 53/18	<p>Financial Regulations</p> <p>The Financial Regulations be recommended to the Corporation at its July 2019 meeting</p>	FD	