

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON**  
**WEDNESDAY 14 JUNE 2017 AT 4.00 PM**  
**IN ROOM L8 AT THE ISLE OF WIGHT COLLEGE**

|                       |                    |                                 |
|-----------------------|--------------------|---------------------------------|
| <b>Present:</b>       | Dr Nick Sinnamon   | Chair                           |
|                       | Mr Graham Cooper   | Vice Chair                      |
|                       | Mr Stephen Corbett | Governor                        |
|                       | Mrs Sheila Paul    | Governor                        |
| <br>                  |                    |                                 |
| <b>In Attendance:</b> | Mrs Debbie Lavin   | Principal                       |
|                       | Mr Peter Thompson  | Assistant Principal             |
|                       | Ms Tracy Bull      | College Accountant              |
|                       | Brian Bowker       | Clerk to the Corporation        |
|                       | Karen Shaw         | Southern Internal Audit Service |
|                       | Frances Millar     | RSM UK Audit Limited            |
| <br>                  |                    |                                 |
| <b>Apologies:</b>     | Mrs Liz Dack       |                                 |

The Chair thanked Mrs Jessica Garbett for her excellent stewardship of the Committee over the past six years.

**ACTION**

**11/17 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**12/17 MINUTES OF THE MEETING OF 8 MARCH 2017**

The minutes were approved as a true record of the meeting.

**13/17 MATTERS ARISING FROM THE MINUTES OF 8 MARCH 2017**

**PT**

It was noted that the Business Continuity Plan would be presented at the October 2017 Corporation meeting and the Principal, having considered identifying a designated Governor for Apprenticeships, had decided not to proceed at this stage.

**14/17 WHISTLEBLOWING POLICY (PUBLIC INTEREST DISCLOSURE)**

Members considered the updated policy and procedure and the Assistant Principal (Finance and Resources) was asked to identify a specific response time in 6.1 of the policy.

**PT**

The Committee APPROVED the Whistleblowing (Public Interest Disclosure) Policy and Procedure.

**15/17 RISK MANAGEMENT POLICY REVIEW**

The Assistant Principal (Finance and Resources) reminded Members that the risk register is subject to termly review by management and is reported on at the termly Audit Committee meetings. He added that internal audit reviewed risk management in-year at the College and gave substantial assurance to the process. Following discussion, the Assistant Principal was asked to amend sections 7c and 7h.

PT

The Committee APPROVED the Risk Management Policy.

**16/17 INTERNAL AUDIT 2016/17 – VISITS 2 AND 3 REPORTS**

It was noted that of the six areas audited, five received substantial or adequate assurance with just one area identified as having limited assurance. The reason for the latter was explained by the Assistant Principal (Finance and Resources) and Members were assured that this had been addressed.

A Member stated that it was very positive to see the open dialogue and honest exchange between the internal audit team and College staff. The internal audit representative stated that this was their normal experience when dealing with the College.

The Committee CONSIDERED the report.

**17/17 INTERNAL AUDIT PLAN 2017/20**

Members were reminded that the plan was an on-going update of the one previously agreed by the Audit Committee and it details the priorities for the coming year and beyond. The Assistant Principal (Finance and Resources) informed the Members that the internal auditors have suggested, after review of the College's risk register, that the College may wish to consider including reviews of safeguarding and high needs support within the audit plan, as these feature as key risks in the College's own risk register.

In addition, it was suggested that the College may wish Business Continuity to be advanced following the earlier assessment of it being inadequate, with Freedom of Information being deferred until the new legislation comes into place. It was agreed that Payroll be brought forward to link with HR following recent difficulties experienced with a software upgrade. An audit of work placements should also be advanced and free College meals be scheduled at a later date as it was subject to a significant review during visit 1 in 2016.

Subject to the agreed amendments, the Committee RECOMMENDED for approval the updated internal audit plan 2017/20.

**18/17 ACCOUNTING POLICIES**

The Assistant Principal (Finance and Resources) took Members through his report and informed them that the accounting policies are reviewed and approved by Corporation every year at the time the Financial Statements are

approved. He added that there are no significant changes to the policies, as the College moved to International Reporting Standards last year.

The Committee CONSIDERED the report and recommended the Accounting Policies to Corporation for approval.

#### **19/17 EXTERNAL AUDIT PLANNING MEMORANDUM**

The external audit representative explained the reason why the plan was tabled at the meeting. She added that the plan was similar to previous years and that no specific risks had been identified that threatened the College. She then took Members through the six sections of the plan. Members focused on appendix E and asked the external audit representative to take them through the emerging issues.

The Chair asked if the proposed fee was in line with expectations and the Assistant Principal (Finance and Resources) responded that it was. He then thanked the external audit representative for a clear plan but asked for it to be provided earlier next year.

The Committee RECOMMENDED the external audit Planning Memorandum 2017 to Corporation for approval.

#### **20/17 FINANCIAL REGULATIONS AND PROCEDURES**

The Assistant Principal (Finance and Resources) reminded Members that these had been previously emailed and there were no material amendments to the previous year.

The Committee RECOMMENDED the Financial Regulations to Corporation for approval.

#### **21/17 AUDIT ISSUES LOG**

Members were reminded that the Audit Issues Log is not a mandatory requirement of audit but is provided to the Committee to ensure management points recommended are being actioned in a prompt and effective manner. He informed them of a recent testing of the Business Continuity Plan, undertaken with the assistance of Zurich Municipal Insurance, which had proved a particularly challenging exercise.

A number of issues, for example, data protection training, which have been on the log for a long period of time, were noted and the Assistant Principal (Finance and Resources) was asked to address this.

**PT**

The Committee CONSIDERED the Audit Issues Log.

#### **22/17 POST-16 AUDIT CODE OF PRACTICE 2016/17**

The Clerk informed Members that there were no material changes to the previous joint Audit Code of Practice but he requested that the external audit

representative obtain information on the self-assessment questionnaire (SAQ). **Clerk**

The Committee NOTED the Post-16 Audit Code of Practice 2016/17.

**23/17 REVIEW OF PERFORMANCE OF THE INTERNAL AUDIT SERVICE AND RECOMMENDATION FOR RE-APPOINTMENT (CONFIDENTIAL MINUTE)**

**24/17 AUDIT COMMITTEE TERMS OF REFERENCE**

Discussion took place regarding the membership of six Governors and whether this might lead to quorum issues. The Clerk responded that it should not be a problem and that the lower attendance during 2016/17 was being addressed.

The Committee RECOMMENDED the Terms of Reference to Corporation for approval.

**25/17 EVALUATION OF THE EFFECTIVENESS OF THE COMMITTEE 2016/17**

Subject to minor amendments, the Committee APPROVED the evaluation of Committee effectiveness 2016/17.

**26/17 AUDIT COMMITTEE MEETING SCHEDULE 2017/18**

The Committee NOTED the meeting dates.

**27/17 FINANCIAL ASSURANCE FEEDBACK**

Members noted the financial assurance feedback letter from the Chief Executive of the Education and Skills Funding Agency.

**28/17 ANY OTHER BUSINESS**

There were no items of any other business.

**29/17 DATE OF NEXT MEETING**

Wednesday 14 June 2017 at 4pm – 5.30pm. Room L8.

Date: \_\_\_\_\_ Chair: \_\_\_\_\_

**MISSION STATEMENT**  
**Putting Students First**  
**Working for Employers**  
**Supporting our Community**