

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 29 NOVEMBER 2017 AT 4.00 PM
IN ROOM L8 AT THE ISLE OF WIGHT COLLEGE

Present:

Dr Nick Sinnamon	Chair
Mrs Sheila Paul	
Mr Graham Cooper	Vice Chair

In Attendance:

Mrs Debbie Lavin	Principal
Mr Peter Thompson	Assistant Principal
Ms Tracy Bull	College Accountant
Mr Brian Bowker	Clerk to the Corporation
Ms Frances Millar	RSM UK Audit LLP

Apologies:

Mr Stephen Corbett

ACTION

43/17 DECLARATIONS OF INTEREST

There were no declarations of interest.

44/17 COLLEGE ACCOUNTING POLICIES

The College Accountant took Members through the report and informed them that before the annual report and financial statements can be recommended for approval by Corporation, the accounting policies on which the accounts are based must be reviewed and agreed by the Audit Committee.

The Committee CONSIDERED the report and recommended the accounting policies to the Corporation for approval.

45/17 STATEMENT OF INTERNAL CONTROL AND CORPORATE GOVERNANCE

The College Accountant reminded Members that the statement is included in the annual financial statements and provides information to enable an understanding of the governance structure of the College. Included in the paper is a checklist providing evidence details for internal controls and it was noted that this is reviewed annually.

Questions were asked regarding security of systems and data and what backup arrangements were in place and the preparation and dissemination of capital maintenance plans. The Assistant Principal (Finance and Resources) provided a detailed response.

The Committee CONSIDERED the report.

46/17 DRAFT FINANCIAL STATEMENTS 2015/16

Members considered the report and noted that the financial statements show an operating deficit, before restructuring and FRS pension adjustments, of £256,000.

The external audit representative confirmed that an unqualified audit report will be issued once the accounts have been approved.

The Chair thanked the Assistant Principal, College Accountant and Finance team for

their excellent work in addressing a complex set of statements.

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

47/17 FINANCIAL STATEMENTS MANAGEMENT LETTER

The external audit representative took Members through the letter and reminded them that it addresses the key findings from the external audit, including recommendations for process improvements and potential accounts adjustments.

She then drew attention to the job evaluation accrual and capitalisation of payroll costs and stated that these had been discussed and resolved with College. With regard to unadjusted/adjusted misstatements there were no issues that have a material impact. Members noted that with the Delamite risk the College has overridden the accounting requirement, which is permitted with justifiable reason.

The external audit representative then considered Appendix A and B and Members commented that they found the 'Emerging Issues' section particularly useful. Discussion then took place regarding College website updating and the Vat-Brockenhurst College update.

The Chair thanked the external audit team for their work, noted the positive report and the significant and helpful contribution to the audit, made by College finance staff.

The Committee CONSIDERED the report.

48/17 LETTER OF REPRESENTATION

The College Accountant stated that there were no exceptional or unusual items.

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

49/17 EDUCATION AND SKILLS FUNDING AGENCY FINANCE RECORD

Members were reminded that this is the file that the College is required to submit to the ESFA, along with the signed annual statements and it allows the ESFA to produce benchmarking information for all Colleges. The College Accountant added that the financial health grade awarded for the year was "satisfactory" and reminded Members that there will be some minor amendments to the finance record before it is submitted.

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

50/17 SELF ASSESSMENT QUESTIONNAIRE FOR REGULARITY AUDIT

It was noted that the questionnaire had been addressed earlier in the audit process and had been reviewed by the College Principal and the Chair of Corporation.

The Committee RATIFIED the action taken by the College Principal and Chair of Corporation.

51/17 ANNUAL REPORT OF THE AUDIT COMMITTEE

The Committee CONSIDERED the report and recommended it, subject to two minor

amendments, to Corporation for approval.

52/17 DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT

There were no items for discussion.

53/17 DELAMITE LIMITED: FINANCIAL STATEMENTS 2016/17

The Committee CONSIDERED the report and recommended it, subject to one amendment, to Corporation for approval.

54/17 COLLEGE BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT ANNUAL REPORT

The Assistant Principal (Finance and Resources) presented the report and associated register and described the updating action that had been taken since the register was last considered by the Committee. He stated that a very significant and systematic review of every aspect of potential College risk had been considered.

A Member asked whether CECAMM is delivering the projected learner activity and income and the Principal stated that it was not but action is being taken to address this and governors will be informed of progress. A question was asked regarding pay and remuneration and the Principal informed Members that this is a significant issue for the College, both in terms of staff recruitment and retention. Further questions were asked regarding, competitive rates of pay and AoC pay benchmarking and the Principal and Assistant Principal responded in detail. They stressed that smaller colleges are less able to withstand in-year changes of government policy than larger colleges.

The Principal was asked what she considered to be the three significant risks for the College and she stated; funding/finances; generating quality data and to a lesser degree Higher Education.

The Committee CONSIDERED the report.

55/17 ANY OTHER BUSINESS

There were no items of any other business.

56/17 DATE OF NEXT MEETING

Wednesday 7 March 2018, 4.00pm – 5.30pm, Room L8.

Date: _____ Chair: _____

MISSION STATEMENT
Putting Students First
Working for Employers
Supporting our Community