

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held on Thursday 30 November 2017

Membership	*P Bartlett (Chair) *C Chatt A Durcan
*denotes present	*R Levy
In attendance	P Goddard, Scrutton Bland N Cattini, RSM UK M Stokes, Deputy Principal D Morgan, Executive Director of Financial Services P Whitehead, Executive Director of Information, Data and Support D Sheridan, Clerk to the Corporation R Lucas, Deputy Clerk to the Corporation

815 Apologies for Absence

Apologies for absence were received from A Durcan.

816 Declarations of Interest

There were no additional declarations of interest.

817 Minutes of the Previous Meeting

The minutes of the Audit Committee meeting held on 2 October 2017 were agreed as an accurate record of the meeting and were signed by the Chair.

818 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

There were no matters arising.

819 Internal Audit Progress Report

The Audit Committee received and considered the internal audit progress report, presented by P Goddard, Scrutton Bland.

P Goddard informed the Committee that the audit plan had been updated. The Sir Charles Kao UTC audit is no longer required therefore the day that was allocated to the audit has been assigned to the Key Financial Controls audit. There are still some contingency days in the plan, some of which will be used for a GDPR audit. Audit briefs are being shared early with the responsible managers to assist in planning and preparation.

The Audit Committee noted the internal audit progress report.

820 Internal Audit Tracker

The Audit Committee received and considered the Audit Tracker, presented by P Whitehead, Executive Director – Information, Data and Support

P Whitehead highlighted the data security recommendations which are being undertaken as part of the continued GDPR work that the College is currently undertaking. A College GDPR action plan has been developed and information audits are taking place across the College.

There has been a delay in the outcome announcement for the procurement of non-levy apprenticeship delivery. There is no indication of the new timescales. Progress is being made with the recommendations; however the actions might change as a result of the procurement process.

The sub-contracting audit recommendation has been completed and will be removed from the tracker.

The Audit Committee approved the audit tracker.

821 Annual Report of the Audit Committee 2016/17

The Audit Committee received and considered the Annual Report of the Audit Committee 2016/17, presented by D Sheridan, Clerk to the Corporation.

The Clerk reminded the Committee that the Annual Report, which is written every year, is required as part of the audit process, must be made annually to the Corporation and is submitted as part of the annual accounts to the funding body. The Audit Committee needs to produce an opinion on:

- Its own effectiveness;
- How it has fulfilled its terms of reference;
- The adequacy and effectiveness of the College's audit arrangements, its framework of governance, risk management and control, and its process for securing economy, efficiency and effectiveness.

The annual report contained the following sections: introduction, membership of the Committee; meetings in the period and attendance; terms of reference of the Committee; the internal audit service; review of reports of the internal audit service; review of external audit; reports from the Skills Funding Agency; actions in response to key recommendations arising from audit; matters of fraud, irregularity and whistleblowing; other independent assurance; proposed Audit Committee opinion and resolution.

The Clerk informed the Committee that the report summarises the Committee's activities, provides an opinion on its own effectiveness and confirms that the Committee is fulfilling its terms of reference. Any significant issues would require to be highlighted in the report.

The Clerk reminded the Committee that a new Audit Code of Practice was introduced part way through the academic year and in July 2017 the Corporation agreed that it complied with the English Colleges' Code of Good Governance but referred the section on the management and quality assurance of data to the Audit Committee. A section on effective arrangements for data was tabled and it was proposed that this be included in the Annual Report. In response to questions, the Deputy Principal confirmed the key areas that this relates to in the College. P Goddard confirmed that the Internal Audit Report on Learner Records feeds into this assurance and this received an unqualified audit opinion. The Audit Committee agreed to include its opinion on arrangements for data in Section 12.

The Committee noted the review of internal audits which have taken place throughout the year, as detailed in Section 6. It was noted that the financial statements audit detailed in Section 7 relate to College only accounts. It was noted that there were no matters of impropriety, the ESFA reports that the College's financial health is good and there have been no requirements to report any concerns to the funding bodies.

P Goddard informed the Committee that the report is good with in-depth information contained within it. He recommended that extra opinions on safeguarding assets and solvency be included in the report. The Audit Committee agreed that there was information contained within this report and in the external audit report that confirmed these opinions and agreed they should be added into Section 12.

The Committee agreed the following opinion of the Audit Committee:

It is the opinion of the Audit Committee, based on the reports it has received and considered, and drawing upon the knowledge and expertise of its members and its audit services, supported by the work and views of College management, that during 2016-17 Harlow College:

- had adequate and effective systems of governance;
- had adequate and effective assurance arrangements;
- had adequate and effective risk management and control processes for the effective and efficient use of resources, solvency of the College and the safeguarding of its assets;
- had adequate arrangements for securing economy, efficiency and effectiveness;
- had adequate and effective key internal controls;
- had adequate and effective arrangements for data quality;
- had, overall, systems and controls that are adequate and effective for carrying forward the objectives of the college.

The Audit Committee met in private with the internal and external auditors on 30 November 2017 and no issues impacting upon matters of internal control were raised. RSM UK did not identify any matters of impropriety throughout their audit work to bring to the attention of the Audit Committee.

The Audit Committee considers that it operated effectively in 2016-2017 and that it met its terms of reference and the requirements of the Joint Audit Code of Practice.

The Audit Committee approved the draft report, subject to the inclusion of opinions on

safeguarding assets and solvency and effective arrangements for data and agreed to recommend it to the Corporation at its meeting on 07 December 2017.

822 Risk Register

The Audit Committee received and reviewed the Risk Register, presented by Paul Whitehead, Executive Director – Information, Data and Support. Governors noted that all risks are reviewed by the College’s Executive on a monthly basis and currently there are seven high risks, eight medium risks and three low risks.

Governors discussed changes since the last Audit Committee meeting and in particular risks concerning PAHT, review of buildings with VAT, high needs funding and Sir Charles Kao UTC.

The Committee also noted that four risks have updated wording, risk control measures and / or sources of assurance.

The Audit Committee approved the risk register.

823 Teachers’ Pension Audit

The Audit Committee received and considered the Teachers’ Pension Audit Report, presented by D Morgan, Executive Director – Financial Services and N Cattini, RSM UK.

The Committee were informed that the audit resulted in a clean report, which has been signed off and submitted to Teachers’ Pension.

The Audit Committee noted the Teachers’ Pension Audit Report.

824 Report on Fraud Against the College

The Audit Committee noted that there had been no attempts of fraud against the College since the last Audit Committee meeting.

825 Any Other Business

There were no items of any other business.

826 Dates of Future Meetings

Spring Term	Wednesday 28 February 2018	08.30am
Summer Term	Tuesday 19 June 2018	08.30am

Following this meeting the Audit Committee met privately with RSM UK, external auditors, and Scrutton Bland, internal auditors.