

Preston's College

Minutes of the Audit Committee Meeting held on 13th June 2018 at 5.30pm in the Board Room at Preston's College

Present:

Mr E Bassa (Chair)
Mr M Driver

Apologies:

Mr T Readett
Mr J Wilson

In attendance:

Mr S Nixon (Executive Director – Resources)
Mr M Harding (RSM)
Mr K Azeem (RSM)
Ms E McIntyre (KPMG)
Ms A Coles (Clerk to the Corporation)
Dr L Smith (Principal/ Chief Executive)

1. Welcome and Apologies

The Chair welcomed members and noted that although apologies had not been received Mr T Readett and Mr J Wilson were not present. It was noted that the meeting was not quorate and therefore no decisions could be passed today. It was agreed that the committee members present would receive the reports to be presented at today's meetings and that a written resolution would be circulated to all the committee members to ratify and pass the decisions due to be made at today's meeting. It was noted that quoracy is becoming an issue for the Committee but that steps are being taken to recruit additional members to the Corporation. It was noted that the Chair would circulate an email to all the Committee regarding the lack of quoracy.

2. Declarations of Interest

No declarations of interest were made.

3. Minutes of the meeting held on 14th March 2018

The Chair noted that the previous meeting had not been quorate and the intention had been for a written resolution to be circulated to the committee members to ratify the decisions at the meeting but that this had not been done. It was agreed that the Clerk would circulate a written resolution to approve the matters discussed at both the meeting held on 14th March and today's meeting.

Resolved: that the minutes of the meeting on 14th March 2018 be agreed as a true record and were signed by the Chair.

4. External Audit Planning Memorandum

Ms McIntyre from KPMG highlighted to the Committee the key points within KPMG's Audit Plan and Strategy for the year ending 31 July 2018.

Ms McIntyre informed the College of the significant risks for the College.

The Committee were informed that the other areas of focus were as per previous years and the fees are in line with the tender documents submitted last year.

The Chair agreed that the Committee receive the report and agree the strategy for the forthcoming audit in writing after the meeting.

5. Internal Audit Strategy 2018/19

Mr Azeem noted that the Internal Audit Strategy has been prepared by RSM following consultation with Mr Nixon. The Committee were informed that the audit plan picks up some of the emerging risks in the sector.

The Committee discussed the identified risks regarding the skills base of the governing bodies and it was noted that governance is a common theme in the sector and it was agreed that the College needs to consider whether the right people are doing the reporting. It was agreed that this be raised with the Search and Governance Committee.

The Committee discussed changing the timetable for the audit plan slightly and this was agreed by RSM.

The Principal informed the Committee that the Structure and Prospect Appraisal (SPA) as set out on page 8 of the report is no longer going ahead as an application for provision of further education within higher education but that the SPA is still going ahead.

The Chair agreed that the Internal Audit Strategy be approved by the Committee in writing after the meeting.

6. Internal Audit Reports

Mr Harding took the Committee through the following reports prepared by RSM:

i) Student Records: post 1 May 2017 Apprenticeships

Mr Harding informed the Committee that this was the first time student records had been looked at since the new funding rules for apprenticeships. The Committee noted the key areas of non-compliance and actions taken.

ii) Key Financial Controls – Supplier Payment Controls

Mr Harding noted that the audit has confirmed that the College has appropriate controls in place for the management of its suppliers and payments to these suppliers.

iii) Framework for Budgeting, Financial Forecasting and Cashflow Management

The Committee were informed by Mr Harding that this report confirms that the College is operating a good framework, the cashflow methodology is good and there are good systems of internal control in place. The Committee's attention was drawn to the appendices to the report which show the College's key performance indicators compared to the rest of the sector.

The Committee were pleased with the contents of the reported and it was commented that giving the changing landscape it is important that the College is forecasting correctly.

There was also a discussion regarding the measures in place to prevent attempted fraud.

iv) Follow up report

Mr Harding commented that this was the more important of the reports and informed the Committee that the College had demonstrated good progress from last year. He highlighted two actions which were classed as ongoing and restated in the report for review:

- migration from server operating systems was ongoing;
- The 2013 version of the public value statement to be removed from the website.

The Committee discussed that the Corporation would be working with the Clerk to update the public value statement.

The Chair agreed that the Internal Audit Reports be approved and the action plans endorsed by the Committee in writing after the meeting.

7. Audit Register

Mr Nixon presented the Audit Register and advised the Committee that the two matters referred to as ongoing in the Follow Up Report are also referred to in the Audit Register. The Committee agreed that the financial register go to the Board in December for approval.

Mr Nixon also updated the Committee regarding the cyber security review that took place in December.

The members present noted the contents of the Audit Register and the Chair agreed that the Audit Register be approved by the Committee in writing after the meeting.

8. Risk Management Register

Mr Nixon took the Committee through the key issues addressed in the Risk Management Register; in particular the SPA process and how to take forward that agenda. It was noted that an ELT meeting is taking place tomorrow and that it the aim is to bring something more substantial to the Board meeting in July.

The Committee discussed various matters arising from the Risk Management Register. The members presented noted the Risk Management Register and the Chair agreed that the Risk Management Register be approved and the current risks, actions completed and further actions to be completed are agreed by the Committee in writing after the meeting.

9. Date of Next Meeting

The date of the next meeting is to be confirmed.