

REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE

Minutes of a meeting held on Thursday 10 March 2016 at 10.00 am
Committee Room, Reaseheath Hall

Present: Karol Bailey
Rachel Bailey
Colin Baxter
Mike Benson
Dr Ian Graham (Chair)
Eddie Sims

In attendance: Nicki Crail, RSM
Dave Kynaston, Vice Principal
Graeme Lavery, Director of Finance and Resources
Liam Prince, RSM

At the start of the meeting the Committee discussed matters with the College Auditors without the presence of senior management. No areas of concern were raised by auditors.

| Item | Content | Action |
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| 1. | <p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p>The Chair welcomed all to the meeting, including Nicki Crail and Liam Prince, attending their first meeting of the committee. Apologies were received and accepted from Meredydd David, Ian Holder and Rachel Bailey. Dave Kynaston had sent his apologies for late arrival due to an urgent college matter.</p> | |
| 2. | <p>DECLARATIONS OF INTEREST</p> <p>None declared.</p> | |
| 3. | <p>MINUTES AND MATTERS ARISING</p> <p>3.1 Part 1 of the minutes of the meeting held on 3 December 2015 were approved as a correct record and signed by the Chair.</p> <p>3.2 Matters arising. It was noted that an update on FRS102 will be presented to the next meeting.</p> | |
| 4. | <p>DEVELOPMENT BRIEFING</p> <p>The Committee received training and development briefing on understanding financial health scoring, presented by the Director of Finance and Resources.</p> | |

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| <p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p> | <p>INTERNAL AUDIT REPORTS</p> <p>Internal Audit Progress Report: Nicki Crail introduced herself as the new internal audit partner working with the college and was welcomed by the committee. She presented the progress report against the internal audit plan and provided a context for the reports to follow. Attendance and the new monitoring process in place at college were discussed. The committee received assurance that whilst there are challenges in accurately monitoring attendance and there are pockets that need improvement, attendance overall is not a significant problem for the college.</p> <p>Reaseheath Training (RT) Contract Management Report: Liam Prince presented the findings of the report which has an amber/green rating. He noted that the report reflects the stage of development of RT. He reported that some of the actions have already been completed and RSM can provide assurance that management are giving appropriate attention to these recommended actions. Discussion focused on the context of apprenticeship funding and the challenges in estimating numbers at a particular point in time. A challenge from the committee was accepted by management in relation to ensuring the assumptions are clearly articulated in this process. Assurance was given to the committee on the current prudent assumptions on numbers.</p> <p>DART Limited Subcontracting Controls Report: Liam Prince presented the report. RSM gave their apologies for the delay in signing off this report that had caused some timing issues in submitting the certificate to the SFA, though the certificate had successfully made the deadline. This issue had been discussed and resolved with management. He reported that assurance on compliance with SFA requirements can be taken from this report, with only minor actions recommended. He noted that this report might become a regular requirement and so next year's audit plan will need to take this into account. The committee discussed the need to achieve a system of forecasting that moves on from a developing approach to something that the college is content with. It was acknowledged that forecasting is not an exact science.</p> <p>Corporate Governance – Framework for compliance with the Counter-Terrorism and Security Act 2015: Liam Prince presented the report. He reported that it was a good review from which the committee could take assurance, with only some best practice suggestions for the college to consider. A correction was needed to confirm that the college has a safeguarding governor in place and it was agreed that the report will be re-issued. The development of the term 'safeguarding' to more of an umbrella term was discussed and it was noted that the college is considering an internal safeguarding committee to ensure that all the different strands in this area are monitored in one place.</p> <p>Internal Audit Benchmarking Report 2014/15: Nicki Crail presented the report, which showed a positive picture for the college. Discussion took place around the usefulness of benchmarking reports due to the many variables in audit planning across the sector. It was noted that such reports are one tool or indicator, subject to these caveats.</p> | |
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| 6. | RISK MANAGEMENT | |
| 6.1 | Update on Board Assurance Framework progress: The Director of Finance and Resources provided an update on progress and confirmed that a proposed approach will come forward to the committee in the autumn term 2016. | |
| 6.2 | Updated risk register: the Director of Finance and Resources presented the updated risk register. He confirmed that it had been thoroughly reviewed in line with the work on board assurance to ensure that it is a live document that can be enhanced so that an agreed approach to assurance sources and levels can be built in. | |
| 7. | INTERNAL AUDIT RECOMMENDATIONS TRACKING REPORT | |
| | The Director of Finance and Resources presented the report. The committee welcomed the report, which showed outstanding actions now completed. | |
| 8. | IRREGULARITIES | |
| | The Director of Finance and Resources presented the report. The committee noted the report and the fact that the irregularity was picked up by the college systems and that no loss to the college resulted. | |
| 9. | MATTERS TO REPORT TO THE BOARD | |
| | The committee decided that there were no matters that required escalation to the board. | |
| 10. | ANY OTHER BUSINESS | |
| | The committee received an update from the Vice Principal on accuracy of prior attainment data. He confirmed that this is still working through and there could be some funding risk, which is being mitigated by actions already in place. Actions in future include no reliance on the PLR next year. | |
| | The Vice Principal updated the committee on the leadership of DART and RT, with Anne Morgan returning to focus on DART, with a new management structure for RT. | |
| | The Vice Principal updated the committee on a legal case that is likely to progress to court. | |
| | Finally, the committee noted that the identified risk in relation to English and maths performance is monitored by the Quality and Standards committee and the current recruitment risk is monitored by the Finance and General Purposes committee. | |
| 11. | DATE OF NEXT MEETING | |
| | Thursday 23 June 2016 at 10.00am. | |

At the end of the meeting the Committee was able to discuss matters with senior management without the presence of College Auditors. The one issue of delay had been discussed in the meeting and there were no concerns raised.

Signed:

Date: