

REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE

**DRAFT Minutes of the meeting held on Thursday 23 June 2016 at 10.00 am
Committee Room, Reaseheath Hall**

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

In attendance: Jude Bickerton, RSM
Meredydd David, Principal
Graeme Lavery, Director of Finance and Resources
Liam Prince, RSM
Sally Clarke (Mazars)

The start of the meeting included an annual review of auditors' performance and annual appointment of auditors. Auditors joined the meeting at 10.30am.

Item	Content	Action
1.	WELCOME AND APOLOGIES FOR ABSENCE The Chair welcomed all to the meeting. Apologies were received and accepted from Rachel Bailey. Ian Holder, Nikki Crail and Dave Kynaston sent their apologies, with colleagues attending in their place.	
2.	DECLARATIONS OF INTEREST None declared.	
3. 3.1	ANNUAL REVIEW OF PERFORMANCE AND APPOINTMENT OF COLLEGE AUDITORS In the absence of auditors, members reviewed performance and considered annual appointment of external and internal auditors. The Committee considered the performance of the auditors, with reference to the following key performance indicators: <ul style="list-style-type: none"> • Compliance with professional standards (incl. independence); • value for money; • quality and relevance of the audit plan; • appropriateness of the skills, knowledge and experience of the audit team; • timeliness and appropriateness of the audit reports and recommendations; and 	

<p>3.2</p>	<ul style="list-style-type: none"> • attendance at audit committee meetings. <p>The Committee considered its recommendation to the governing body on the re-appointment of auditors.</p> <p>RESOLVED to recommend:</p> <ol style="list-style-type: none"> 1. Approve annual appointment of RSM 2. Delay annual appointment of Mazars for 2016/17 financial statements audit until autumn term meeting due to timing being better suited to a decision in the autumn. 	
<p>4.</p>	<p>MINUTES AND MATTERS ARISING</p> <p>Part 1 of the minutes of the meeting held on 10 March 2016 were approved as a correct record. There were no matters arising not covered elsewhere on the agenda.</p>	
<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>EXTERNAL AUDIT REPORTS</p> <p>The Director of Finance and Resources presented a paper on FRS 102 implementation, setting out the key areas of impact for the college and the recommended accounting policy decisions. Following consideration and discussion of each recommendation, the committee endorsed the college’s recommendations for the implementation of FRS102 and in line with the Finance and General Purposes approval.</p> <p>Sally Clarke presented the External Audit Draft Strategy Memorandum. Members considered and RESOLVED to recommend approval of the External Audit Strategy Memorandum and the draft letter of engagement.</p>	
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>INTERNAL AUDIT REPORTS</p> <p>Judith Bickerton and Liam Prince presented the following internal audit reports:</p> <ul style="list-style-type: none"> • Internal Audit Progress Report • Follow up of Previous Internal Audit Management Actions • HE Education Data and Returns – Key Control Framework • Key Financial Controls – Online Payment Systems • Internal Audit Draft Strategy 2016/17 <p>The committee discussed the reporting and considered that there were no matters of concern that required reporting to the Board. The internal audit strategy was discussed in detail and with some suggestions, recommended to the board for approval in final form.</p>	

7.	<p>RISK MANAGEMENT ANNUAL REPORT AND RISK REGISTER</p> <p>The Director of Finance and resources presented the Risk Management annual report for recommendation to the Board. In relation to the area review process, the committee wished it to be noted that it as a committee had not specifically looked at area review risks to the college because this area of activity was being considered at full governing body level and also by the college’s area review governor advisory group that included the Chair of Audit in its membership.</p> <p>RESOLVED: Recommend approval of the Risk Management Annual Report and Risk Register to the Board.</p>	
8.	<p>INTERNAL AUDIT RECOMMENDATIONS TRACKING REPORT</p> <p>The committee welcomed the report, that showed implementation was up to date and there were no issues of concern to report to the board.</p>	
9.	<p>IRREGULARITIES</p> <p>There were no irregularities to report.</p>	
10.	<p>ITEMS FOR APPROVAL</p> <p>RESOLVED: to approve</p> <ul style="list-style-type: none"> i. Value for Money Statement ii. Procurement Strategy 	
11.	<p>SELF-ASSESSMENT OF THE COMMITTEE</p> <p>The committee considered that it remained fit for purpose in relation to fulfilling its terms of reference and reviewed its TOR for 2016/17, recommending the same to the board for approval.</p>	
12.	<p>MATTERS TO REPORT TO THE BOARD</p> <ul style="list-style-type: none"> • Approve annual appointment of RSM for 2016/17 academic year • Delay annual appointment of Mazars for 2016/17 financial statements audit until autumn term meeting due to timing being better suited to a decision in the autumn. • Approval of the External Audit Strategy Memorandum and the draft letter of engagement. • Approve of Internal Audit Strategy Memorandum • Procurement Strategy (unchanged) • Value for Money Statement (unchanged) • Approve Committee Terms of Reference (unchanged) • Approve the Risk management Annual Report 	
13.	<p>ANY OTHER BUSINESS</p> <p>There was no other business to report.</p>	

14.	DATE OF NEXT MEETING Thursday 1 December 2016 at 10.00am	
-----	--	--

At the end of the meeting the Committee discussed matters with College auditors without the presence of senior managers. There were no issues of concern to report.