

REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE

Minutes of the meeting held on Thursday 6 July 2017 at 10.00 am
Committee Room, Reaseheath Hall

Present: Colin Baxter (Chair)
Karol Bailey
Dr Ian Graham
Emily Thrane

In attendance: Louise Tweedie, RSM
Sally Clarke, Mazars LLP
Richard Ratcliffe, Chair of Governors
Dave Kynaston, Vice Principal
Graeme Lavery, Director of Finance and Resources
Meredydd David, Principal
Jackie Schillinger, Clerk

PART A

Item	Content	Action
1.	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p>The Chair welcomed members to the meeting.</p>	
2.	<p>DECLARATIONS OF INTEREST</p> <p>The following interests were noted: Emily Thrane, Chair of the DART Limited Board of Directors and member of the University Council, University of Chester.</p>	
3. 3.1	<p>ANNUAL REVIEW OF PERFORMANCE AND APPOINTMENT OF COLLEGE AUDITORS <i>Without auditors present</i></p> <p>The Chair led the annual performance review of auditors, against the following criteria:</p> <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 • attendance at audit committee meetings. 	

3.2	RESOLVED: To approve the re-appointment of internal and external auditors for the 2017-18 year and to recommend approval to the Board.	
4.	<p>APPOINTMENT OF CO-OPTED MEMBERS <i>Emily Thane left the meeting</i></p> <p>4.1 The Committee considered the appointment of external co-opted member Fran Johnson and noted that the Chair, the Clerk and the Vice Principal has met with Fran and that she had attended the risk management workshop session in May. The Committee considered the appointment of Emily Thane as an external co-opted member once her existing term as a governor ends on 31 July.</p> <p>4.2 RESOLVED: To approve the appointment of Fran Johnson and Emily Thane as co-opted members of the Committee from 1 August 2017 for a period of 3 years.</p>	
5.	<p>MINUTES AND MATTERS ARISING</p> <p>Part A of the minutes of the meeting held on 16 March 2017 were approved as a correct record and signed by the Chair. An update on gender reporting progress was provided.</p>	
6.	<p>HE AND FE/APPRENTICESHIPS SECTOR UPDATE</p> <p>6.1 Louise Tweedie presented a sector update covering HE and FE and she provided a reference handout in the meeting. A full discussion took place on the potential impact and risk associated with the areas covered and those present thanked Louise for a very useful update.</p> <p>6.2 The Clerk presented a briefing on the College insolvency regime and its impact on governor liability. Discussion followed, with a request for confirmation of the professional liability indemnity insurance cover to be provided outside the meeting.</p>	
7.	<p>EXTERNAL AUDIT REPORTS</p> <p>7.1 Sally Clarke, Mazars LLP presented the external audit draft strategy memorandum, including the draft engagement letter. She outlined the significant risks and key judgment areas planned for the 2016-17 year end audit.</p> <p>7.2 RESOLVED: To approve the external audit draft strategy memorandum and engagement letter and to recommend the same to the Board for approval.</p> <p>7.3 The Director of Finance and Resources presented the regularity self-assessment report. On discussion the reference to the whistleblowing investigation was explained and it was agreed to update the entry to ensure it is clear that this was not a whistleblowing allegation but that the College had decided to treat comments made in an exit interview under its whistleblowing policy to ensure a full investigation. Assurance was also given and would be included in the report that no wrongdoing was found and the exercise was useful in recommending some improvements to administration practice on internal verification. An internal audit on the processes has also been added to the internal audit plan for next year.</p>	<i>Meredydd David left the meeting</i>

7.4	RESOLVED: To approve the regularity self-assessment report to the Board, subject to the above update, for approval and signing by the Chair and Principal.	
8.	INTERNAL AUDIT REPORTS	
8.1	Louise Tweedie of RSM presented the following internal audit reports: Internal Audit Progress Report Follow up of Previous Internal Audit Management Actions Higher Education Funding Framework Report Examinations – Exam Support and Late Exam Registration Report Capital Projects and Estates Management Report Internal Audit Strategy 2016-17 – 2017-18 including the internal audit plan for 2017-18.	
8.2	The Director of Finance and Resources presented the Internal Audit Recommendation Tracking Report, showing implementation of recommendations is up to date.	
8.3	In the discussion on the internal audit reports, members took assurance that the reports all provided substantial assurance and in particular asked for thanks to be passed on to the Head of Property for the clean audit on capital projects and estates management. In discussion on the internal audit plan, members welcomed the steps taken to ensure the plan encompasses the College and DART limited in the areas of learner number systems: apprenticeship reform compliance, data protection compliance, cyber security control and internal verification processes. The Committee acknowledged that the inclusion of DART may increase the number of audit days slightly.	
8.4	RESOLVED: To approve the internal audit strategy and internal audit plan for 2017-18	
9.	RISK MANAGEMENT ANNUAL REPORT AND RISK REGISTER	
9.1	The Director of Finance and Resources and the Clerk presented the risk management annual report and the new approach to the risk register process, following on from the workshop session held at the May development day. Members welcomed the new approach and approved the annual report to be presented to the Board.	
9.2	RESOLVED: To approve the Risk Management Policy for 2017-18 and the Annual Report for 2016-17 and to recommend the same for approval to the Board.	
10.	IRREGULARITIES There were none reported.	
11.	SELF-ASSESSMENT OF THE COMMITTEE	
11.1	This Committee considered its performance in the context of the continuing significant amount of strategic work undertaken by the governing body in 2016/17 as a result of implementing the area review outcomes. It consider its performance	

11.2	<p>against its Terms of Reference in 2016/17 and reviewed the Terms of Reference for 2017-18. Auditors provided their input and suggested a couple of areas for improvement, such as asking risk owners to come and present to the Committee, thus enabling access to managers below senior level, providing a source of triangulation and assurance.</p> <p>RESOLVED: Recommend approval of the Terms of Reference unchanged for 2017-18 and compliant with the Joint Audit Code of Practice.</p>	
12.	<p>MATTERS TO REPORT TO THE BOARD</p> <p>Members agreed to recommend approval of</p> <ul style="list-style-type: none"> • the completion of Kingsley Fields resulting in the significant reduction in risk in relation to the delivery of the capital projects • Re-appointment of Auditors • Appointment of co-opted members • External Audit Strategy Memorandum and Engagement Letter • Internal Audit Strategy Memorandum and Internal Audit Plan for 2017-18 • College Regularity Self-Assessment report for 2016-17 • Annual Risk Management Report and Risk Management Policy for 2017-18 • Its Terms of Reference for 2017-18 (appendix 1) • To refer to the Finance and General Purposes Committee the oversight of business continuity planning for the farm post-Brexit. 	
13.	<p>ANY OTHER BUSINESS</p> <p>There was no other business reported.</p>	
14.	<p>DATE OF NEXT MEETING</p> <p>The date of the next meeting was confirmed as Thursday 30 November 2017 at 10am.</p>	

The meeting closed at 12.15pm. At the end of the meeting the Committee had the opportunity for discussion with Auditors without management present and took assurance that working relationships were effective and matters progressing well.

Signed:

Dated: