

SOLIHULL COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 14TH JUNE 2016 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS, starting at 5.30pm

PRESENT: John Bolt (Chair)
Keith Marriott
Tony Worth

IN ATTENDANCE: John Callaghan (Principal)
Lindsey Stewart (Deputy Principal)
Heather Evans (Vice Principal – Finance)
Pete Haynes (Vice Principal – HR and Student Services)
Beth Selwood (Vice Principal – Teaching, Learning and Assessment)
Sam Bromwich (Director of Risk, Control and Compliance)
Theresa Lynch (Clerk to the Corporation)

Louise Tweedie – RSM
Mark Dawson - KPMG

The meeting was initially inquorate, so item 4 Board Assurance Presentations was taken first, as the presentations were for information only. Tony Worth arrived at 5.35 and Keith Marriott arrived at 5.45. This meant that the meeting was no longer inquorate.

1. Membership

1.1 Apologies for Absence

Apologies for absence were received from Alex Palethorpe.

1.2 Declarations of Interest

No new declarations were received.

2. Minutes of the previous meetings and matters arising

The minutes of the meeting held on 1st March 2016 were **agreed** as a correct record and signed by the Chair.

3. Risk Reports

3.1 Strategic Risk Register

The Director of Risk, Control and Compliance presented the Strategic Risk Register.

RESOLVED to recommend approval of the Strategic Risk Register to Corporation.

3.3 Board Assurance Action Plan

The Director of Risk, Control and Compliance presented the Board Assurance Action Plan.

4. Board Assurance Presentations

Area 1 Quality of Teaching, Learning and Assessment

The Vice Principal Teaching, Learning and Assessment presented Board Assurance Area 1 Teaching, Learning and Assessment and noted that a key assurance element would be re-inspection. To date this assurance had been provided by the HMI, Russell Jordan and the support and challenge process that had taken place during 2015/16.

Area 2 Responsive Curriculum

The Deputy Principal presented Board Assurance Area 2 Responsive Curriculum and described assurances currently in place. It was noted that it was planned to conduct a stakeholder survey during 2016 to gather information about the College's responsiveness for the community stakeholders – discussion took place regarding what constituted a 'stakeholder' and it was noted that other colleges may be included and that the new combined authority would be considered.

Area 3 Safeguarding

The Vice Principal HR and Student Services presented Board Assurance Area 3 Safeguarding and described online safeguarding training that provided a test element that gave assurance of both compliance and engagement by staff. Discussion took place regarding health and safety processes and external assurance provided by the College's insurers.

5. Internal Audit Matters 2015/16

The Internal Audit Reports were received and it was **agreed** to consider in detail those reports with multiple medium recommendations. These included IT Strategy: Core Systems; Funding Compliance; and Framework for Compliance with Legal and Regulatory Requirements: Prevent.

5.1 Progress Report 2015/16

The Internal Auditor presented the report.

5.2 Key Financial Controls: Follow Up and Tendering

The Key Financial Controls: Follow Up and Tendering report was received.

5.3 IT Strategy: Core Systems

The Internal Auditor presented the report and discussion took place regarding the storage of College data on memory sticks and other data storage methods. It was noted that College Policy identified the need for all staff to save information on encrypted sticks – it was suggested in the report that the extent of risk regarding off-site storage of data be assessed and staff be reminded of the Policy requirements.

Q. What are the procedures for students saving work?

A. The issue relates to storage of College data rather than student work. Staff are required to use encrypted memory sticks and these are available from the College.

5.4 Funding Compliance

The Internal Auditor presented the report and explained the recommendations made. She noted that this audit had been in-year and often data is tidied up at the end of the year, so some of the issues would probably have been picked up by the College.

The Deputy Principal explained that the audit had been very useful in testing the new Student Records system (introduced in 2015) and provided good indicators of areas for

improvement prior to a possible funding audit.

Q. When will the College find out if a full funding audit is planned?

A. Usually SFA inform colleges towards the end of July each year. The audit would use the data submitted by 11th September 2016. This would incorporate the majority of achievements and final end of year data for the College.

5.5 Risk Management and Assurance

The Risk Management and Assurance report was received.

5.6 Competition and Markets Authority Compliance

The Competition and Markets Authority Compliance report was received.

5.7 Framework for Compliance with Legal and Regulatory Requirements: Prevent

The Internal Auditor presented the report and explained that a green assurance opinion had been given, partly because the College's implementation of this new area of government requirements was good, however, there were some further areas for improvement, which were being addressed. The audit had tested compliance with government guidance.

Discussion took place regarding WRAP training for staff and it was noted that further training would take place for new full and part time staff and there would be a focus on hourly paid staff to ensure all had had input relating to this important area. An online training package had now been developed by the Home Office and this would be used for hourly paid staff, in particular.

5.8 Follow Up

The Follow Up report was received.

5.9 Governance

The Clerk explained that the Governance Internal Audit report had been finalised. It was **agreed** that Committee members consider the report in more detail and submit any comments to the Clerk, prior to the report being submitted to Corporation on 5th July 2016.
ACTION.

6. Internal Audit Plan 2016/7

The Internal Auditor presented the report and explained that it provided a 3 year plan, although focussed on the audits for 2016/17. It was noted the Learner Number Systems audit would depend on whether a Funding Audit took place.

Q. Was there anything further relating to IT that needed to be included in the 2016/17 Plan?

A. It was not envisaged that IT required an immediate audit, although it was likely that one would be incorporated to the 2017/18 Plan.

RESOLVED to recommend approval of the Internal Audit Plan 2016/17 to the Corporation.

7. Policy Review – Fraud, Corruption and Bribery Report

The Clerk presented the Fraud, Corruption and Bribery Policy and it was noted that definitions had been updated and staff titles. The Policy had been reviewed by the College's auditors and the Legal Adviser and no further changes were suggested.

RESOLVED to recommend approval of the Fraud, Corruption and Bribery to the Corporation.

8. Value for Money Update Report

The Vice Principal Finance presented the termly Value for Money Report and discussion took place.

Q. How do you assess savings?

A. It depends on the activity, for example, when tendering it will relate to a comparison with the previous expenditure related to the successful quote. For single items, it might be to compare different prices received. It is difficult to assess and identify savings.

9. Ad Hoc Audit Reports

The Deputy Principal presented the report for information.

10. KPMG Financial Statements Audit Plan and Strategy for 2015/16

The FS Auditor presented the Audit Plan and Strategy for 2015/16 and confirmed that there were no significant audit risks identified. He explained that new accounting standards had been introduced that would mean that the financial statements would look different. The changes were being worked through for 2014/15 (which would be restated) and 2015/16 accounts. The main difference would be the treatment of capital grants. They would be treated as a creditor and this would have an effect on the income and expenditure statement. It was noted that the annual audit opinion would be based on the same principles as previous years.

Discussion took place regarding the testing of journal entries in the audit process.

RESOLVED to recommend approval of the Financial Statements Audit Plan and Strategy for 2015/16 to the Corporation.

11. Health and Safety Report and Policy Review

The Vice Principal Finance explained that the Health and Safety Termly report required consideration and the Policy to be reviewed. It was noted that no changes to the Policy were suggested. It was **agreed** that the Clerk would circulate the report and policy for comment and subject to responses the Health and Safety Policy would be submitted to Corporation for approval on 5th July 2016. **ACTION.**

12. Additional Audit Work

There was none to report

13. Management Report on the Implementation of Audit Recommendations

The contents of the Management Report on the Implementation of Audit Recommendations were noted for information.

14. Date of the Next Meeting

The date of the next meeting was scheduled for Monday 17th October 2016 at 6pm.

Signed Aufal Thorpe

Date 17 October 2016.