

SOLIHULL COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ANNUAL MEETING HELD ON 28th NOVEMBER 2016 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS, starting at 5.30pm

PRESENT: Alex Palethorpe (Chair)
Lucy Lee
Keith Marriott
Geraldine Swanton
Tony Worth

CORPORATION MEMBERS: Stan Baldwin
Scott Beasley
John Bolt
John Callaghan (Principal)
Mark Hayes
Joe Kelly

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

Louise Tweedie – RSM
Mike Rowley – KPMG *[arrived 5.50]*

NB: Agreed to take item 4.4 Financial Statements first on the agenda, due to the delayed arrival of the external auditor.

2. Membership

2.1 Apologies for Absence

There were apologies for absence from Jane Coleman.

2.2 Declarations of Interest

There were no new declarations of interest.

3. Minutes of the previous meetings and matters arising

The minutes of the meeting held on 17th October 2016 were **agreed** as a correct record and signed by the Chair.

4. Year End Audit Matters

4.1 Letter of Representation

The FSA Auditor presented the Letter of Representation and explained the content, which is derived from auditing standards, with changes relating to FRS102. Once signed the letter would be sent to KPMG to confirm that the Corporation had fulfilled its responsibilities.

RESOLVED to approve the contents of the Letter of Representation and agreed that it be signed by the Chair.

4.2 KPMG Management Letter

The Management Letter was presented by Mike Rowley, KPMG. He confirmed the positive outcome of the audit and explained that there had been 2 recommendations. He drew attention to KPMG's independence in the process and that there were no fraud risks identified. Discussion took place regarding the choices made by the College in relation to the introduction of FRS102 and the implications of this for the College's covenants.

Q. Would the recommendation relating to retrospective purchase orders be picked up through internal audit process?

A. Yes it would be included in the annual Key Financial Controls audit.

Thanks were expressed to the Finance Team for working well with KPMG and in obtaining a good audit outcome.

RESOLVED to receive and approve the KPMG Management letter for 2015/16.

4.3 Audit Committee Annual Report and Statement of the Accounting Officer

The Clerk presented the Audit Committee Annual Report and Statement of the Accounting Officer for 2015/16 and explained that it provided a review of the Audit Committee in relation to monitoring and managing internal controls, risk and governance.

RESOLVED to approve the contents of Audit Committee Annual Report and Statement of the Accounting Officer for 2015/16 and for it to be signed by the Chair of the Audit Committee and Principal, as Accounting Officer.

4.4 Financial Statements and Members' Report 2015/16

The Vice Principal Finance presented the Financial Statements and Members' Report for 2015/16 and explained that some minor amendments were required in relation to note 18, a statement regarding the pension deficit on page 6 and minor amendments to headings. Further, it was noted that a statement would be included regarding Lena Stockford and her contribution to the College. The final version would be circulated for information to all governors and signed by the Chair and Principal thereafter. **ACTION**.

The Audit Committee recommended the Financial Statements and Members' Report for 2015/16 for approval and confirmed that assurances had been adequate throughout the year and through the year end reports to provide Corporation with confidence to receive and approve the Financial Statements and Members' Report for 2015/16.

RESOLVED to approve the Financial Statements and Members' Report for 2015/16 by the Corporation, subject to the minor amendments agreed.

4.5 PMR July 2016

The July 2016 PMR was received in support of the year-end audit process.

4.6 Strategic Risk Register

The Strategic Risk Register that was approved on 2nd November 2016 was received in support of the year-end audit process.

4.7 Risk Management Annual Report 2015/16

The Risk Management Annual Report for 2015/16 that was approved on 2nd November 2016 was received in support of the year-end audit process.

4.8 Internal Auditors Annual Report 2015/16

The Internal Auditors Annual Report for 2015/16 that was approved on 2nd November 2016 was received in support of the year-end audit process.

5. Internal Audit Progress Report

The Internal Auditor presented that report and noted that the first audit was due to start on 29th November 2016.

6. Management Report on the Implementation of Audit Recommendations

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

7. Date of the Next Meeting

The date of the next meeting was scheduled for Monday 27th February 2017 at 6pm.

Signed: A. Pollock

Date: 27 February 2017