

SOLIHULL COLLEGE AND UNIVERSITY CENTRE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE MEETING HELD ON 16th OCTOBER 2017 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS

PRESENT: Lucy Lee(Chair)
Paul Large
Tony Worth

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

Louise Tweedie – RSM

1. Membership

1.1 Apologies for Absence

Apologies for absence were received from Geraldine Swanton, Liz Watson and Mark Dawson (KPMG).

1.2 Declarations of Interest

There were no new declarations of interest.

2. Minutes of the previous meetings and matters arising

The minutes of the meeting held on 12th June 2017 were agreed as a correct record and signed by the Chair.

3. Internal Audit

3.1 Internal Audit Annual Report 2016/17

The Internal Auditor presented the report and confirmed that the College has an adequate and effective framework for risk management, governance and internal control. This was the highest opinion and so represented a good outcome for the College. She explained that benchmarking data would be produced for the Spring term meeting that would provide comparative data for the sector.

Q. Why are there only 2 performance indicators in the report? Perhaps indicators relating to use of qualified/unqualified staff, timing of reports etc would be useful.

A. There are more than the 2 listed – they simply provide a sample to demonstrate satisfaction. Indicators relating to staff and reporting are included in the annual review of performance of the internal auditors.

It was noted that the Internal Auditors annual report was no longer submitted to the funding agency, rather the annual report of the Audit Committee and Accounting Officer would be formally submitted.

It was suggested that the Annual Report should include some further information regarding the recommendations made and actions taken. **ACTION.**

3.2 Progress Report – October 2017

The Internal Audit presented the report and explained that audits would start in December 2017.

4. Risk Management and Board Assurance Reports

4.1 Risk Management Annual Report 2016/17

The Director of Risk Control and Compliance presented the annual report.

Q. Would anticipate being able to interpret how dynamic the risk process is at the College from the annual report – how is this demonstrated?

A. The Risk Register is reviewed regularly and likelihood and impact are changed, as appropriate. New projects are risk assessed. Further, there have been a number of audits on risk and board assurance that provide a useful check on the accuracy of the Risk Register.

Discussion took place regarding the risk and board assurance processes and it was noted that there are number of new members to the Committee and that it may be useful to have a specific induction session to go through the processes and documentation. **ACTION.**

RESOLVED to recommend to the Corporation approval of the Risk Management Annual Report.

4.2 Risk Timetable 2017/18

The Director of Risk Control and Compliance presented the Risk Timetable for 2017/18.

4.3 Risk Management Strategy 2017/18

The Director of Risk Control and Compliance presented the Risk Management Strategy for 2017/18.

4.4 Risk Management Policy

The Director of Risk Control and Compliance presented the Risk Management Policy and explained that it had been reviewed and updated by the Risk Management Group.

RESOLVED to recommend to the Corporation approval of the Risk Management Policy.

4.5 Strategic Risk Register 2017/18

The Director of Risk Control and Compliance presented the Risk Register for 2017/18. It was noted that some dates required updating. **ACTION.**

4.5.1 ESF Project Risk Register - the contents of the ESF Project Risk Register were noted for information.

4.5.2 Merger with Stratford upon Avon College Risk Register - the contents of the Merger with Stratford upon Avon College Risk Register were noted for information. This Register related to pre-merger risks and the potential impact rather than post-merger risks which would be incorporated into the College's strategic risk register.

4.6 Board Assurance Framework

The Director of Risk Control and Compliance presented the report and explained that following internal audit recommendations the independent assurance now had a template format that included who, what, when and whether the assurance was positive to provide clarity around the extent of assurance provided.

4.7 Board Assurance Action Plan

The Director of Risk Control and Compliance presented the report providing a summary of the board assurance action in relation to mitigating any risks inherent within the Framework.

Q. Third party systems – what is in place for them?

A. There is a checklist of things that are expected to happen if the systems breaks down. RSM are going to validate some of the key third part systems for example, the payroll system.

4.8 On-going Board Assurance

The Director of Risk Control and Compliance presented the report and explained that it contained assurance provided through processes other than internal audit, for example, the College insurers had provided a review with recommendations to action.

Discussion took place regarding identifying the risk areas that required assurance and how this had come about in the past. It was noted that some occur due to external requirements and some are identified through the Board Assurance Framework review.

4.9 Discussion regarding presentation of Board Assurance Framework

The Director of Risk Control and Compliance explained the process that had previously happened in relation to presentations at each meeting for areas to identify where they had strong assurance. It was noted that this had been a useful process. It was agreed that the same presentation process be carried out with 2 or 3 presentations per meeting and where specific issues arose with regard to high profile areas these would be brought to the Committee as appropriate. **ACTION**

5. Health and Safety Annual Report

The Vice Principal Finance presented the report and provided an update on the College's approach to health and safety, including extra training for slips, trips and falls that seemed to have been effective, as numbers had reduced. It was noted that there were no trends in relation the small number of RIDDOR accidents. The number of near misses had reduced, but it was suggested that this was due to a decrease in reporting incidents. Policies were currently being harmonised with Stratford upon Avon College and processes would be co-ordinated. Reviews were taking place with regard to contractor/consultant policies and educational visits paperwork.

6. Insurance Annual Report

The Vice Principal Finance presented the report and explained that insurance premiums had reduced due to the sale of TGH. She explained that efforts were being made to establish whether UMAL was providing value for money, but this was providing very difficult to be able to obtain comparable information in a timely fashion, due to the requirements set by UMAL. It was agreed that Hettle Andrews carry out a free review of how their policies and premiums compare with the existing UMAL policies. This will provide some comparable information that will allow a decision to be made in the Spring about whether to continue with UMAL or to tender more widely to get further quotes.

Discussion took place regarding the service provided by UMAL and the difficulty in returning to them should the College decide to leave because they are a mutual and premium discount is accumulated over a period of time. It was noted that Oxford Brookes used UMAL and had found them to be cost effective.

Q. What will happen after merger?

A. It was hoped that the College would be able to get premiums back.

7. Ad Hoc Audit Reports

There were no ad hoc audits to report.

8. Additional Audit Work

This item was deemed confidential.

9. Extension of Appointment of Internal and External Auditors

This item was deemed confidential.

10. Draft Regularity Audit

The contents of the draft Regularity Audit questionnaire were noted for information.

11. Draft Report of the Audit Committee and Principal to the Corporation

The contents of the draft report of the Audit Committee and Principal to the Corporation were noted for information.

12. Management Report on the Implementation of Audit Recommendations

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

13. Date of the Next Meeting

The date of the next meeting was noted: Wednesday 29th November 2017, starting at 5.30pm.

Signed



Date

29 November 2017