

SOLIHULL COLLEGE AND UNIVERSITY CENTRE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ANNUAL MEETING HELD ON 26th NOVEMBER 2018 AT SOLIHULL COLLEGE, BLOSSOMFIELD CAMPUS, starting at 5.30pm

PRESENT: Lucy Lee (Chair)
Badri Gargeshnari (External)
Paul Large
Geraldine Swanton
Eric Wiles
Tony Worth (External)

CORPORATION MEMBERS: Stan Baldwin
John Bolt
John Callaghan (Principal)
Stevie Gray
Barbara Hughes
Sukhy Nijjar
Sally Tomlinson
Matthew Warburton (Staff)

IN ATTENDANCE: 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

Louise Tweedie – RSM
Harpreet Samra - RSM
Tony Felthouse – KPMG

2. Membership

2.1 Apologies for Absence

There were apologies for absence from Mark Hayes, Katie Higgins (Student), Pat Knauff and Sue Strawford.

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 22nd October 2018 were agreed as a correct record and signed by the Chair.

4. College KPIs and Annual Priorities Outturn 2017/18

The Principal presented the report and highlighted those outcomes that were red and amber, relating to attendance, GCSE maths and English, value added at level 3 and growth achieved in priority areas. It was noted that some dates required updating. **ACTION.**

Q. Is there anything that could be done in relation to the Governments need to use the levy before April 2019?

A. Procurement processes have to be undertaken and this can be a long process, but wherever possible apprenticeship work is being secured and a number of tenders have been submitted for

NHS work.

Q. Has any analysis been done to ascertain why some students move onto apprenticeships with other providers, rather than the College?

A. Students are advised to look at the College's website. Apprenticeships are applied for just like other jobs and ones like JLR are very attractive. It would be possible to carry out some analysis on destinations for students that go on to apprenticeships and present to the Corporation at a future meeting. **ACTION.**

Discussion took place about governor involvement and other ways to get involved than learning walks, for example linked governors. It was suggested that feedback be gathered from governors about what further involvement they would like in the College. **ACTION.**

5. Year End Audit Matters

5.1 Letter of Representation

The FSA Auditor presented the Letter of Representation and highlighted provisions relating to the Stratford upon Avon College merger and pensions.

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

5.2 KPMG Report to the Audit Committee

The KPMG Report to the Audit Committee was presented by the FSA Auditor and he thanked the College for their input during the audit. He explained audit findings including an outline of significant risks, confirming they were in line with risks across the sector. He outlined outstanding matters and noted that ESFA funding statements were about to be published. Actuarial assumptions for pensions were confirmed. The year-end financial surplus position was confirmed.

RESOLVED to receive and approve the KPMG Report to the Audit Committee for 2017/18.

5.3 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 2017/18 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 2017/18 and for it to be signed by the Chair of the Audit Committee and Principal, as Accounting Officer.

5.4 Strategic Risk Register and Board Assurance Plan

The Strategic Risk Register and Board Assurance Plan was presented and it was noted that it had been considered at the Audit Committee meeting on 22nd October 2018.

RESOLVED to receive and approve the Strategic Risk Register.

5.5 Risk Management Annual Report 2017/18

The Risk Management Annual Report for 2017/18 was presented and it was noted that it had been considered at the Audit Committee meeting on 22nd October 2018.

RESOLVED to receive and approve the Risk Management Annual Report for 2017/18.

5.6 Internal Auditors Annual Report 2017/18

The Internal Auditor presented the Annual Report for 2017/18 and confirmed that the College had an adequate and effective framework for risk management, governance and internal control. However, further enhancement to the framework had been identified during the year in relation to high priorities recommendations raised at Stratford upon Avon College that had now been addressed.

RESOLVED to receive and approve the Internal Auditors' Annual Report for 2017/18.

5.7 Financial Statements and Members' Report 2017/18

The Vice Principal Finance presented the key areas from the Financial Statements and Members' Report 2017/18. She confirmed that the Finance and Resources Expert Group had reviewed the Financial Statements and Members' Report in detail. It was noted that given the challenge of merger 2017/18 had been a good year.

The Corporation **RESOLVED** to approve the Financial Statements and Members' Report for 2017/18.

5.8 PMR July 2017

The July 2018 PMR was received in support of the year-end audit process.

5.9 Regularity Audit

The Regularity Audit was received in support of the year-end audit process.

6. Internal Audit Reports

6.1 Human Resources – Recruitment and Selection Controls

The Internal Auditor presented the HR internal audit report and noted that 2 medium priority recommendations had been made, in relation to interviewing processes and induction for casual staff. Overall substantial assurance was provided.

6.2 Progress Report

The Internal Auditor presented the report and confirmed the internal audit plan for the year.

6.3 Internal Audit Scope – Governance Dec 2018

The Internal Auditor presented the scope for the governance internal audit that will take place in December 2018. She explained that as the charity compliance guidance had not yet been published it had been decided to review compliance with Office for Students (OfS) requirements.

7. Policy Updates

7.1 Financial Regulations Review

The Vice Principal Finance presented the updated Financial Regulations and explained that minor amendments had been made following internal review and review by RSM and KPMG.

The Corporation **RESOLVED** to approve the Financial Regulations.

7.2 Data Protection Policy and GDPR Update

The Director of Risk, Control and Compliance presented the updated Data Protection Policy and explained that some further minor amendments had been made regarding process and consent requirements.

The Corporation **RESOLVED** to approve the Data Protection Policy.

7.3 Data Archiving and Retention Policy

The Director of Risk, Control and Compliance presented the Policy and noted that RSM had supported in updating the legal requirements and awarding bodies and HE conditions had been reviewed. The Policy was now being applied at Stratford upon Avon College too. It was noted that archived information was scanned by an external company and returned to College electronically, with original paper versions subsequently being destroyed.

During the Corporation meeting that followed the audit section of the meeting it was noted that keeping records for 6 years coincided with breach of contract claims and that a claim could be made at the end of the 6 year period, so to ensure a margin of protection it was suggested that this was changed to 7 years.

The Corporation **RESOLVED** to approve the Data Archiving and Retention Policy.

7.4 Formal College Records Retention Schedule

The Director of Risk, Control and Compliance presented the Formal College Records Retention Schedule.

The Corporation **RESOLVED** to approve the Formal College Records Retention Schedule.

8. Performance Review of the Internal Auditors during 2016/17 including Protocols

This item was deemed as confidential and the internal and external auditors left the meeting.

9. Additional Audit Work

This item was deemed as confidential and the internal and external auditors left the meeting.

10. Date of the Next Meeting

The date of the next meeting was scheduled for Wednesday 13th March 2018 at 5.30pm.

J Rho U