

Confirmed Minutes of the Audit Committee Meeting held on Thursday 11th June 2019 at 9.00am



carmel college

Present: Mr Andrew Jones (*Chair*)
Ms Tracy Mawson
Mr John McCormick

In attendance: Ms Louise Tweedie (*Risk Assurance Director, RSM UK*)
Mrs Michelle Williams (*Vice Principal, Strategy & Resources*)
Mrs Catherine Shaw (*Clerk to Governors*)

The Chair opened the meeting with the 'Carmel Vision Prayer.'

1. **DECLARATIONS OF INTEREST**

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter that formed part of the agenda for this meeting or was likely to be discussed at this meeting.

There were no declarations of interest made.

2. **APOLOGIES FOR ABSENCE**

Paul Rooney had submitted his apologies for absence. This was upon the advice of the Clerk, given Mr Rooney's current position as Acting Chair of Governors to ensure objectivity and independence. Apologies were accepted and the meeting was declared quorate.

3. **ITEMS FOR INCLUSION UNDER ANY OTHER BUSINESS**

There were no items submitted for inclusion under any other business.

4. **MINUTES OF THE PREVIOUS COMMITTEE MEETING HELD ON 4th APRIL 2019 (previously circulated)**

4.1 **Approval of the minutes**

The minutes of the previous meeting held on 4th April 2019 were **approved** as a true record of the meeting and signed in accordance with Article 12 (3) of the Instrument and Articles of Government.

The publication of the minutes was authorised in accordance with Article 13.

5. **MATTERS ARISING FROM THE MINUTES**

5.1 **To consider any matters arising from the minutes (previously circulated)**

The Committee **noted** the action log.

6. **RISK MANAGEMENT**

6.1 **Review of the Risk Register and Risk Management Action Plan (previously circulated)**

The Vice Principal highlighted the following information in her report:

- The full Risk Register for 2018/2019 had been considered by the Corporate Management Team (CMT), in its capacity as the Risk Management Team.
- The Risk Register was derived from the approved College Strategic Plan and was managed on an operational basis by the CMT.
- The scoring process for each risk was explained in accordance with the Risk Policy, which enabled the College to identify a concise, focussed list of risk factors and their effective management. There had been no change in risk scoring between March 2019 and June 2019.
- Contingent and significant risks arising from the priority list included: (i) Marketing and Liaison, (ii) Curriculum Offer and (iii) Maintaining financial stability.
- More explicit reference had been made to the marketing and recruitment of HE and FE students, as agreed at the previous Committee meeting.

A discussion ensued. In response to a question raised by a Governor, the Vice Principal confirmed the current position regarding 'days cash in hand' and re-iterated the healthy cash balances held by the College.

The Committee **approved** the Risk Management Action Plan.

7. COLLEGE MANAGEMENT REPORT

7.1 College update on previous recommendations and actions taken *(previously circulated)*

The Vice Principal provided comprehensive progress reports on all the recommendations made by the Internal Auditors in respect of previous audits.

The reports and associated commentary confirmed that the College had demonstrated very good progress in implementing the approved recommendations from previous audits.

The Committee **noted** the contents of the report.

8. REPORTS FROM INTERNAL AUDITORS

8.1 ICT Strategy Self-Assessment Assurance Review (SAR) *(previously circulated)*

Ms Tweedie presented this report and advised that the Internal Auditors were able to confirm that the College had an established framework in place for the ICT Strategy SAR actions to be progressed.

One management action of a medium priority nature had been included in the report. The Internal Audit opinion stated that taking account the issues identified, the Governing Body can take substantial assurance that the controls upon which the College relied to manage the identified risks were suitably designed and were being consistently applied.

A discussion ensued.

The Committee:

- **Noted** the contents of the report.

- **Approved** the recommendations contained therein.

8.2 **Health and Safety Framework** *(previously circulated)*

Ms Tweedie presented this report and advised that the Internal Auditors were able to confirm that the College had a control framework for managing its health and safety related activities. However, the Auditors had noted that some of the key processes needed reviewing/completing such as the formalised monitoring of risk assessment forms.

In total, seven management actions of a medium priority nature had been included in the report; six of a low priority nature and one of medium priority. The Internal Audit opinion stated that taking account the issues identified, the Governing Body can take reasonable assurance that the controls in place to manage this area were suitably designed and consistently applied. However, identified issues needed to be addressed in order to ensure that the control framework was effective in managing the identified areas.

A discussion ensued. In response to a question raised by a Governor, the Vice Principal confirmed that a standard risk assessment form was used across the College. Additionally, Mrs Williams advised that (i) the Health and Safety Policy was reviewed annually and (ii) staff training relating to health and safety was scheduled to take place at the start of the next academic year in August 2019.

The Committee:

- **Noted** the contents of the report.
- **Approved** the recommendations contained therein.

8.3 **Internal Audit Progress Report** *(previously circulated)*

Ms Tweedie reported that all internal audit work had been completed in accordance with the approved Internal Audit Plan 2018/2019.

The Committee **noted** the contents of the report.

9. **SECTOR UPDATE**

9.1 **Presentation by the Internal Auditor** *(previously circulated)*

The Committee considered the information that had previously been circulated. Ms Tweedie highlighted the sections that were relevant to Carmel as a Sixth Form College, which were:

- Insolvency Regime – became law in January 2019 and one College was currently subject to this process.
- Financial Management – the full Governing Body was collectively responsible for good financial management at the College, as opposed to a Finance Sub-Committee.
- Audit Committee Membership – must not include Staff Governors.
- Risk Management / Post 16 Audit Code of Practice and the introduction of anti-fraud strategies.

A discussion ensued, in which the Internal Auditor confirmed that fraud was defined within legislation, examples of which included theft of cash, data manipulation and cyber crime. In response to a question raised, the Vice

Principal advised that there was a robust policy in place should fraud be detected, though the College did not have an anti-fraud strategy, as referred to by the Internal Auditor in the sector update.

The Clerk confirmed that the terms of reference for the Audit Committee stated that staff governors were ineligible to be members. Additionally, the Clerk advised that in relation to financial management, the FE Commissioner's recent correspondence to all Colleges was an agenda item at the next Full Governing Body Meeting.

The Committee **noted** the contents of the report.

10. ANNUAL REVIEWS

10.1 Section 5.13 of the Financial Regulations 2018 – Fraud and Corruption Policy *(previously circulated)*

In compliance with this policy, the Vice Principal (Strategy and Resources) reported that there had been no instances of fraud discovered during the preceding twelve months. Subsequently, a nil report was submitted to the Committee.

The Committee **noted** the contents of the report.

10.2 Section 9.1 of the Financial Regulations 2018 – Whistleblowing Policy *(previously circulated)*

In compliance with this policy, the Clerk advised that no disclosures had been made to either the Chair of Governors or herself relating to alleged malpractice. Therefore, a nil report was submitted to the Committee in connection with the Whistleblowing Policy.

The Committee **noted** the contents of the report.

The Internal Auditor was thanked for her attendance and Ms Tweedie left the meeting.

11. FUTURE AGENDA ITEMS

11.1 To consider any future areas for discussion

In connection with agenda item 9.1, it was **agreed** that the College's Anti-Fraud Strategy was to be presented at a future meeting within 2019/2020.

Action: Clerk

12. ANNUAL AUDITOR REVIEW

12.1 Performance Review of RSM UK – Internal Audit Service *(previously circulated)*

This item was considered confidential for the purposes of the minutes.

12.2 Performance Review of Murray Smith LLP – Financial Statements and Regularity Audit Service *(previously circulated)*

This item was considered confidential for the purposes of the minutes.

13. APPOINTMENT OF AUDITORS

13.1 Appointment of External and Regulatory Auditors from 1st August 2019 to 31st July 2024 (previously circulated)

Given the commercial sensitivity of this agenda item, it was considered confidential for the purposes of the minutes.

13.2 Appointment of Internal Auditors from 1st August 2019 to 31st July 2024 (previously circulated)

Given the commercial sensitivity of this agenda item, it was considered confidential for the purposes of the minutes.

14. COMMITTEE KEY PERFORMANCE INDICATORS

14.1 Review (previously circulated)

The Clerk reported that to date all key performance indicators had been met.

The Committee **noted** the report, which had previously been circulated.

Action: Clerk

15. COMMITTEE TRAINING

15.1 Review

Following an agreed action at the full Governing Body meeting on 28th March 2017, the Committee Members were given an opportunity to suggest topics for forthcoming training sessions. A discussion took place.

The Clerk recommended the on-line training modules provided by the Education Training Foundation; details of which had previously been circulated via email.

The Committee **noted** the Clerk's suggestion.

16. ANY OTHER BUSINESS

None.

17. DATE OF NEXT MEETING

Tuesday 1st October 2019 at 9.00am

The Chair thanked all Members for their attendance and contribution.

The meeting was brought to a close at 9.45am.

Signed by the Chair:College File signed by Andrew Jones

On this day:1st October 2019