

**Minutes of the Meeting of the Audit Committee held on
1 March 2017 at 9.00 am in BT28, Flemingate, Beverley**

Committee Members: Lesley Archer, Business Member (in the Chair)
 Alex Denholm, Co-opted External Member
 John Winepress, Local Community Member

Also in Attendance: Derek Branton, Principal
 John Doris, Vice Principal, Finance & Resources
 Judi Smith, Finance Manager
 Helen Wooldridge, Director of Learner Services, Planning & Diversity
 Lesley Hill, East Coast Audit Consortium
 Debbie Watson, Grant Thornton UK LLP
 Janice Sunderland, Secretary to the Corporation

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1086	<u>APOLOGIES FOR ABSENCE</u> Apologies had been received from Neil Waterhouse, Business Member (Chair), Benita Jones, East Coast Audit Consortium and Katy Doherty, Grant Thornton UK LLP. Lesley Archer Chaired the meeting.		
1087	<u>DECLARATION OF INTEREST IN ANY OF THE ITEMS ON THIS AGENDA</u> The Chair reminded members of the Committee to declare at the start of the meeting interests held in any matters to be discussed. No interests were declared.		
1088	<u>MINUTES OF THE MEETING HELD ON 16 NOVEMBER 2017</u> The minutes of the meeting held on 16 November 2017 were confirmed as an accurate record and signed by the Chair.		
1089	<u>CONFIDENTIAL MINUTES OF THE MEETING HELD ON 16 NOVEMBER 2017</u> The confidential minutes of the meeting held on 16 November 2017 were amended to remove the word "Improper" from the heading Improper Revenue Recognition, page 1. With the agreed revision the minutes were confirmed as an accurate record and signed by the Chair.		
1090	<u>MATTERS ARISING</u> There were no matters arising that were not to be dealt with in the		

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business of the meeting.

1091 REPORT FROM THE MEETING OF THE BOARD OF THE CORPORATION HELD ON 7 DECEMBER 2016

The Secretary reported the Board received the minutes of the Audit Committee meeting held on 16 November 2016, noted the Annual Report of the Audit Committee 2015-2016 and approved the financial statements for 2015-2016 and the letter of representation.

ITEMS FOR APPROVAL

1092 VALUE FOR MONEY POLICY

Members considered minor revisions to the Value for Money Policy bringing the policy up-to-date with the latest JACoP.

Members APPROVED the revised policy.

1093 AUDIT TENDERS TIMETABLE

The Finance Manager presented the proposed timetable for both the external and internal audit services tenders. It was agreed that the Secretary to the Corporation would liaise with Members of the Committee to form an Audit Committee Panel for external and internal audit supplier presentations on 5 April and 10 May 2017 respectively.

Secretary

asap

It was confirmed that there would be a shortlist of approximately 3 suppliers for consideration at each Panel meeting.

The Committee APPROVED the proposed timetable.

ITEMS FOR INFORMATION

1094 INTERNAL AUDIT

Final reports

- Part-time hourly contracts
Lesley Hill explained that the review focused on the part-time hourly contracts put in place each year to meet curriculum needs and explained the objective of the review was to assess compliance with the procedures which the College had in place to determine how needs are identified and met, whilst costs were controlled.

It was reported that as a result of the audit, **limited assurance** was offered in respect of the control over expenditure on part-time hourly paid staff. Five recommendations had been made, 2 of which were deemed significant and 3 of which required attention.

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Members acknowledged the complexity involved with the use of part time contracts and the variety of reasons for the use of these ie to secure the right skills, manage capacity and cover staff absence and vacancies. Members also noted the ongoing work to train staff with the appropriate competencies to enable them to teach English and Maths and it was confirmed that the English and Maths timetables were drawn up to optimise class size and achievement given the related funding rules.

- **Learner achievements**

Lesley Hill reported that the overall objectives of the learner achievements review was to ensure that students' achievements were recorded accurately within the ILR and that they were reported to the senior management team and Corporation on a timely basis to inform the quality assurance process.

The audit report provided **substantial assurance** with one recommendation to reduce delays in capturing learner achievements which was being resolved through shorter course achievements being processed throughout the year.

- **Procurement and purchase ledger**

Lesley Hill reported that the objective of the review of procurement and purchase ledger systems was to ensure that adequate systems and procedures were in place to provide assurance that the College seeks to maximise value for money.

It was confirmed that work previously undertaken by the Procurement Officer role, which no longer existed in the College, was now undertaken through a combination of budget holders and the finance team.

From the audit work undertaken, **substantial assurance** was provided with five recommendations which required attention to strengthen some of the controls in place.

- **SFA sub-contracting controls**

In line with the SFA's guidance regarding providing external assurance on sub-contracting controls, the audit had been undertaken to provide assurance on the controls in place.

The results of the audit review were positive and provided **substantial assurance** on the controls in place. Three recommendations were made, one of which was significant and two which required attention. In response to the recommendation regarding the DSAT report it was confirmed that a credit note had been received from one of the sub-contractors.

Members noted that the Refectories report remained in draft and would be presented to the next Audit Committee.

Members NOTED the internal audit reports including the

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recommendations and management responses.

Internal Audit progress report to 1 March 2017

Lesley Hill presented the IA progress report confirming the work completed to date against the internal audit plan. She confirmed that the 75% of the plan was completed with three remaining reviews scheduled to be completed in March 2017.

Members NOTED the progress report.

Action plans from previous audits

The Finance Manager reported progress made on the recommended actions from previous audits. The Committee NOTED the status report.

1095 FUNDING AUDIT (ILR)

Verification of student records data – termly report

The Director of Learner Services, Planning and Diversity reported on the outcome of the DSAT reports confirming that of the 51 reports aimed at identifying potential data or funding errors, 22 of these reported no potential errors. She presented the issues which had been raised and confirmed that the vast majority had been investigated and found to be correct and detailed those issues which had required corrective action.

The Committee NOTED the findings of the DSAT's review and the corrective action taken.

Quality planning schedule – reporting of data return deadlines

The Director of Learner Services, Planning and Diversity confirmed that all data return deadlines since the last meeting had been met and outlined the returns due before the next meeting.

The Committee NOTED the report.

1096 TERMLY REPORT ON RISK MANAGEMENT – AUTUMN TERM 2016-2017

The Vice Principal, Finance and Resources presented the risk register for the autumn term 2016-2017. He confirmed that the register had been thoroughly reviewed and outlined the key changes which were:

- Downgrading of the risk relating to failure to take advantage of the opportunities arising from the Area Based Review.
- Upgrading of the risk relating to failing to change the curricula to take into account changes arising from the apprenticeship reforms.
- Reduced ranking of the risk relating to the adverse impact of pension cost increases which had recently been partly alleviated by a reduction in the employer contributions to the

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LGPS from 26% to 23% from 1 April 2017.

Members NOTED the report.

1097 ANNUAL REPORT ON SUB-CONTRACTOR ACTIVITY 2015-2016 (CONFIDENTIAL)

This item was recorded as a confidential minute.

1098 ACCOUNTABILITY REVIEW – ANNUAL REVIEW

The Vice Principal, Finance and Resources reminded members of the purpose of the Accountability Review which was introduced by the Skills Funding Agency (SFA) in April 2013. He confirmed that the College did not fall within any of the risk categories which would result in intervention by the SFA and would therefore not be placed on an Accountability Review schedule.

Although not a formal requirement, the Audit Committee had previously agreed that the Accountability Review Assurance Map would be updated annually in order to provide assurance on the adequacy and effectiveness of the College's arrangements.

Members considered the Assurance Map which had been thoroughly reviewed with no significant changes being made.

Members NOTED the annual review of the Accountability Review Assurance Map.

1099 CLOSE

There being no further business the Chair thanked those present for attending and closed the meeting at 9.55 am.

Janice Sunderland
Secretary to the Corporation

Signed as a correct record on 1/3/17 (Date)

.....  (Chair)

