

**Minutes of the Meeting of the Audit Committee held on
Wednesday 27 September 2017 at 9.00 am in Room BF27, Flemingate, Beverley**

Committee Members: Lesley Archer, Business Member
 Alex Denholm, Local Community Member
 Neil Waterhouse, Business Member (Chair)

Also in Attendance: Derek Branton, Principal
 John Doris, Vice Principal, Finance & Resources
 Helen Wooldridge, Director of Learner Services, Planning and Diversity
 Sue Kendall, East Coast Audit Consortium
 Richard Lewis, RSM UK Audit LLP
 Andrew McCulloch, TIAA
 Janice Sunderland, Secretary to the Corporation

Mln. No.		ACTION by whom	DATE by when
1117	<p><u>COMMITTEE CHAIR AND VICE CHAIR ARRANGEMENTS</u> It was confirmed that the Committee Chair for 2017-2018 would continue to be Neil Waterhouse and Vice Committee Chair would be Lesley Archer.</p>		
1118	<p><u>APOLOGIES FOR ABSENCE</u> Apologies were received from Kevin Hall, Local Authority Member and Adnan Bashir, Interim Finance Manager.</p>		
1119	<p><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.</p>		
1120	<p><u>MINUTES OF THE MEETING HELD ON 10 MAY 2017</u> The minutes of the meeting held on 10 May 2017 were confirmed as an accurate record and signed by the Chair.</p>		
1121	<p><u>CONFIDENTIAL MINUTES OF THE MEETING HELD ON 10 MAY 2017</u> The confidential minutes of the meeting held on 10 May 2017 were confirmed as an accurate record and signed by the Chair.</p>		
1122	<p><u>MATTERS ARISING</u> There were no matters arising.</p>		

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REPORT FROM THE MEETING OF THE BOARD OF THE CORPORATION HELD ON 12 JULY 2017

The Secretary reported that the unconfirmed minutes of the meeting held 10 May 2017 were presented to the Board of the Corporation at its meeting on 12 July 2017. The Board also approved the Committee's recommendations to appoint RSM as the College's external auditors and TIAA as the College's internal auditors.

ITEMS FOR INFORMATION

1124 INTERNAL AUDIT

a) Annual Internal Audit Service Report of East Coast Consortium – year ended 31 July 2017

Sue Kendall from East Coast Consortium presented the annual internal audit service report for the year ending 31 July 2017. She confirmed that, based on the work carried out at the College, ECAC provided an overall opinion on the adequacy and effectiveness of the College's risk management, control and governance processes of 'substantial' assurance.

The Committee noted the report.

b) Internal Audit Plan for 2017-2018

The Chair welcomed Andrew McCulloch from TIAA to the meeting. The internal audit plan for 2017-2018 was presented, outlining the standard performance measures, key contact information and the rolling strategic plan and annual plan for 2017-2018.

Members agreed the proposed internal audit plan reflected a balanced plan and it was noted that the plan would remain fluid with the ability to re-direct days if required.

The internal audit plan for 2017-2018 was noted.

c) Action Plans from Previous Audits – Rolling Update

The Vice Principal, Finance and Resources, outlined the progress being made noting good progress with many actions now completed. It was agreed that future updates would include any recommendations made by External Auditors.

The report was noted.

1125 FUNDING AUDIT (ILR)

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.

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The Committee acknowledged the complexities of the new funding and payment arrangements for Apprenticeships. The impact this would have on the year-end cash flow forecast was acknowledged.

The Committee NOTED the report.

1126 ANNUAL REVIEW OF RISK MANAGEMENT 2016-2017

The Vice Principal, Finance and Resources presented the Annual report for risk management 2016-2017 together with the risk register for the third term.

The Vice Principal, Finance and Resources reminded members that the Corporation was responsible for ensuring the effectiveness of internal controls and that the Corporation was advised by the Audit Committee in this respect. He added that the guidelines require the Board to review the previous year and examine the College's track record on risk management and internal control; and consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

Members considered the report and confirmed that the Committee would provide the Board of the Corporation with "reasonable assurance on the adequacy and effectiveness of the College's framework for governance, risk management and control." The Vice Principal, Finance & Resources confirmed that a statement to this effect would be made to the Corporation for its final determination.

It was agreed that some minor revisions would be made to the risk register prior to this being presented to the Board at its next meeting.

Members felt there would be benefit from further discussion regarding risk with the wider Board Members and it was agreed that risk management would be included on the agenda for the next Governor training event. It was also agreed that future Committee agendas would allow time for a "deep dive" into high risk areas identified on the risk register.

The Committee noted the risk management report.

1127 BOARD ASSURANCE : A TOOLKIT FOR FE COLLEGES

It was noted that 3 Governors had attended a recent training event held by RSM at which a board assurance toolkit had been shared. Members reflected on the current assurance map in place within the college and considered whether this remained adequate and fit for purpose.

It was agreed that the current arrangement should continue but that the next review would align the assurance map to the high level risk register.

It was also agreed that it would be beneficial for future Committee agendas to dedicate time to consider the assurance map with the

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aim of concentrating on a specific area, checking controls and assurances and to assess whether assurances continued to work effectively.

Members noted the Board Assurance toolkit and agreed to enhance the current assurance map to reflect best practice.

1128 CLOSE

There being no further business the Chair thanked those present for attending and closed the meeting at 9.45 am.

ACTION by whom	DATE by when
VP, F&R	28.2.18

J Sunderland, Secretary to the Corporation

Signed as a correct record on 22/10/17 (Date)

[Signature] (Chair)