

NOT FOR PUBLICATION

(Minutes numbered U17.08 (ii) and U17.12 (in part))

SANDWELL COLLEGE

Minutes of a Meeting of the Audit Committee
held on Tuesday 21st March 2017,
in the Room 6F/39, at Central Campus,
commencing at 8.00 a.m.

Present:-	Mr. A. Scott	(Independent)	(in the Chair)
	Mr. J. Britton	(Independent)	
	Mrs. R. Jenkins-Crutchley	(Independent)	
	Mr. M. J. Uddin	(Independent)	(part of meeting)

In Attendance:-

Mr. G. Pennington	Principal and Chief Executive	
Mr. D. Hawkins	Executive Director for Finance and Resources	
Ms. R. Pal	Director of Funding, Information Services and Exams	(part of meeting)
Ms. S. Shelton	PA to the Principal	
Mrs. K. Gentles	RSM – Internal Audit Service	
Mr. S. Turner	Grant Thornton – Financial Statements Auditors	(part of meeting)
Mr. W. Devitt	Grant Thornton – Financial Statements Auditors	(part of meeting)

U17.01 Appointment of a Clerk for the Meeting U17.01

The Chairman informed members that the Corporation Secretary was unable to attend the meeting. The Committee was asked to appoint one of its members as Clerk for the meeting and it was proposed and seconded that Mrs. Jenkins-Crutchley be appointed Clerk. This was unanimously agreed.

RESOLVED: that Mrs. Jenkins-Crutchley be appointed Clerk for this meeting of the Audit Committee.

U17.02 Welcome U17.02

The Chairman welcomed everyone to the meeting.

U17.03 Introductions to Grant Thornton – New Contact U17.03

The Chairman welcomed Mr. Turner and Mr. Devitt, from Grant Thornton the financial statements auditors, to the meeting. Mr. Devitt introduced himself and gave a brief employment background. Mr. Devitt confirmed that he would be taking over from Mr. Golding as the College's contact at Grant Thornton.

Messrs. Turner and Devitt left the meeting.

U17.04 Declarations of Interest U17.04

There were no declarations of interest.

U17.05 Apologies U17.05

Apologies were received from Mr. Mahmood and Ms Berry, Corporation Secretary.

Mr Uddin informed members that he would have to leave the meeting at 8.45 a.m.

U17.06 Minutes of the Meeting of the Audit Committee held on Tuesday 29th November 2016 U17.06

The minutes of the meeting of the Audit Committee held on Tuesday 29th November 2016 were approved for signature by the Chairman.

RESOLVED: that the minutes be approved.

U17.07 Matters Arising U17.07

i) Financial Year-End 2015/16 (Vide Minute U16.39)

Members were informed that the Board of Governors had approved the Committee's recommendations with regard to the financial year-end 2015/16. The Members' Report and Financial Statements had been signed by the Chairman, Principal and Financial Statements Auditors and submitted to the Skills Funding Agency (SFA) by its deadline of 31st December 2016.

ii) Appointment of Internal Audit Service and Financial Statements Auditors 2017/18 (Vide Minute U16.48)

Members were informed that the Board of Governors had approved the Committee's recommendations with regard to the appointment of the Internal Audit Service and the Financial Statements Auditors for 2017/18.

U17.08 Internal Audit Reports 2016/17 U17.08

i) Internal Audit Progress Report 2016/17

The internal auditor presented a report detailing progress against the Internal Audit Plan 2016/17.

RESOLVED: that the report be received.

(NFP) ii) NOT FOR PUBLICATION (NFP)

iii) SFA Annual Assurance Assignment - Subcontracting Controls 2016/17

The internal auditor presented a report detailing the outcome of the Subcontracting Controls Annual Assurance Assignment for 2016/17 as required by the SFA. It was stated that the findings had resulted in fewer actions than in the previous year. It was confirmed that the report did not have to be submitted to the SFA but that RSM and the College had to sign a certificate confirming that the work had been undertaken.

The Principal reported that additional quality controls continued to be implemented by the College.

It was agreed that, as this was an annual requirement by the SFA, this report should be incorporated into the contract with the internal audit service.

RESOLVED:

a) that the Subcontracting Controls Annual Assurance Assignment be incorporated into the contract with the internal audit service.

b) that the report be received.

U17.09 Progress on Implementation of Action Points arising from Sub-Contracting Controls Report 2015/16 U17.09

Members considered a report detailing progress in implementing action points arising from the Sub-Contracting Controls Report 2015/16. It was noted that the recommendations had been fully implemented and the number of recommendations arising in the current year had reduced.

RESOLVED: that the report be received

The Director of Funding, Information Services and Exams left the meeting.

U17.10 Further Education:- U17.10

i) Benchmarking Report 2015/16

The internal auditor presented the Internal Audit Service's Benchmarking Report for 2015/16 and confirmed that there were over 200 FE colleges, including sixth forms, included in the report.

It was stated that the comparisons were not easy to define as the reasons for the audits from each establishment differed, i.e. some colleges asked for problem areas to be audited in order for them to improve (which resulted in a high number actions being recommended), whereas other colleges used different criteria.

Members were asked to note that although the number of management actions in 2015/16 was higher than in the previous two years, the increase was in low priority areas.

RESOLVED: that the report be received.

ii) High Priority Management Actions

The internal auditor presented the High Priority Management Actions report for information. This report had been considered earlier in the meeting under agenda item 8.

RESOLVED: that the report be received.

U17.11 Register of Outstanding Internal Audit Recommendations U17.11

The Executive Director for Finance and Resources presented the Register of Outstanding Internal Audit Recommendations. Members were informed that as there had not been as many audits in the current year the number of recommendations was very low. Each Director and Head of Department had reviewed the recommendations and would be implementing the appropriate actions. An internal audit Follow-Up review would be undertaken in May 2017 to ensure all actions had been implemented.

It was agreed that any outstanding recommendations prior to April 2015 be investigated and confirmed as being superseded or completed.

RESOLVED:

- a) that a review of outstanding internal audit recommendations that arose prior to April 2015 be investigated and confirmed as being either superseded or completed.
- b) that the review of outstanding internal audit recommendations be received and noted.

Mr. Uddin left the meeting

- U17.12 Risk Management Report U17.12
- The Executive Director for Finance and Resources presented the Risk Management Report.
- (NFP) NOT FOR PUBLICATION (NFP)
- RESOLVED: that the report be received.
- U17.13 Post-16 Audit Code of Practice 2016-17 U17.13
Assurance and Accountability Requirements for Post-16 Providers
- The Chairman presented the Post-16 Audit Code of Practice 2016-17 which had replaced the Joint Audit Code of Practice. The Chairman highlighted that the two main changes to the Code were detailed in Section 6. There was also an updated list of regularity issues detailed in Annex C that needed to be considered when assessing compliance.
- RESOLVED: that the Committee receive and note the Post-16 Audit Code of Practice 2016/17.
- U17.14 Any Other Business U17.14
- There were no items of other business.
- U17.15 Determination of Confidential Items U17.15
- The Audit Committee agreed that discussions relating to agenda items 8 (ii) and 12 (in part) should be minuted confidentially.
- RESOLVED: that discussions relating to agenda items 8 (ii) and 12 (in part) be minuted confidentially.
- U17.16 Date of Next Meeting U17.16
- The next meeting was planned to take place on Tuesday 20th June 2017, commencing at 8.00 a.m., at Central Campus.
- The meeting terminated at 9.05 a.m.