

**Minutes of the Audit Committee Meeting held on  
Tuesday 5<sup>th</sup> March 2019 at 3.00pm**

**Present:** John Fell  
Terry Fleetwood (Acting Chair)  
Jim Turner  
Christine Bampton (observer)

**In Attendance:** Gareth Catterson – Clerk to the Corporation  
Patrick Clark - ICCA  
Eddie Green – Vice Principal Services  
Nicola Hurst – Director of Teaching & Learning and Sixth Form  
Caroline Jenkinson – Assistant Clerk to the Corporation  
Jesamine Kelly – Assistant Principal Curriculum & Quality  
Alison McDowell – Head of Personnel & Payroll

**Action**

**A.19.74 Item 1: Apologies for absence**

Apologies for absence were received from Mo Kundi (Chair), Richard Jacklin and Jonathan Creed (ICCA).

**A.19.75 Item 2: Declarations of Interest**

A standing declaration of interest was received from John Fell as he is married to the Chair of the Corporation.

**A.19.76 Item 3: Minutes of the Previous Meeting – 27<sup>th</sup> November 2018**

***The Board resolved to approve the minutes as an accurate record subject to the first sentence at paragraph 53 being removed.*** Clerk

**A.19.77 Item 4: Matters arising**

There were no matters arising.

**A.19.78 Item 5: Confidential Items**

No agenda items were considered to be confidential.

**A19.79 Item 6: Review of High Risks**

The report was presented by the Vice Principal Services.

Governors asked questions with regards to the IT systems and security which had, since the last meeting, been reassessed as High Risk and moved to the High Risk Action Plan. The Vice Principal Services stated that data back-up was currently undertaken in the Pennington Building, however, the intention was to move this to KGV and this was currently being worked towards. The process of restoring backed up data had been tested approximately 12 months ago and this, along with disaster recovery, was now a priority for testing.

A member requested that issues faced by potential students during IT system failures should be added to risk O3 and O4. The Vice Principal Services agreed to add.

The Vice Principal Services stated an internal audit of the IT Infrastructure was due to be undertaken by ICCA in May 2019. He confirmed the Director of IT had visited other colleges, including one of a similar size to our own, to see for himself how their IT infrastructures worked.

***The Committee resolved to accept the report and agreed the internal audit plan continued to provide the required levels of assurance.***

**A.19.80 Item 7(i): HE Growth Strategy**

Patrick Clark, ICCA, reported that the Committee could take reasonable assurance that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses. 2 'Medium' and 1 'Low' priority action had been identified.

The Chair asked about progress with regards to the separate micro-site within the HE Strategy. The Assistant Principal stated that this was included in the new College website specification. HE would have its own branded section on the main website which could also be accessed independently.

Governors raised concerns as to the level of analysis undertaken with regards to the Planning Assumptions and Sensitivities within the report. Patrick Clark, ICCA, reassured the committee that this area had been analysed in as much detail as possible and this had been reflected in the narrative and resultant recommended action as outlined in 3.2 of the report.

***The Committee resolved to accept the report.***

**A.19.81 Item 7(ii): HR and Performance Management**

Patrick Clark, ICCA, reported that the Committee could take reasonable assurance that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses. 2 'Medium' priority actions had been identified.

The Head of Personnel and Payroll stated the recommendations were currently being worked on. She confirmed appraisals would be uploaded to the College Self-Service System enabling HR to clearly identify which appraisals had been undertaken and which remained outstanding.

***The Committee resolved to accept the report.***

**A.19.82 Item 7(iii): Capital Project Management**

Patrick Clark, ICCA, reported that the Committee could take reasonable assurance that the areas of the control environment tested during the audit were designed and operating effectively with no significant weaknesses. 1 'Medium' priority action had been identified.

The Vice Principal Services stated the issue with regards to the RG 1<sup>st</sup> Floor remained unresolved and was an ongoing matter.

***The Committee resolved to accept the report.***

*The Assistant Principal Curriculum & Quality, the Director of Teaching & Learning and Sixth Form and the Head of Personnel and Payroll left the meeting at 3.35pm.*

**A.19.83 Item 8: Implementation of Audit Recommendations**

The Head of Finance introduced his paper showing action taken on outstanding Audit Recommendations since the committee's last meeting on 27<sup>th</sup> November 2018.

***The Committee resolved to accept the report.***

**A.19.84 Item 9: Whistleblowing and Fraud Policies**

The Vice Principal Services presented his report and policies which were last reviewed by the committee in March 2018.

**The Committee resolved that the Board be recommended to approve the Whistleblowing and Fraud Policies.**

**A.19.85 Item 10: Review of External Audit Performance Indicators**

The Vice Principal Services presented his report and stated the review had not found any areas of concern.

The Chair pointed out a minor typographical error with regards to two ticks in point 2 of Annex 1. The Vice Principal Services acknowledged this error and agreed to amend it to show one tick only, being in box 1.

**VP  
Services**

Governors questioned the continuity of staff employed by Wylie & Bissett on the external audit following the departure of the audit manager. The Vice Principal Services stated the auditors themselves try to ensure the continuity of staff involved and the same partner and field manager had been involved to date from audit tender to completion.

Governors queried the number of College staff involved in the external audit process and if it was the same people involved each time. The Vice Principal Services stated that with regards to external audits it will predominantly involve the same people, ie. Finance but will branch out to other areas as necessary eg Payroll/HR. A governor then queried which College staff Internal audit involved. Patrick Clark responded that for the recent round, the key personnel who had attended the audit meeting had been involved. A governor questioned whether this was to a sufficient level and whether findings should be tested on staff at a more operational level. Governors were reassured that although it was predominantly management staff that had been interviewed, assurance was taken from various other documents which noted the involvement of other members of staff (eg College Committee minutes and evidence of working practices etc).

The Vice Principal Services suggested ICCA provide further details in future reports with regards to the staff spoken to during the audit and the methods used to gain information, ie. interviews, desk research.

**Patrick  
Clark,  
ICCA**

***The Committee resolved to accept the report.***

Patrick Clark left the meeting at 3.45pm

**A.19.86 Item 10: External Audit Fees 2018/19**

The Vice Principal Services presented his report for the Committee to consider the audit fees for W&B for 2018/19.

Governors questioned the statement regarding additional fees being included in the 2017/18 charges at paragraph 3.2. The Vice Principal Services clarified that this had been a drafting error and although additional fees had been incurred in 2017/18 in relation to the KGV and merged accounts, these charges had not been included in the comparative figures in the table.

***The members present resolved to recommend to the Corporation:***

- **The appointment of Wylie & Bissett**
- **Accept their fee proposal**

**A.19.87 Date of Next Meeting**

Tuesday 25<sup>th</sup> June 2019 at 3.00pm, Southport College