



**PUBLIC  
MINUTES OF THE AUDIT COMMITTEE  
29 NOVEMBER 2018  
BOARDROOM, CHELTENHAM CAMPUS**

**Present:** Mr P Head (Chair) (External Board Member)  
Mr A Dover (Co-opted)  
Ms E Morrison (Co-opted)

**In Attendance:** Mr M Burgess Principal  
Mr A Bates Chief Financial Officer  
Mr S Lawrence Hazlewoods  
Ms J Carrington Hazlewoods  
Mr S Winter ICCA  
Ms J Cosson Clerk to Governors  
Mr W Abbott Chair of BRC (as an observer only to item 75)  
Ms T Burton Chair of GC Board (as an observer only to item 75)

**Apologies:** Ms K Randall (Co-opted)

**Attendance: 75%**

		<b>ACTION</b>
<b>PRELIMINARIES</b>		
<b>55/18</b>	<b>Opportunity for Private Business (including with Auditors)</b>	
	Members met with the Internal and External Auditors in the absence of the Executive. Members and Auditors confirmed that there were no matters of concern that they wished to raise with the Executive.	
<b>56/18</b>	<b>Apologies</b>	
	Were noted as above.	
<b>57/18</b>	<b>Declarations of Interest</b>	
	None, other than those standing declarations currently recorded on the Register of Interests.	
<b>58/18</b>	<b>Confidentiality of Items (C)</b>	
	As marked, due to their commercially sensitive nature, for a period of two years.	
<b>59/18</b>	<b>Minutes of the meeting of 2 October 2018</b>	



	The minutes of the meeting of 2 October 2018 were approved and signed as a true record by the Chair.	
<b>60/18</b>	<b>Matters Arising from the Minutes and Actions Matrix</b>	
	Members were provided with an Actions Matrix and noted the status of each item.	
<b>KEY BUSINESS</b>		
<b>61/18</b>	<b>External Audit Findings Report and Letter of Representation (C)</b>	
	<p>SL presented the Audit Findings Report on behalf of the External Auditors, Hazlewoods.</p> <p>SL confirmed that the audit had gone smoothly and to schedule. This was the second year of audit by Hazlewoods. Continuity of the audit partner and manager had been retained and their report was in a similar format to the previous year's report.</p> <p>SL highlighted the purpose of the report, the audit approach and materiality. The management points under Significant Risks were discussed.</p> <p>Members considered that it was as positive report. SL confirmed that he was happy with the disclosures in the Financial Statements and that the Auditors' opinion was unmodified.</p> <p><b>RESOLVED/ACTION: The Committee noted the External Audit Findings Report and approved it for recommendation to the Board. The Committee conveyed thanks to the College Finance team and the External Auditors for their work.</b></p> <p><i>SL and JC left the meeting at 5.45pm.</i></p>	<b>PH</b>
<b>62/18</b>	<b>Internal Audit: (C)</b> <ul style="list-style-type: none"> <li>• <b>Internal Audit Reports</b> <ul style="list-style-type: none"> <li>○ <b>Student Tracking</b></li> </ul> </li> <li>• <b>Annual Internal Audit Report</b></li> </ul>	
	<p>SW took the meeting through the one outstanding final report from last year - Student Tracking.</p> <p>SW presented the Annual Internal Audit Report. The report collated the results of all of the Internal Audit reports during the year and provided an overall assurance for the purposes of the Audit Committee Annual Assurance Report to the Board. The final assurance was a 'Reasonable Assurance' which is the highest grade possible. There were no high</p>	



	<p>level concerns or recommendations. The report could therefore be considered to provide a clean opinion and the Internal Auditors considered it had been a good year from their perspective. The Audit Committee's Annual Report makes reference to the opinion of the Internal Auditors.</p> <p><b>RESOLVED: The Committee noted the reports and approved the Annual Internal Audit Report for recommendation to the Board.</b></p>	PH
<b>63/18</b>	<b>Annual Risk Management Report and Review of Risk Register* (C)</b>	
	<p>AB presented the Annual Risk Management Report and Review of the Risk Register.</p> <p>The report provided a review of risk management activities in 2017/18 and an updated version of the College's Risk Register.</p> <p><b>RESOLVED/ACTION: Members noted the Risk Management Annual Report and review of the Risk Register and recommended the report to the Board.</b></p>	PH
<b>64/18</b>	<b>Annual Accountability Report including Annual Review of Register of Interests and Register of Gifts and Hospitality * (C)</b>	
	<p>The Committee considered the Annual Accountability Report for the financial year 2017/18 in the light of the Audit's Committee's responsibility to oversee the corporation's policies on fraud, irregularity and whistleblowing under the Post 16 ACOP.</p> <p><b>RESOLVED: The Committee noted the contents of the report, which were referred to in the Annual Audit Committee Report to the Board and in the Regularity Self-Assessment Questionnaire and assisted the Committee in providing their assurance to the Board.</b></p>	
<b>65/18</b>	<b>Regularity Self-Assessment Questionnaire* (C)</b>	
	<p>Members considered the draft completed Regularity Self-Assessment Questionnaire. This had been had been comprehensively reviewed by the Clerk and the Financial Controller the previous year. Members appreciated being shown the changes to the Questionnaire from last year's template and found the Regularity Self-Assessment a useful tool in providing evidence to demonstrate compliance.</p> <p><b>RESOLVED: The Committee approved the document for recommendation to the Board.</b></p>	PH
<b>66/18</b>	<b>Annual Report of Audit Committee to Board* (C)</b>	



	<p>The Committee recognised that it is required to provide an Annual Report to the Board to summarise its activities during the year. This is part of the process of providing the Board with its opinion on the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets.</p> <p>Members considered the draft report, which had been prepared by the Clerk on behalf of the Committee.</p> <p><b>RESOLVED: The Audit Committee Annual Report to the Board was approved for recommendation to the Board.</b></p>	PH
<b>ROUTINE BUSINESS</b>		
<b>67/18</b>	<b>Annual Report on Insurances (current policies/value of claims and outstanding claims/proposed renewals)* (C)</b>	
	<p>AB presented an annual report on insurances to include current policy information and claims history for the previous academic year.</p> <p><b>RESOLVED: The annual report on insurances was noted.</b></p>	
<b>68/18</b>	<b>Management Update on Reportable Events: fraud; litigation; grievances; whistleblowing; control weakness; data protection breaches* (C)</b>	
	<p>AB reported that no such matters had arisen since the last meeting.</p>	
<b>69/18</b>	<p><b>Approval of Policies*:</b></p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Receipt of Gifts and Hospitality</li> <li>• Anti-Bribery</li> <li>• Anti-Fraud and Corruption</li> <li>• Whistleblowing</li> </ul> <p><b>RESOLVED: Members reviewed and approved the above policies.</b></p>	
<b>70/18</b>	<b>Regulatory Developments*</b>	
	<p>JC provided an update on the following matters for information:</p> <ol style="list-style-type: none"> <li>1. Colleges Senior Staff Remuneration Code Consultation - Ended 23 November 2018</li> <li>2. Work Based Students And The Prevent Statutory Duty – Guidance For Providers September 2018</li> <li>3. College Insolvency Regulations Update</li> </ol>	



	<p>4. Adult Education Budget Devolution Update 5. Annual Report Of The FE Commissioner Published 6. New DfE College Governance Guide Published 7. New AoC Chair's Leadership Programme Launched 8. Governors' Development Programme Commissioned 9. DfE Appoints New NLGs</p> <p><b>RESOLVED/ACTION:</b> The Regulatory Update was noted.</p>	
<b>71/18</b>	<b>Key Items for GC Board</b>	
	The Key Items for Board report was completed noting the risks to be added/highlighted on the Risk Register.	
<b>OTHER</b>		
<b>72/18</b>	<b>Any Other Business</b>	
	None.	
<b>73/18</b>	<b>Date and time of next meeting</b>	
	5 March 2019 at 5.00pm, Cheltenham <i>SW left the meeting.</i>	
<b>MEMBERS ONLY ITEM</b>		
<b>74/18</b>	<b>Auditors:</b> <ul style="list-style-type: none"><li>• Review of performance of Auditors and KPIs for next year</li><li>• Review of appointment of Auditors for next year</li></ul>	
	<p>The Audit Code of Practice requires that the Audit Committee monitor the effectiveness of the College's Auditors.</p> <p>It was noted that a tender for Internal Audit had been carried out during the year and ICCA had been re-appointed in June 2018 for a 3-year term. Hazlewoods LLP had been appointed in December 2015 for a 5-year term.</p> <p>The Committee discussed the performance of the Auditors in their absence. The Executive confirmed that they were satisfied with the performance and standard of work of both Auditors.</p> <p><b>RESOLVED:</b> That the Committee recommend to the Board the re-appointment of ICCA and Hazlewoods as Internal Auditors and External Auditors respectively for the year 2017/18.</p>	<b>PH</b>



	<b>ACTION: The Committee agreed to review the assessment criteria for the performance of the Auditors for next year.</b>	JC
	<b>6.00pm JOINT MEETING WITH BRC TO REVIEW AND APPROVE FINANCIAL STATEMENTS FOR RECOMMENDATION TO BOARD</b>	
<b>75/18</b>	<b>Report from Audit Committee Meeting (C)</b>	
	<p>PH reported that the External Auditors had presented a positive report to the Audit Committee. No adverse or material findings had been reported and there was nothing that would cause the auditors to modify their opinion in the Financial Statements.</p> <p>The Internal Auditors had also presented a clean opinion, providing the highest form of assurance possible (Reasonable Assurance) concerning the work carried out during the year. All of their recommendations had been accepted and acted on by the College.</p> <p>PH confirmed that the Audit Committee was happy to recommend both reports to the Board.</p> <p><b>RESOLVED: The report from the Audit Committee meeting was noted.</b></p>	
<b>76/18</b>	<b>Recommendation of Draft Financial Statements and Letter of Representation: (C)</b>	
	<ul style="list-style-type: none"> <li>• GC</li> <li>• Subsidiary Companies</li> </ul>	
	<p>AB presented the draft Financial Statements of the College and the subsidiary companies for review by members. There had been no adjustments to the figures provided to the Auditors.</p> <p><b>RESOLVED/ACTION: Members were satisfied that the Financial Statements were in line with the Management Accounts and had been externally verified. The Committee approved the Financial Statements and the Letter of Representation for recommendation to the Board.</b></p>	PH/WA

Signed.....

*PH/Reut*

Date.....

*25/3/2018*