

PETROC™

Minutes of the Meeting of the Audit Committee held on 28th February 2017 at North Devon Campus

Present: Martyn Gimber (Chair), Jeff Andrew, Andrew Pierce and
Lindy Stacey

In attendance: Diane Dimond – Principal
Bill Blythe – Vice Principal Finance and Resources
Jane Barton – Assistant Principal, Corporate Services
Alastair Campbell – Internal Auditor, RSM (items 1-10)

Observer: Jenny Wallace

Clerk: Debbie Wright

1. Apologies for Absence and Membership

- 1.1 Apologies for absence were received from Kevin Finan, Mark Tibbert (co-opted member) and Richard Bott (Mazars, External Auditor)
- 1.2 The Chair welcomed Jenny Wallace as an observer and advised the Committee that she will be joining the Committee from 1st April 2017; when he and Andrew Pierce stand down from the Board.
- 1.3 The Committee discussed who will take on the role of Chair from 1st April 2017 and it was agreed that Jeff Andrew will take on the role for an interim period; and that the Vice Chair will be decided at the meeting being held on 27th June 2017.
- 1.4 The Chair advised on the need to consider the wider membership of the Audit Committee giving consideration to the skills of the new appointed Governors; and suggested that consideration be given to Iain Springate (who joins the Board from 1st April 2017) joining the Committee, due to his background and expertise in Internal Control and Risk Management.

2. Declaration of Interest

- 2.1 No declarations of pecuniary or non-pecuniary interests were made in respect of the items on the agenda.

3. Confidential Items

- 3.1 There were no items to be dealt with as confidential.

4. Minutes and Matters Arising

- 4.1 The minutes of the Audit Committee held on 29th November 2016 were confirmed as a true record and signed by the Chair.
- 4.2 Item 4 c) – The Vice Principal Finance and Resources provided an update to the Committee on the current position regarding Engage 4 Life and that the College is waiting for a response from the National Citizenship Service Trust to recent correspondence sent to them.
- 4.3 The Assistant Principal Corporate Services also confirmed the matter in relation to costs overruns on the Lifestyle kitchen have been dealt with.

5. Matters Brought Forward by the Chair

- 5.1 There was no business brought forward by the Chair.

6. Business Continuity Report

- 6.1 The Vice Principal Finance and Resources provided an update on progress with the Business Continuity Plan; advising that it is currently being reviewed to ensure that it provides clear procedures to be followed in the event of an emergency being declared.
- 6.2 The Committee were assured that the existing Business Continuity Plan is currently sufficient to operate with.
- 6.3 The Vice Principal Finance and Resources advised that a full simulation of the Business Continuity Plan is taking place in April to test the plan, based on an emergency situation scenario.
- 6.4 Following this the Business Continuity Plan will be updated to incorporate any learning points prior to approval at a future Audit Committee meeting.
- 6.5 The Committee noted that any strategic risks identified from the full simulation will be captured on the Risk Register.
- 6.6 The Vice Principal Finance and Resources agreed to provide feedback from the full simulation to the Committee at the next meeting.

7. Strategic Risk Monitoring and Board Assurance

- 7.1 The Assistant Principal Corporate Services presented the Dashboard which provides a summary of current Strategic Risks, risk categories, levels of assurance and current planned actions.
- 7.2 The Committee sought and were given assurance on how plans put in place will mitigate risk.

- 7.3 The Committee raised concerns regarding Risk No14 and were given assurance that risk owners will be meeting every half term to discuss and debate all risks. They will also review any risks for removal from or adding to the Risk Register for Audit Committee agreement. Additional time will be prioritised where it is felt that there is significant residual risk.
- 7.4 The Chair felt that the commentary could be smarter to given more assurance on accountability for each risk and timescales for action.
- 7.5 The Committee were assured that College Management have the appropriate controls in place to suitably mitigate its Strategic Risks.

8. Internal Audit Reports

- 8.1 The Committee received the Internal Audit Reports and noted that the outcome for the areas audited were as follows:
- Financial Controls – Purchase Ledger – substantial assurance with 7 low priority recommendations
 - Apprenticeship Reform – advisory audit with no action arising
- 8.2 The Internal Auditor advised that for the Financial Controls Audit the Committee can take assurance that everything is going well.
- 8.3 The Committee noted that the Financial Regulations have been reviewed to reflect the new structure and that the Vice Principal Finance and Resources will now undertake a complete review, reflecting sector practice due for presentation to Full Governing Body in July for approval.
- 8.4 The Internal Auditor advised that the Apprenticeship Reforms Audit concluded that there were no recommendations; noting that the College are working through the changes in the new standards, responding appropriately both as a provider and an employer.
- 8.5 The Committee requested a briefing for all Governors on the Apprenticeship Reforms and the Vice Principal Finance and Resources advised that this will be covered in the Finance and Funding Briefing scheduled prior to the April Full Governing Body meeting.
- 8.6 The Committee received the Progress Report which now includes a summary of high priority management accounts across the sector for information. These are mainly within funding and compliance; and show that the sector is robust in IT Security.

9. College Audit Monitoring Report

- 9.1 The Committee noted the progress made with audit actions. The number of actions completed in good time was further assurance of overall improvement in College processes and procedures.

10. Arrangements for Tendering for Internal Audit Service

- 10.1 The Vice Principal Finance and Resources presented the report outlining the intended approach to tendering for the Internal Audit Service.
- 10.2 The Committee gave approval to tender the Internal Audit Service for a three year period from the 1st August 2017; utilising the Crescent Purchasing Consortium (CPC) framework and following the timetable proposed.

11. Date of Next Meeting

The next meeting will be held on Tuesday 27th June 2017

The Principal thanked Martyn Gimber and Andrew Pierce for their contribution to the Audit Committee, as they are both standing down from the Board at the end of March 2017.

The meeting ended at 5.20pm