

GRANTHAM COLLEGE

Minutes of a meeting of the Audit Committee held on 15 June 2015 at 0900 hrs.

Present	Mike Argyle (Chairman)	Peter Mulley	Steve Welton
In Attendance	Amjad Ali (Baker Tilly)	Paul Deane (DP)	Ralph Devereux (Clerk)
	Anita Harrison (Mgt Acct)		
Apologies	Trudy Brothwell		

24/14 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

The apology was accepted. No notice had been received of any member becoming ineligible to hold office, the meeting was quorate and no interests had been declared.

25/14 MINUTES OF THE LAST MEETING

The Minutes of the meeting held on 23 March 2015 were confirmed and signed

26/14 MATTERS ARISING FROM THE MINUTES AND NOTIFICATION OF URGENT BUSINESS

- a. There were no matters arising from the minutes.
- b. There were no requests for urgent business.

27/14 RM UPDATE

As agreed, the RM Update included (For information) the minutes of the last Risk Management Group (RMG) meeting. The RMG had met 3 times during the year and had made changes to the Risk Register, highlighted in blue in the accompanying papers. Essentially:

- a. risks 3.8/4.8/4.11/5.3/6.3 had been upgraded to "Significant"; and
- b. risks 2.14/3.9 were duplicated and had been deleted;

The relatively high number of amendments reflected the changing influencing conditions. The Register was then considered generally and it was noted that 4.8 referred primarily to risks associated with capital rather than maintenance funding and 5.3 also implied failure to retain experienced staff.

The RMG had also amended the RM Action Plan to strengthen 6 mitigating actions and had included 4 new (Sub Risk) entries, which were still under consideration. The Committee noted and endorsed all of the changes and recommended them to the Corporation.

The information was noted, endorsed and recommended to the Corporation.

28/14 AUDIT FOLLOW UP REGISTER

The report was a summary of points raised by the IAS and previously considered by the committee, implementation dates had been colour coded for ease of reference, in addition to the familiar RAG rating, blue indicated "Not due in the next month"; the tabulated information was then considered and noted.

- a. Ref 4 prompted some discussion and the planned exercises were welcomed.
- b. Ref 3.3.5. had prompted the drafting of a new and improved procedure for the "Setting up of Supplier Accounts", which was approved for incorporation into the Financial Regulations for recommendation to the Corporation.

The Committee took comfort from the report which indicated good progress with no Red ratings.

- a. **The information was received.**
- b. **The revised setting up process was approved for inclusion in the Financial Procedures.**

29/14 INTERNAL AUDIT REPORTS

- a. Key Financial Controls (2.14/15). The Executive Summary including the objective and the associated risk for the audit testing was scrutinised and explained. The scope of the review was studied to contextualise the “Green” assessment, which indicated that considerable assurance could be taken that controls to manage the risk were suitably designed and consistently applied and effective. One Low and One medium category (Design) recommendations had been made, the latter relating to Fidelity Guarantee Insurance cover. The recommendations had been accepted with responsibilities allocated and implementation dates identified; appropriate management input supplemented the comments in the Report which was received.
- b. Governance (3.14/15). The Executive Summary including the objective and the associated risk for the audit testing was scrutinised and explained. The scope of the review was studied to contextualise the “Green” assessment which indicated that considerable assurance could be taken that controls to manage the risk were suitably designed and consistently applied and effective. One low/medium category (application) recommendation had been made relating to some detail in the Instrument and Articles. The recommendation had been accepted, responsibility had been allocated and implementation dates identified; appropriate management input supplemented the comments in the Report which was received.
- c. Marketing (4.14/15) The Executive Summary including the objective and the associated risk for the audit testing was scrutinised and explained. The scope of the review was studied to contextualise the “Green” assessment, which indicated that considerable assurance could be taken that controls to manage the risk were suitably designed and consistently applied and effective. One Low category (Design) recommendation had been made. The recommendation had been accepted with responsibilities allocated and implementation dates identified; appropriate management input supplemented the comments in the Report which was received.
- d. Funding (5.14/15) The Executive Summary including the objective and the associated risk for the audit testing was scrutinised and explained. The scope of the review was studied to contextualise the “Green” assessment, which indicated that considerable assurance could be taken that controls to manage the risk were suitably designed and consistently applied and effective. Two medium category (Application) recommendations had been made relating to hours for study programmes, a recent change from the Funding Agencies. The recommendations were accepted with responsibilities allocated and implementation dates identified; appropriate management input supplemented the comments in the Report which was received.
- e. 24+ Learning Loans (7.14/15) The Executive Summary including the objective and the associated risk for the audit testing was scrutinised and explained. The scope of the review was studied to contextualise the “Green” assessment, which indicated that considerable assurance could be taken that controls to manage the risk were suitably designed and consistently applied and effective. One medium category (Application) recommendation had been made relating to recording of student absence, the introduction of 24+loans was another recent change from the Funding Agencies. The recommendations were accepted with responsibilities allocated and implementation dates identified; appropriate management input supplemented the comments in the Report which was received.

The Committee took comfort from the generally positive tone of the Reports, which reflected well on those responsible; particularly pleasing was the clearly robust procedures associated with the recently introduced changes to Study Programme Planned Hours and 24+ loans.

The information was received.

30/14 INTERNAL AUDIT PROGRESS REPORT

- a. The one remaining report (Learner Numbers) would be finalised shortly and presented to the next Committee meeting planned for November; it was likely that the Assessment would be “Green”. The IAS Annual Report would also be presented to that meeting.
- b. Involvement with the world wide group “RMS” had required that Baker Tilly had changed the firm’s name to RMS wef 1 October.

- c. Planning for the IAS Strategy for the coming year would start shortly and requests for inclusion should be passed to the DP.

The information was received.

31/14 EXTERNAL AUDIT PLANNING MEMO

The external audit Planning memorandum was discussed page by page. The external audit strategy and timings were fully detailed, explained and noted; 3 processes, the AFS, Regularity and the TPA audits, were involved and the fee would include all 3 as well as for the preparation of the AFS. The AFS would be presented in December and any adjustments to the audited accounts would then be fully explained. The quoted fee (Page 13) at £13,150k was recommended to the Corporation.

a. The Information was received and recommended to the Corporation.

b. The fee was recommended to the Corporation.

32/14 IMPACT ON STUDENTS

The upgrading of impact and improvements to the RM Action plan would enhance student safety and the maintenance of a sound financial and audit regime, evidenced by the strong and positive IAS Reports, would ensure appropriate use of resources and enable effective provision.

33/14 URGENT BUSINESS

There had been no urgent business requested.

34/14 DATE OF NEXT MEETING

The provisional date for the next meeting was 16 November 2015 (Joint with Finance Committee).