

GRANTHAM COLLEGE

Minutes of a meeting of the Audit Committee held on 13 June 2016 at 0900 hrs.

Present	Mike Argyle (Chairman)	Des McHugh	Steve Welton
In Attendance	Amjad Ali (RSM)	Paul Deane (DP)	Ralph Devereux (Clerk)
	Anita Harrison (Mgt Acct)		

24/15 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

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

25/15 MINUTES OF THE LAST MEETING

The Minutes of the meeting held on 29 February 2016 were confirmed and signed

26/15 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.

27/15 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. The Register was then considered generally. 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.

28/15 AUDIT FOLLOW UP REGISTER

The exclusion 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. Ref 4 prompted some discussion and the planned exercises through the Summer were welcomed. The Committee took comfort from the report which indicated good progress with no red ratings.

The information was received.

29/15 INTERNAL AUDIT REPORTS

- a. Confidential Report. A letter had been received from the SFA relating to the recent investigation into a subcontractor; the letter stressed the necessity for rigorous compliance with the SFA Funding Rules. Although the College had not been directly criticised some necessary lessons had been learned through the experience; after discussion it was agreed that the findings should be passed to the Police for consideration and a press statement should be drawn together as a contingency.
- b. Fieldwork Reports. There were 3 fieldwork reports and the "follow ups" to consider; the scope, approach, risk and objectives of the testing of each had been detailed by the IAS in the documents; Green assurance had been given to all reports indicating that the Corporation could take **substantial** assurance that the controls upon which the organisation relied to manage the associated risks were suitably designed, consistently applied and effective. Each Report was then individually considered and discussed.
 - (i) Actions Tracking. (01.15/16). There had been a total of 14 (7 Medium and 7 Low) agreed actions consequent to the 2014.15 IAS Plan; of these 12 had been fully implemented,

one was in progress and one had been superseded. The IAS assessment of "Good" progress was welcomed.

- (ii) Safeguarding (2.15/16). One low grade recommendation had been made and been agreed with the date for implementation identified and responsibility allocated.
- (iii) Payroll (3. 15/16). One medium (Payroll Confirmation) and 2 low grade recommendations had been made and been agreed with dates for implementation identified and responsibility allocated.
- (iv) Key Financial Controls (Income and Debtors) Four low grade recommendations had been made and been agreed with dates for implementation identified and responsibility allocated. It was agreed to check the threshold for Corporation approval of asset write offs.

The Committee took comfort from what was unanimously agreed as a good set of reports and they were commended to the Corporation.

- c. Progress Report. The Internal Audit Plan for 2015/16 had been approved in July 2015 and allowed for 6 Assignments including the Follow Up. Four assignments had been completed in final and had been considered above, the remaining fieldwork dates had been earmarked. No difficulties were anticipated in completion of the Plan to schedule.
- d. Audit Strategy and Plan. 2016/17. The Internal Audit Strategy (2016-19) and Internal Audit Plan (2016/17) would be completed after joint discussions between the IAS/DoF. The plan would be influenced by work completed in the current year and consideration of the latest risk assessment. It would be presented to the next AC meeting.

- a. **The information was received.**
- b. **IAS Reports were recommended to the Corporation.**

30/15 EXTERNAL AUDIT PLANNING MEMO

The External Audit Approach plan for audit of the annual financial statements (AFS) together with the Regularity and Teachers' Pension Agency (TPA) audits and a once off consideration of the changed FRS 102 requirements. A bespoke plan for completion had been determined with a clear and manageable mutually agreed timetable (P7), which would be finalised after the Corporation Schedule had been approved. The process would allow Committee consideration in November and the Corporation in December 2016. The key audit risks were detailed (P8 on), all were considered individually and the approach and response to each was explained; the detail would be fully compliant with the new SORP requirements and approved by the Corporation. The plan was recommended to the Corporation for approval at a fee of £14,710+VAT. It was agreed that the fee would be challenged, the FRS 102 was considered fair but the remainder appeared to be higher than agreed; notwithstanding the plan and associated fee (possibly as amended) was recommended to the Corporation.

- a. **The information was received.**
- b. **The External Audit Plan and associated fee were recommended to the Corporation.**

31/15 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.

32/15 URGENT BUSINESS

There had been no urgent business requested.

33/15 DATE OF NEXT MEETING

The provisional date for the next meeting was tbd (Joint with Finance Committee).