

## GRANTHAM COLLEGE

Minutes of a meeting of the Audit Committee held on 4 July 2017 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)		

### 24/16 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.

### 25/16 MINUTES OF THE LAST MEETING

The Minutes of the meeting held on 28 February 2017 were confirmed and signed

### 26/16 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.

### 27/16 RM UPDATE

As agreed, the RM Update included the minutes of the last Risk Management Group (RMG) meeting. The RMG had met 3 times during the year, together with a special meeting, and made changes to the Risk Register (RR), which had been listed in the Minutes and highlighted in yellow in the attached document; each was considered in turn. The Register was then considered generally, it was agreed to revisit the "Equal Pay calculation (5.10) (**Action 1**) and assurance was given that influencing issues that had prompted updating of 4.5 had now been resolved. 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.**

### 28/16 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. The Committee took comfort from the report which indicated good progress with no red ratings.

**The information was received.**

### 29/16 INTERNAL AUDIT REPORTS

The Internal Audit Service (IAS) had recently been the subject of an External Quality Assessment (EQA) in line with the Institute of Internal Auditors (IIA) professional practice framework and had been graded as having an excellent level of conformance.

- a. Fieldwork Reports. There were 4 fieldwork reports and the "follow ups" to consider; the final report (Staff Utilisation) would be circulated to all members when received and considered at the next AC meeting. (**Action 2**) The scope, approach, risk and

objectives of each report had been detailed by the IAS in the documents, each was then individually considered and discussed.

- (i) Governance (1.16/17). Green assurance had been given, 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. One low grade recommendation had been made and been agreed with the date for implementation identified and responsibility allocated.
- (ii) Actions Tracking. (02.16/17). There had been a total of 17 (4 Medium and 13 Low) agreed actions consequent to the 2015.16 IAS Plan; of these 9 had been fully implemented, 4 were in progress, 2 had not been implemented, one was not yet due and one had been superseded. The IAS assessment of “reasonable” progress was noted and the Committee also noted that in some cases sufficient priority had not been allocated; assurance was sought and received that this would receive attention. **(Action 3)**
- (iii) Sub-contracting. Green assurance had been given, 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. One “Medium” (Documentation) and I “Low” Grade recommendations had been made and been agreed with the dates for implementation identified and responsibility allocated. It was noted that the mandatory Sub-contracting Control Certificate had been signed and submitted on 9 May 2017.
- (iv) Key Financial Controls (Financial Management) (03.16/17) Amber/Green assurance had been given, indicating that the Corporation could take **reasonable** assurance that the controls in place to manage this area were suitably designed and consistently applied. However, issues had been identified and needed to be addressed in order to ensure that the control framework is effective in managing the identified area. Three medium (Financial Regulations and Treasury Management approvals and Bank Reconciliations), and one low grade recommendations had been made and been agreed with dates for implementation and responsibility allocated.
- (v) Capital Projects (04.16/17). Green assurance had been given, 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. Two medium (Financial Order Raising, number of quotes), and 2 low grade recommendations had been made and been agreed with dates for implementation and responsibility allocated.

The Committee took comfort from the reports and they were commended to the Corporation.

- b. Audit Strategy and Plan. 2017/18. The Internal Audit Strategy (2016-19) and Internal Audit Plan (2017/18) 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 and would be presented to the next AC meeting. **(Action 4)**

a. **The information was received.**

b. **IAS Reports were recommended to the Corporation.**

### 30/16 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. The process would allow Committee consideration in time for the Corporation in December 2017. 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 SORP requirements and approved by the Corporation. The plan was recommended to the Corporation for approval at a fee of £13,600+VAT, (reduced from the original after discussion). The plan and associated fee was recommended to the Corporation. **(Action 5)**

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

### 31/16 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.

### 32/16 URGENT BUSINESS

There had been no urgent business requested.

### 33/16 DATE OF NEXT MEETING

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

Action Table		Resp	Date
<b>Action 1</b>	27/16. Risk 5.10 calculations to be checked.	PD	asap
<b>Action 2</b>	29/16a. Staff Utilisation IAS Report to be circulated to members.		
<b>Action 3</b>	29/16a (ii). Resolution of outstanding actions.		
<b>Action 4</b>	29/16b. IAS Plan 2017/18 to next AC Meeting.		
<b>Action 5</b>	30/16. Ext Audit Plan recommended to Corporation.		