

**GRANTHAM COLLEGE  
AUDIT COMMITTEE MEETING**

**Minutes of the Meeting held on 27 February 2019, 17.30  
Corporation Meeting Room, Grantham College**

**Present:**

Mr M Argyle	Audit Committee Chairman / Lay Member
Ms N Skins	General Member (from agenda item AC/19/106)
Mr S Welton	General Member

**In Attendance:**

Mr P Deane	Principal & Chief Executive
Mrs A Harrison	Director of Finance
Mr C Williams	Senior Manager, RSM
Mrs J Taylor-Holmes	Clerk

*Agenda: There were no changes to the agenda.*

	<b>AC/19/101 - Apologies for absence</b>	
1	Apologies were received from; Mrs T Hood, Lay Member Mr B Slater, General Member	
	<b>AC/19/102 – Confirmation of eligibility, quorum and declarations of interest</b>	
2	No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and there were no declarations of interest in agenda items.	
	<b>AC/19/103– Minutes of the previous meeting on 28 November 2018</b>	
3	<b>The minutes of the previous joint Audit and Finance Committee meeting held on 28 November 2018 were approved as a true and accurate record.</b>	
4	There was no urgent business notified.	
	<b>AC/19/104 - Matters Arising</b>	
5	It was noted that the action arising from agenda item AFC/18/107 had been reviewed by the Risk Management Group, the minutes of which were on the agenda for consideration.	
6	The Finance Committee Terms of Reference had been deferred and would be considered at the Corporation Board meeting on 13 March 2019.	

7	All further matters arising from the previous meeting were complete.	
8	<b>AC/19/105 Audit Follow Up Register</b> Mrs A Harrison, Director of Finance presented the Audit Follow Up Register which provided an update on action taken against recommendations received in previous audits.	
9	Committee members noted the colour coding applied to the report.	
10	Mrs Harrison explained that all actions in relation to the Apprenticeship Framework had been completed, similarly, all actions in relation to Accommodation had been completed. Although the Ofsted monitoring visit had been expected within six months of the original inspection, this had not been undertaken yet.	
11	In relation to the GDPR work undertaken by RSM, there remained some ongoing matters. It was noted that this was not a formal audit but advisory work.	
12	Committee members commented on the positive response to completion of follow up and the pleasing progress.	
13	<b>The Committee received the Register of Audit follow up points.</b>	
14	<b>AC/19/106 Risk Management Update</b> Mrs Harrison presented the Risk Management Update.	
15	Mrs Harrison provided the minutes of the Risk Management Group meeting held on 12 February 2019, the current risk register and the risk management action plan.	
16	Mrs Harrison confirmed that all risks on the risk register had been reviewed, changes were highlighted within the register. Risk 3.5 had been reviewed by the Group as recommended at the last Audit Committee meeting and it was agreed that the risk would remain rated as housekeeping.	
17	Mrs Harrison confirmed that all finance staff had received training on anti-bribery and fraud.	
18	The risk register had been updated to include the new strategic objectives.	
19	Risk 6.5 had been amended to reference 'during college's hours of business' to ensure that this was covered	

	throughout College opening hours.	
20	In relation to the risk around pension scheme contributions. Mr Deane confirmed that following the TPS consultation, from September 2019, employer contributions would increase to 23.68% from 16.48%. This would increase pension contributions by approximately £150,000 per annum. There had been confirmation that the increase would be funded in the first year however, in future years, the College would be responsible for funding the increase. Indications suggested that the LGPS contribution would remain at 21%.	
21	In relation to the risk around expertise and staff in IT, engineering and construction, Mrs Harrison explained that HR had been supporting recruitment in this area through attending recruitment fairs.	
22	Committee members discussed the risk of cyber fraud and members recounted recent cases and the circumstances by which cyber fraud had been successful in local business. The threat of how phone calls, changes to phone numbers and links within emails was discussed which can form part of establishing a future fraud. The implications of a cyber threat went beyond financial and there could be reputational risks if sensitive data was disclosed.	
23	Mr Deane explained that there would be random testing to support staff identify any training needs.	
24	<b>The Committee received the Risk Management Report.</b>	
	<b>AC/19/107 Internal Audit Reports</b>	
25	Mr C Williams, Senior Manager RSM explained that there had been one Internal Audit Reports completed since the last meeting, the report was provided to the Committee; Health and Safety. The aim of the audit had been to provide assurance around the robustness of the Health and Safety framework.	
26	Mr Williams explained that partial assurance had been provided in relation to the review.	
27	Mr Deane explained that the audit had been brought forward to ensure that this was completed before the Health and Safety Manager had left the College with the aim to provide support to the new Health and Safety Advisor.	
28	The post had been recruited to and the new Health and Safety Advisor was due to start in the coming weeks.	

29	Of the recommendations provided, there were no high priority recommendations. Six medium priority and four low priority recommendations had been identified.	<b>Action: Mr Deane June 2019</b>
30	The recommendations were discussed with Committee members and management responses had been positive with some of the actions already completed and the rest to be completed by the end of June 2019.	
31	Mr Deane confirmed that there were no areas of high risk identified such as relating to the provision of protective clothing or any issues identified which may impact on the expected Ofsted re-inspection of accommodation.	
32	Governors suggested that progress against completion of mandatory training might be linked to the probationary review of new employees. This could then be re-checked as part of the six monthly review. This would be considered.	
33	Mr Deane explained that the Senior Leadership Team had agreed to undertake a review of the training to assess which Health and Safety modules should be mandatory and which should be optional. Mr Deane explained that the smartlog system was a new online system in relation to health and safety training.	
34	<b>Committee members received the Internal Audit report.</b>	
<b>AC/19/108 Relevant Sector information</b>		<b>Action: Clerk June 2019</b>
35	It was agreed that this would be brought up the agenda as a standing item.	
36	Mrs Harrison explained that the information and guidance in relation to the Insolvency Regime had also been provided to all finance staff.	
37	Governors noted the importance of monitoring cashflow and noted that this had always been monitored but was now in the new Finance dashboard.	
38	Governors also discussed the potential risk of discouraging governors to become governors due to the new insolvency regime.	
39	It was noted that the FE Commissioner intervention reports could be accessed via the link within the paper.	
40	<b>Committee members noted the Relevant Sector information.</b>	

41	<b>AC/19/109 Matters for Specific Report to the Corporation</b>  It was agreed that the following items would be reported to the Corporation;	
42	1. That the Committee had received the follow up register and the risk management update. 2. The Committee had received the completed Health and Safety Internal Audit report and received assurances as to the management response to the report. 3. The Committee had received an update on relevant sector information including information and guidance in respect of the Insolvency regime.	
43	<b>AC/19/110 Impact on Students of Items Discussed / Agreed</b>  The discussion held around the response to the Internal Audit on the robustness of the health and safety framework has an impact on students.	
44	<b>AC/19/111 Urgent Business / Any other Business</b>  There being no further business the meeting closed.	

**Date of next Meeting:**

Wednesday 19 June 2019, 18.30 in the Conference Room

Signed as a true and accurate record

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 Chairman

Date

Agenda Item	Description	By whom	By when
<b>AC/19/107 Internal Audit Reports</b>	Governors suggested that progress against completion of mandatory training might be linked to the probationary review of new employees. This could then be re-checked as part of the six monthly review. This would be considered.	Mr Deane	June 2019
<b>AC/19/108 Relevant Sector information</b>	It was agreed that this would be brought up the agenda as a standing item.	Mrs Taylor-Holmes	June 2019