

MINUTES

PRESENT: Caroline Allen – Chair
Mark Wilson
Tom Hesmondhalgh
Kim Meyler-Vincent
Gemma Archer (Co-opted member)

IN ATTENDANCE: **Internal:**
Keith Oxspring (Chief Operating Officer -COO)
Jo Bland (Director Human Resources DHR)

Auditors
Mike Cheetham - MC (RSM))
Kyla Bellingall – KB (BDO)

CLERK: Evan Williams

APOLOGIES

QUORUM The meeting was quorate

TIMING 6.00 pm – 7.15 pm

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17.1	Welcome and apologies for absence The Chair welcomed Tom, Kim and Gemma as new members to the committee.
17.2	Declarations of interests There were no declarations of interests relating to items on the agenda.
17.3	Minutes of the meeting held on 6 June 2017 The minutes of the meeting on 6 June 2017 were approved as an accurate record with one suggested amendment: Clerk to add action from internal audit for sub committees to carry out effectiveness reviews. Clerk advised that there was only one outstanding sub committee to carry out a review, this being LQC. The minutes were signed by the Chair. Action – Clerk to ensure LQC to carry out a review of effectiveness.
17.4	Matters arising There were no matters arising.
17.5	Financial Statements and Regularity Audit 2016-17 i. Financial Statements and Regularity Audit Management letter <i>Supporting paper presented by Kyla Bellingall BDO</i> KB informed the committee of the new revised audit opinions recently adopted by BDO. She advised that BDO had completed their audit in accordance with the

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	<p>planned scope and that their objectives had been achieved. BDO anticipate issuing an unqualified opinion on the financial statements and that there were no matters that they would wish to draw attention to.</p> <p>KB referred the committee to the matters that were outstanding on page 5 of the report:</p> <ul style="list-style-type: none"> • Supporting information for KPI's and other assertions within the Members Report. • Support for a sample of bursary expenditure • Outcome of Barclay Road land sale. <p>A discussion ensued regarding the outcome and value of Barclay Road. The COO advised the committee that GVA had been consulted regarding land values and that Barclay Road was a particularly unusual piece of land especially when having to factor in the cost of demolition.</p> <p>KB referred the Audit committee to various sections of the Audit report:</p> <p>Section 3 - Management letter and specific deficiencies identified during the 2016 Audit.</p> <p>Section 4 – Significant Audit risks –both risk areas, revenue recognition and management override were assessed as green –audit matter concluded with no significant issues identified.</p> <p style="text-align: right;">RESOLVED: that it be recommended to the Board that the External and Regularity Audit Findings Report and Management Letter be approved by the committee.</p> <p>ii. Draft Financial Statements <i>Supporting paper presented by the COO,</i></p> <p>The COO informed the committee that the College prepared annual Financial Statements which need to be submitted to the SFA by 31 December 2017.</p> <p>The Chair thanked the COO for the Report and Financial Statements Report and asked members present for questions and feedback regarding the report.</p> <p>A discussion was had regarding land valuation, agency arrangements and pension sensitivity analysis.</p> <p>Gemma Archer advised the COO that she has recently received information regarding creditors which she would forward to the COO.</p> <p style="text-align: center;">Action: GA to forward link to Creditor information to the COO.</p> <p style="text-align: center;">RESOLVED: that the Annual Report and Financial Statements be recommended to the Board for approval, as a joint proposal with the Finance and Resources Committee.</p>
17.6	<p>Audit Committee Annual Report 2016-17 <i>Supporting paper by the Clerk</i></p> <p>The Joint Audit Code of Practice requires that the Audit Committee submits an annual report to the Corporation on the adequacy and effectiveness of the</p>

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	<p>College's systems of internal control and its arrangements for risk management, control, governance processes and security, efficiency and effective use of resources.</p> <p>The Annual Report provides assurance to the Board and the Principal to enable the signing of the Corporate Governance Statement in the Annual Accounts.</p> <p>Based on the outcome of the audit work undertaken during the year in question, the Committee concludes that it is assured that the College has adequate governance, risk management and control systems.</p> <p style="text-align: center;">RESOLVED: that, subject to final amendment, the Audit Committee Annual Report be recommended to the Board for approval.</p>
17.7	<p>INTERNAL AUDIT PROGRESS REPORT</p> <p style="padding-left: 40px;">i. Summary Internal Audit Annual Report (for the five months ended 31 July 2016) <i>Supporting paper by RSM</i></p> <p>MC reminded the committee that the internal audit plan had been approved by the committee in June 2017. He informed the committee that at the time of the meeting no filed work had taken place. However, the audit dates for 2017/18 had been agreed with the College management and scopes of work had been issued, except for the Partnership audit where they are awaiting confirmation from the EFSA.</p> <p>MC confirmed that the organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>However, MC advised that RSM had identified further enhancements to the framework of risk management, governance and internal control in order to ensure that it remains adequate and effective.</p> <p>The Chair asked the committee if they had any questions, no questions were asked.</p> <p>MC advised of one change to the audit plan relating to General Data Protection Regulation (GDPR) which is due to come into force in May 2018 which has been identified as a potential risk to the College, which will be reviewed by internal audit in May 18.</p> <p style="text-align: center;">RESOLVED: that the Internal Audit Annual Report 2016-17 be recommended to the Board for approval</p> <p style="text-align: right;">The Committee received the report</p>
17.8	<p>Risk management Supporting paper presented by the COO</p> <p>The COO advised the committee that the risk map and full risk register highlighted all risks on the risk management register. He advised that risks were allocated to specific committees and that the Audit Committee had overall oversight of the process and that the Board received the full register at least</p>

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	<p>annually.</p> <p>The COO informed the committee that the risk register had been reviewed by the executive team and that there were no significant changes to report. A discussion ensued regarding the Croydon Council's poor OFSTED report and it was agreed that LQC should update the safeguarding risk.</p> <p>ST2 was also discussed by the committee in relation to lagged funding and student numbers.</p> <p style="text-align: right;">The Committee received the report Action – ST 2 to be updated and reviewed by LQC as monitoring committee Safeguarding risk to be reviewed and reported to LQC.</p>																																
17.9	<p>Policy review <i>Supporting paper presented by DHR</i></p> <p>Freedom of Information Policy (Fol) – the DHR proposed to extend the lifespan of the policy until June 2018 as this is one of the Policies that will need to be reviewed as part of the implementation of GDPR in May 2018. It was agreed by the committee that the policy be tabled in the summer term.</p> <p>Whistleblowing Policy – the DHR advised the committee that the policy had been tidied up and there were no significant changes. A discussion ensued regarding the wording in sections 2.1 and 4.2. It was agreed that the DHR would review the wording in both sections and report back.</p> <p>The DHR also advised the committee that there had been no complaints made under the Whistleblowing policy in the previous year.</p> <p style="text-align: right;">Action – Fol policy to be table in the summer term (6 June 2018) after being reviewed in line with GDPR. Whistleblowing policy to be tabled at next meeting after reviewing sections 2.1 and 4.2</p>																																
17.10	<p>Review of Committee Performance and Terms of Reference <i>Supporting paper presented by the Clerk</i></p> <p><i>Terms of Reference were approved by the committee.</i></p> <p><i>Audit Committee Self-assessment</i></p> <p>It was agreed that the Chair (Caroline Allen) and Mark Wilson would review the Committee performance for the previous year by email as they were the only two members who remained on the Committee. . They asked the clerk to note the grade decided for each item of the self-assessment.</p> <table border="1" data-bbox="347 1749 1051 2027"> <thead> <tr> <th>ITEM</th> <th>GRADE</th> <th>ITEM</th> <th>GRADE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td>9</td> <td></td> </tr> <tr> <td>2</td> <td></td> <td>10</td> <td></td> </tr> <tr> <td>3</td> <td></td> <td>11</td> <td></td> </tr> <tr> <td>4</td> <td></td> <td>12</td> <td></td> </tr> <tr> <td>5</td> <td></td> <td>13</td> <td></td> </tr> <tr> <td>6</td> <td></td> <td>14</td> <td></td> </tr> <tr> <td>7</td> <td></td> <td>15</td> <td></td> </tr> </tbody> </table>	ITEM	GRADE	ITEM	GRADE	1		9		2		10		3		11		4		12		5		13		6		14		7		15	
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	Action – CA and MW to feedback self-assessment grades to clerk. Clerk to review terms of reference with the new guidelines.
17.11	Private discussion – Auditors and the Audit Committee Auditors were asked if there was anything they wished to raise in private whilst Croydon College managers were not present. They advised the Committee that there was nothing they wanted to raise.
17.12	Review of the performance of the Auditors <i>Auditors withdrew for this item</i> BDO – the COO informed the committee that BDO were good to deal with. . RSM – the COO advised the committee that RSM were also efficient, communicated well and kept the College Finance and MIS teams on their toes.
17.13	Dates of Next Meetings 20 February 2018 and 5 June 2018
17.14	Any Other Business

Signed

Date

ACTIONS

Item	Action	Owner	Status
17.3	Clerk to ensure LQC to carry out a review of effectiveness	Clerk	
17.5	Recommended to the Board that the External and Regularity Audit Findings Report and Management Letter be approved by the committee.	Clerk	Complete – Board 6/12/17
17.5	The Annual Report and Financial Statements be recommended to the Board for approval, as a joint proposal with the Finance and Resources Committee	Clerk	Complete – Board 6/12/17
17.6	Subject to final amendment, the Audit Committee Annual Report be recommended to the Board for approval.	Clerk	Complete – Board 6/12/17
17.7	The Internal Audit Annual Report 2016-17 be recommended to the Board for approval	Clerk	Complete
17.8	ST 2 to be updated and reviewed by LQC as monitoring committee	SMT	

17.8	Safeguarding risk to be reviewed and reported to LQC	SMT	Reviewed 21 Nov 17
17.9	FoI policy to be tabled in the summer term (6 June 2018) after being reviewed in line with GDPR.	DHR	
17.9	Whistleblowing policy to be tabled at next meeting after reviewing sections 2.1 and 4.2	DHR	
17.10	CA and MW to feedback self-assessment grades to clerk.	Clerk	
17.10	Clerk to review terms of reference with the new guidelines	Clerk	