



<p>MINUTES of the Audit Committee held on Monday 11 June 2018</p>
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- Present: - Mr Norman Moon (Chair)
Cllr Sebastian Bowen
Ms Sally Cassels
Mr Tony Ford
Mr Kevin Tong (Co-opted Member)
- In attendance: - Mr Edward Gwillim (Director of Finance)
Ms Clare Perez (Finance Manager).
Mrs Linda Watkins (Clerk to the Corporation)
Ms Louise Tweedie (RSM)
Ms Carol Davey (Mazars)

The meeting was quorate as five members were present. Welcome and introductions followed.

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| <p>5. Apologies for Absence
No apologies.</p> | |
| <p>6. Declarations of Interest
No declarations.</p> | |
| <p>7. I. Approval of the minutes of the meeting
The Chair signed the minutes of the meeting held on 26 March 2018 as a true and accurate record.</p> <p>II. Matters arising</p> <p>A. The Director of Finance confirmed that the level of misstatements in the financial statements was c.£62,000.</p> <p>B. 25 laptops require anti-virus software updates. These generally belong to assessors who are not in College regularly.</p> <p><u>The Committee agreed:</u> -</p> <ul style="list-style-type: none"> • To approve the minutes | |
| <p>9. RSM Internal reports
Louise Tweedie presented the following reports: -</p> <p>I. Progress report: GDPR and follow up audits have been deferred until July which will be reported at the next</p> | |

Committee.

- II. Framework for Safeguarding (Draft): RSM are corresponding with the Director of Personnel regarding management responses. Reasonable assurance was provided noting that the recommendations were common in the sector. The College uses MyConcern software in Hereford and Holme Lacy Campus with the intention to implement throughout the College. The audit identified that all users can view all concerns logged on students which needed to be reviewed in the light of GDPR. Testing of risk assessments for offsite student trips showed that risk assessments were not always fully completed and appropriately signed. The Safeguarding Committee had reviewed the risk assessment which is being simplified with a consistent template to be introduced. Some staff had yet to complete mandatory safeguarding training. Recruitment and selection process were tested to ascertain arrangements for staff who did not have a DBS certificate when commencing employment confirming that risk assessments are completed and staff are not left alone with students. Sensitive personal data as opposed to personal data and who has access to this needed to be identified. The final report would be emailed to Governors.
- III. Internal Auditor's Strategy 2018/19-2020/21. A draft strategy had been prepared which would be circulated by email. Areas include testing control of part time pay and the new apprenticeship standards. It was possible that the strategy would need to be amended during the year to recognize the merger with NSC.

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The Committee agreed: -

- To note RSM's reports and that the final framework for safeguarding would be sent to Governors once finalised
- The Internal Audit Strategy would be sent to Governors so that a recommendation could be made to the Board

10. Mazars Audit Strategy Memorandum 31 July 2018

Carol Davey presented the strategy outlining Mazars approach to the audit, significant audit risks and areas of key judgements.

The audit will test if the College is a going concern which will also report on land disposals and capital costs. The merger with NSC will be a post-balance sheet event in the accounts. The Director of Finance informed Governors that the merger date was 1 October 2018 subject to securing funding from the Transaction Unit.

The management letter and financial statements were requested in advance of the next Audit Committee so that Governors could read papers to prepare for the meeting.

The Committee agreed: -

- To recommend the Board approve Mazars Audit Strategy and Memorandum to 31 July 2018

<p>11.</p>	<p>Audit Recommendation Tracking Report</p> <p>The Director of Finance apologised for the delay in progressing some items relating to risk management and assurance. He would review NSC’s risk management policy to incorporate any best practice.</p> <p>NSC’s internal audit reports and risk register would be forwarded to the Chair of the Committee.</p> <p>Governors requested actions to be added to the tracking report relating to actions which were defined as ‘not yet due’.</p> <p>The Finance Manager reported that the open accounts report recommended in the key financial controls audit was virtually complete. Auditors suggested the Finance Manager run this monthly as part of the month end process to keep on file which was accepted.</p> <p><u>The Committee agreed:</u> -</p> <ul style="list-style-type: none"> To note the tracking report of progress of recommendations 	<p>E Gwillim</p> <p>E Gwillim</p>
<p>12.</p>	<p>GDPR</p> <p>The Director of Finance reported that AoC have provided guidance for colleges which is being used to ensure compliance with GDPR. Documentation changes and actions required to ensure compliance were provided in the report. CMT has appointed the Director of Finance as the Data Protection Officer.</p> <p>A Governor asked if the Data Protection working group should have been formed sooner to ensure compliance. Reassurance was provided that the majority of documents required by the College were already in place. The next step was to ensure that each of these comply with GDPR.</p> <p>RSM will audit compliance to GDPR in July and anticipate that this will confirm progress and that controls have been established. Internal assessment had confirmed that the College had established practices which comply with GDPR and are making progress.</p> <p><u>The Committee agreed:</u> -</p> <ul style="list-style-type: none"> To note progress to prepare for GDPR 	
<p>13.</p>	<p>Risk Management Register</p> <p>The Director of Finance informed Governors that there were no substantial changes to the risk register and invited questions or comments. A suggestion was made to include definitions of all scores for impact and likelihood. RSM have developed these scales which could be incorporated.</p> <p>The risk relating to the merger with NSC stretching management resources too far and/or making it difficult to recruit/retain staff was considered. There was acknowledgement of the immensely high workload on some CMT members during the merger. The Director of Finance responded that the College</p>	

was using a consultant to provide additional support in financial management,

There was challenge if the score of the impact for non-compliance of GDPR should be increased above 3. Following discussion it was agreed that this was appropriate.

The Committee agreed: -

- To note the generic risk register dated June 2017

14. Annual items for Committee

The Committee agreed: -

- To re-appoint Norman Moon as Chair of the Committee for 2017/18
- The Committee self assessed its performance concluding that it was effective and adequately met the requirements of its terms of reference
- The Clerk would cross-reference the terms of reference against the post-16 ACOP

15. Any Other Business and comments

There were no items.

16. Date and time of next meeting

The next meeting of the Audit Committee was arranged for Monday 3 December 2018 commencing at 4.00 pm.

Signed as a true record of proceedings

Chair: **Date:**