

# **THE SIXTH FORM COLLEGE, SOLIHULL**

## **Audit Committee**

Minutes of a meeting held on Tuesday 6 December 2016 at 4.30pm.

**Present:** Luke Banks (in the Chair), Jonathan Bridges

**In attendance:** Louise Tweedie (RSM), Nick Simkins (Moore Stephens),  
Paul Ashdown (Principal), Clare Sutton (Director of Finance)

**Clerk:** Janice Hamilton

**Secretary:** Janet Parkes

Jonathan Bridges, new parent governor, was welcomed to the Committee.

**1 Apologies** were received and accepted from Peter Farrow.

### **2 Declaration of Interests, Presentation of Papers, College Mission**

The Clerk must be informed of any changes to governors' declaration of interest form as and when a change takes place. Governors must declare the nature and extent of any financial and/or personal interest in any agenda item and must take no part in the consideration of that item or vote on any question with respect to that item, or form part of the quorum. Governors must withdraw where requested to do so by a majority of members present at the meeting.

The Chair informed the meeting that the Clerk attends all Board and Committee meetings. If she is requested or required to answer questions or to present a paper in her role as Vice-Principal, an Acting Clerk will be appointed for that part of the meeting.

*Resolved:* Janice Hamilton declared her interest in agenda items 9, 11 and 12; Janet Parkes will be Acting Clerk for these items.

Governors noted the College Mission and guidance on presentation of papers.

**3 Minutes of previous meeting held on 28 June 2016** were agreed and signed.

### **4 Matters arising**

Item 8, Internal Audit Strategy: internal audits of Trips, HR and Staff Development took place during week beginning 28 November 2016. The reports will come to the next Committee meeting.

### **5 Regularity Audit 2016**

Luke Banks came into College on 12 October to carry out a comprehensive evidence check. He found no issues and was pleased to commend the report to the Committee.

*Resolved:* to recommend the Regularity Audit to the Board for approval and signature by the Chair of Corporate Board.

### **6 External Audit**

6.1 Draft Financial Statements for year ending 31 July 2016: Nick Simkins said that the accounting changes in the new SORP around holiday pay and pension fund deficit are reflected in the document. The Finance & General Purposes Committee has scrutinised the accounts.

6.2 Completion Report: Nick Simkins confirmed a smooth and clean audit process.

*Resolved:* the Audit Committee recommends the Financial Statements for year ending 31 July 2016 to the Board for approval.

6.3 Performance Indicator Questionnaire: the extremely positive responses were noted.

## **7 Appointment of External Audit service for 2016/17**

Confidential item, minuted separately.

*Resolved:* the Committee approved the appointment of Moore Stephens as external auditors for the financial accounts for year ending 31 July 2017.

## **8 Audit Committee Opinion**

Clare Sutton explained that the report is similar to last year and is intended to provide comfort to the Board on three areas: solvency of the College; safeguarding of assets; and effectiveness and efficient use of resources. Controls and process are listed as evidence. Luke Banks and Jonathan Bridges commented on a comprehensive report. The Clerk said the information is used when looking at areas on which to focus internal audit for the following year.

## **9 Review of Independence of the Clerk 2015/16**

Luke Banks explained that the review is carried out to ensure the role of the Clerk is independent of the role as Vice-Principal. Jonathan Bridges said this point had been made clear to him at his governor induction. He had also noted the declarations of interest made by the Clerk in previous minutes of meetings. The Clerk's job description was also confirmed.

*Resolved:* the Committee approved the Clerk's job description and the review of the independence of the Clerk 2015/16, and their inclusion as appendices to the Audit Committee's Annual Report 2015/16.

## **10 Draft Audit Committee's Annual Report 2015/16**

The Clerk said the annual report provides a summary of the work done by the Committee over the previous year.

*Resolved:* the Committee approved the Audit Committee Annual Report 2015/16.

## **11 Risk Management Annual Report 2015/16**

Janice Hamilton, in her role as Vice-Principal, introduced the report which summarises last year's risks.

*Resolved:* the Committee approved the Risk Management Annual Report for 2015/16.

## **12 Risk Management for 2016/17**

Janice Hamilton, in her role as Vice-Principal, introduced the report. Confidential item, minuted separately.

*Resolved:* the Committee approved the Risk Management Plan for 2016/17, and the Risk Management Policy for 2016/17.

### **13 Internal Audit**

13.1 Internal Audit Annual Report 2015/16: Louise Tweedie highlighted section 1.1 on page 2 which gives the College the highest level of opinion. Appendix B provides opinion on the internal audits carried out during the year. The report will be appended to the Audit Committee's Annual Report 2015/16.

13.2 Progress Report: the first two internal audits had been carried out during week beginning 28 November 2016, and reports will be presented to the next Committee meeting. With regard to emerging issues in further education, Louise Tweedie drew attention to the proposal for a new insolvency regime: page 5, duties and liabilities of governors; page 6, SFA business plan for 2016/17. She also drew attention to the document on FE risk management which summarises the risk of RSM clients. She said this is an interesting cross-check to our own risk register, and confirmed that all areas are appropriately reflected in our risk management plan for next year. Luke Banks and Jonathan Bridges thanked Louise Tweedie for the clarity of information provided.

### **14 Strategic Priorities Dashboard**

Progress with the one strategic priority was noted.

### **15 Audit Action Plan**

Completed actions were noted. There was a query regarding a deadline date for action 1.5 arising from the HR audit; clarity will be sought from Martin Sullivan. Completed actions will be removed, and the action arising from external audit will be added. *Post-meeting note: 1.5 was completed in November 2016 (not September 2016 as originally planned).*

### **16 Review of Financial Regulations & Procedures**

Clare Sutton reported that the minor changes had been approved by Finance & General Purposes Committee.

### **17 Terms of Reference of Committee**

No changes are proposed to the current terms of reference.

*Resolved:* the terms of reference are recommended to the Board for approval.

### **18 Review of Committee Meetings 2015/16**

The positive action arising from a suggestion for a future agenda item was noted.

**19 Determination of Confidential Items**

*Resolved:* that the following items be confidential and minuted separately: item 6, Financial statements (prior to approval by the Board, completion report and PI questionnaire; item 7 Cost of appointment of external audit; item 8 Audit Committee opinion (document only); item 9 Review of independence of the Clerk (documents only); item 10 Draft Audit Committee's annual report (document only); item 11 Risk management report 2015/16 (documents only); item 12 Risk management report 2016/17; item 13, Internal audit reports (documents only); item 15 Audit action plan.

**20 Review of the Meeting**

Two out of a possible two completed forms were returned, with positive responses. Request for further information: briefing pointers on academisation.

**21 Date of next meeting:** 28 March 2017.

The meeting closed at 5.30pm.