

Minutes of the Audit Committee meeting held in the Executive Boardroom on 6 December 2018 at 1600 hrs.

Present	Martin Ballard (Chair)	Paul Wingfield	
In Attendance	Ralph Devereux (Clerk)	Louise Perry (VP(F&R))	Mike Rowley (KPMG)(01-06/18)
	Doug Ward (Observer)	Richard Wheeler (Observer)	Rachel Wright (Mazars) (01-06/18)

The Chair welcomed all to the meeting in particular Doug Ward and Richard Wheeler (Corporation Members elect) and all present introduced themselves

STANDING ITEMS

01/18 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

The meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no interests declared.

02/18 The Minutes of the last meeting held on 27 June 2018 were confirmed for electronic signature; action delegated to the Clerk. **(Action 1)**

- a. **The information was noted.**
- b. **Action had been identified. (Register at 12/18)**

03/18 ACTIONS AND MATTERS ARISING FROM THE MINUTES

- a. Outstanding Actions. Outstanding actions from the previous meeting were reviewed; all had been completed.
- b. Matters Arising from the Minutes. There were no matters arising from the minutes.
- c. Urgent Business. There was one urgent item, which was considered in advance of the business item. Preliminary and exploratory talks about a possible merger with Peterborough Regional College (PRC), had recently been held and a Merger Steering Group (MSG) had been established. Both Corporations would consider the matter during the next few days. No action was required from the Committee this was for information only at this stage pending progression of the merger proposal.

- a. **The information was noted.**
- b. **Action had been identified. (Register at 12/18)**

BUSINESS ITEMS

04/18 INTERNAL AUDIT SERVICE (IAS)

There 4 IAS Reports to consider, the annual report for 2017/18, two field reports from the 2017/18 Plan and the "Follow Ups".

- a. Internal Audit Service (IAS). The IAS Annual Report for 2017/18 was a standalone document which would inform the Annual Financial Statement (AFS) "Statement of Internal Governance and Internal Control", and thus the ESFA on internal audit issues, it was a digest of previous information presented to the committee. The Report, which had been circulated for consideration in advance of the meeting was taken as read; the report had

also informed the annual committee report to the Corporation, which would be considered later in the meeting. The overall opinion (Para 3), was that “New College Stamford has an adequate, effective and efficient framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of the College’s objectives”, which was noted and welcomed; the report was recommended to the Corporation to inform their consideration of the AFS. **(Action 2)** The work had been completed, as planned in 30 audit days.

- b. Compliance (October 2018). The Scope and Objectives of the Audit (Appendix A1) had been scrutinised and explained by the IAS to contextualise the findings assurance in all eleven tested areas. The report had identified two priority three “Compliance Findings” (para 3.1 & 2) relating to BACS payments and accuracy of salaries, both had been accepted with responsibilities allocated and timescales determined.
- c. General Data Protection Regulation (GDPR). (October 2018) The Scope and Objectives were scrutinised and explained by the IAS to contextualise the “**Adequate (Amber)**” assurance. The report had identified eighteen instances of reliable controls and eleven (two significant and 9 Housekeeping) recommendations. All had been accepted, remedial measures identified and responsibilities allocated. This had been a helpful Audit and all concerned had benefitted and the Report would inform a scrutiny of the Risk Register.
- d. Implementation Progress Summary. (2016/2018) There had been fifteen recommendations brought forward, seven had been completed, one was not yet due and seven were overdue (three significant and five housekeeping) resulting in eight in total c/f to the next period. Detail of each was in a RAG rated Register, which clearly showed the current state of all. The reasons for the non-implementation were explained and assurance that all were in progress was accepted. A “Recommendation Tracker” had been detailed, this would pre-empt any repetition of these events.
- e. IAS Progress Report (December 2018) Two audits from the 2018/19 Plan had been completed (GDPR) both had been considered above. Plans were in hand and dates established for the remaining nine elements of the Plan. Programme priorities were discussed in the light of the possibility of a merger and it was agreed that, dependent on events, the Catering Review could be subject to reprioritisation to provide scrutiny to support the NCS Exec, if necessary assurance could be obtained through offline approval, the AC Chair to consult PW and LP. **(Action 3)** The document contained valuable information relevant to the sector, for which thanks were recorded.

- a. **The information was noted and received.**
- b. **Action had been identified. (Register at 12/18)**

05/18 EXTERNAL AUDIT

There were 3 processes to consider, the NCS Regularity Audit, the Annual Financial Statement (AFS) and the QRS Financial Statements.

- a. Regularity Audit. The Regularity Audit questionnaire had been completed as a self-assessment and was confirmed as fit for signature. **(Action 4)**
- b. Highlights and Management Letter. The external auditor’s Management letter to the Committee was then considered, page by page; the five elements of the audit work had been completed excepting items details on page five. There were no qualifications and unqualified opinions had been given to the AFS, QRS and the Regularity Report. Key Audit Risks had been identified and notified in advance of the fieldwork and the outcomes were explained and detailed. There was some discussion regarding the pension liabilities, and revenue recognition detailed in the “Significant Risks” section. Misstatements, detailed in Appendix two were not material and were noted. The Management Letter was recommended to the Corporation. **(Action 5)**
- c. AFS. The Committee remit was to consider the findings of the External Auditor and to scrutinize the Corporate Governance Statement with respect to the systems of financial control, RM and governance processes and to recommend the document(s) for signature.

The complete set of documents had been circulated to inform the considerations. The unqualified opinion on the accounts was noted and welcomed. The narrative element was then fully and closely scrutinised page by page. After full and detailed discussion, it was unanimously agreed to recommend the AFS to the Corporation for acceptance, approval and signature. **(Action 6)**

- d. QRS. The QRS Financial Statements had been considered and recommended for signature by the QRS Board at their meeting held on 4 December 2018 (QRS Minute 06/18) and that decision was endorsed. **(Action 7)**
 - e. Additional Documents. The additional documents were:
 - (i) the Letters of Representation (re NCS and QRS), which were recommended for signature **(Action 8)**;
 - (ii) the Teachers' Pensions Audit Opinions Letter which was received; and
 - (iii) the External Audit Service Engagement Letter. The external audit had run according to the agreed plan and appreciation was recorded for the professional and efficient approach apparent throughout the process.
- a. **The information was noted and received.**
 - b. **Action had been identified. (Register at 12/18)**

06/18 COMMITTEE BUSINESS

Committee Annual Report to the Corporation. The annual draft report to the corporation had been informed by the final external audit information and would to be presented to the Corporation to inform consideration of the AFS. The IAS annual report indicated a satisfactory response to implementation of previous audit recommendations. The Committee opinion had been formed after due deliberation of the IAS annual report and the External Audit information. The Committee Annual Report was recommended to the Corporation. **(Action 9)**

- a. **The information was noted and received.**
- b. **Action had been identified. (Register at 12/18)**

The Audit representatives left the meeting.

07/18 RISK MANAGEMENT (RM)

The latest marked up version of the Risk Register, was scrutinised:

- a. recently introduced risks were shown in red type;
- b. amendments were shown in blue type; and
- c. new actions were shown in green type.

Each Risk had been RAG rated in the vital columns of the Register, using the post mitigation (High) calculation and with additional and valuable control information columns after the final risk column. Each of the Red rated risks was considered and discussed individually, noteworthy comments were;

- d. GLLEP funding would be required to fund extension of teaching accommodation at Bordeville;
- e. apprenticeship arrangements were well managed and unlikely to fail to meet targets;
- f. challenges with recruitment and retention of (particularly construction) staff were generally discussed; and
- g. improvement in relations with the football club had slowed since the Club Chair was convalescing.

The information was received.

09/18 QUALITATIVE PERFORMANCE (CONFIDENTIAL)

The External Auditors' performance detail was note for information. The audit had gone well and thanks were recorded for the professional and friendly approach.

The information was received and noted.

10/18 URGENT BUSINESS

Urgent business had been completed at 03/18.

11/18 DATES OF NEXT MEETINGS

- a. Board meeting to receive committee recommendations (13 December 2018); and
- b. Committee meeting to conduct business (5 March 2019).

12/18 ACTION REGISTER

		Resp	Date
	See referenced minute for full detail.		
Action 1	02/18. Minutes (27.06.18) confirmed for electronic signature.	Clerk	asap
Action 2	04/18a. IAS Annual Report recommended to the Corporation.	Chair	11.12.18
Action 3	04/18e. Rescheduling of IAS priorities/process agreed.		asap
Action 4	05/18a. Regularity Audit recommended for signature.		11.12.18
Action 5	05/18b. Management Letter recommended for signature.		
Action 6	05/18c. AFS (NCS) recommended for signature.		
Action 7	05/18d. AFS (QRS) recommended for signature.		
Action 8	05/18e. Letters of Representation recommended for signature.		
Action 9	06/18. Ctee Annual Report recommended to Corporation.		

Ralph Devereux (Clerk) for Martin Ballard (Chair)

Ralph Devereux (Clerk) for Martin Ballard (Chair) (Mar 6, 2019)

Audit Minutes06.12.18

Final Audit Report

2019-03-06

Created:	2019-03-06
By:	Ralph Devereux (office.mpe@btconnect.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAADoNFbxdDMbjj_ftvs1AVd9xJc0ZhDvTk

"Audit Minutes06.12.18" History

-  Document uploaded by Ralph Devereux (office.mpe@btconnect.com) from Reader
2019-03-06 - 2:17:17 PM GMT- IP address: 81.129.97.42
-  Document emailed to Ralph Devereux (Clerk) for Martin Ballard (Chair) (clerk.mpe@btconnect.com) for signature
2019-03-06 - 2:17:53 PM GMT
-  Document viewed by Ralph Devereux (Clerk) for Martin Ballard (Chair) (clerk.mpe@btconnect.com)
2019-03-06 - 2:53:27 PM GMT- IP address: 81.129.97.42
-  Document e-signed by Ralph Devereux (Clerk) for Martin Ballard (Chair) (clerk.mpe@btconnect.com)
Signature Date: 2019-03-06 - 2:54:05 PM GMT - Time Source: server- IP address: 81.129.97.42
-  Signed document emailed to Ralph Devereux (Clerk) for Martin Ballard (Chair) (clerk.mpe@btconnect.com) and Ralph Devereux (office.mpe@btconnect.com)
2019-03-06 - 2:54:05 PM GMT