

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 6 MARCH 2019 AT 4.00 PM
IN ROOM PG11 AT THE ISLE OF WIGHT COLLEGE

Present:	Dr Nick Sinnamon	Chair
	Mr Graham Cooper	Vice Chair
	Mrs Chris Palmer	
	Mrs Sheila Paul	
In Attendance:	Mrs Debbie Lavin	Principal
	Mr Peter Thompson	Assistant Principal
	Mr Brian Bowker	Clerk to the Corporation
In Attendance (External):	Ms Karen Shaw	Southern Internal Audit Partnership
Apologies:	Mr Gordon Pownall	

ACTION

1/19 DECLARATIONS OF INTEREST

There were no declarations of interest.

2/19 APPROVAL OF THE NON CONFIDENTIAL MINUTES OF THE MEETING OF 28 NOVEMBER 2018

The minutes were approved as a true record of the meeting.

3/19 MATTERS ARISING FROM THE MEETING OF 28 NOVEMBER 2018

The Clerk informed Members that all matters had been addressed.

4/19 INTERNAL AUDIT REPORT 2018/19 – VISIT 1

The Assistant Principal (Finance & Resources) reminded Members that the areas audited were insurance, capital project planning, pre-payment cards and IT cyber essentials. He stated that each of the four areas was given “adequate” assurance.

The Chair asked if there were any items to draw particular attention to and the Southern Internal Audit (SIA) representative said that there were not as there were no significant issues. The Chair asked for clarification on terminology relating to the Sixth Form Colleges Consortium and the College Campus Manager. A brief discussion then took place regarding reference in the audit report to password protection being “reasonably” secure. It was recognised that the audit team carried out a high-level review of IT cyber essentials and that any password was vulnerable to cyber-attack.

The Committee CONSIDERED the report.

5/19 COLLEGE RISK REGISTER

The Assistant Principal (Finance & Resources) reminded Members that the risk register was subject to regular rigorous review and the purpose of the latest review was to moderate scoring which, after detailed analysis, seemed to “value” risks at a much higher

level than was necessary or appropriate. Following a review there have been significant changes and risk scores have been depressed, with a number of risks dropping off the register. The Assistant Principal stated that risks now logged on the register are considered to be significant risks.

It was noted that no new risks have been added, but where appropriate, wording of individual risks has been revised to better represent the tone and precise detail of the risk and the summary of scoring has been refreshed completely.

A Member thanked the Assistant Principal for the good progress and added that the key risks relating to cash flow, curriculum and funding feature strongly. However, she asked how the College aligns the financial risks with the financial position. The Assistant Principal said that this will become clearer when the financial forecast is considered next year, when the forecast and risks are considered and aligned.

The Chair commented on how much the committee valued the chronology of the risk register, but, given the significant changes following the review, the revised risk scores should form the start of future chronological monitoring. The Chair added that this was an excellent update of the register and Members look forward to monitoring the latest version.

The Committee CONSIDERED the report.

6/19 ANNUAL REVIEW OF CONTRACTS: BANKING/LEGAL/INSURANCE

The Assistant Principal (Finance & Resources) reminded Members that the College insurance service is provided by Zurich through the Hampshire Colleges' consortia for insurance services. The contract for this was renewed in July 2018.

With regard to legal services, these are currently provided by Womble Bond Dickinson but because they are used on an infrequent basis and annual fees are minor, there is no intention to tender the legal services contract.

With regard to banking services, the position is slightly more complex, with services being provided by Barclays Bank and Lloyds Bank. A brief discussion then took place regarding the demands of the Lloyds Bank covenants and the potential for Barclays taking over all College loans.

The Committee CONSIDERED the report.

7/19 AUDIT ISSUES LOG

Members noted that very good progress is being made, with most issues satisfactorily addressed and the only remaining action relating to a minor component of Business Continuity. The delay in resolving this owes more to the prioritising of other works but it will be addressed within the year. The Assistant Principal (Finance & Resources) added that action points arising from the recent internal audit will be incorporated into the log for the next meeting.

The Committee CONSIDERED the report.

8/19 REVIEW OF PERFORMANCE OF EXTERNAL AUDIT SERVICES 2017/18 (Confidential)

9/19 RE-APPOINTMENT OF INTERNAL AUDITORS (*Confidential*)

10/19 GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE

Members were reminded that the internal audit team completed a full review of College preparations for GDPR and considered those to be strong enough to give the Committee “substantial” assurance on progress. In 2018/19 Information Management was added to the areas to be reviewed by the auditors and they have just completed this review as part of visit 2 for 2019/20. The Assistant Principal stated that he was confident that if there were any management actions, they were likely to be low risk, for example, policy dates not being updated.

The Committee CONSIDERED the report.

11/19 DATA PROTECTION: DATA BREACHES

The Assistant Principal (Finance & Resources) reminded Members that since May 2018, the College now maintains a log, which records and details the circumstances, risk level, and any actions arising from all identified data breaches. Any such breaches are reported on a termly basis to the Audit Committee. Members noted that there have been two minor GDPR data breaches since the Audit Committee meeting in November 2018.

The Committee NOTED the report.

12/19 AMENDMENT TO THE ACCOUNTING POLICIES FOR 2018/19

The Assistant Principal (Finance & Resources) informed Members that during a benchmarking exercise with other colleges, it was found that many of them had a capitalisation threshold of £500. The Isle of Wight College’s threshold is currently £1,000 and following consultation with the external auditors, who have no objections, it is recommended that the capitalisation threshold is reduced from £1,000 to £500.

The Committee APPROVED the reduction in the College capitalisation threshold from £1,000 to £500.

13/19 ANY OTHER BUSINESS

There were no items of any other business.

14/19 DATE OF NEXT MEETING

Wednesday 12 June 2019, 4.00pm – 5.30pm, Room PG11.

Date: _____ Chair: _____

MISSION STATEMENT
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