

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
WEDNESDAY 11 MARCH 2015 AT 4.00 PM  
IN ROOM A5 AT THE ISLE OF WIGHT COLLEGE**

<b>Present:</b>	Mrs Jessica Hart	Chair
	Dr Nick Sinnamon	Vice Chair
	Prof Nigel Hastings	Governor
	Mr Mike Hosking	Governor
	Mrs Sheila Paul	Governor
	Mr Graham Cooper	Co-opted Governor
<b>In Attendance:</b>	Mrs Debbie Lavin	Principal
	Mr Peter Thompson	Lead Officer
	Brian Bowker	Clerk to the Corporation
<b>In Attendance (External)</b>	Ms Jenny Hill, Baker Tilly Audit Limited – <i>Not required</i>	
	Ms Karen Shaw – Southern Internal Audit Partnership	
<b>Apologies:</b>	Mrs Tracy Bull – <i>Not required</i>	

*The Chair welcomed Mr Mike Hosking to his first meeting as a member of the Audit Committee.*

**ACTION**

**01/15 DECLARATIONS OF INTEREST**

A declaration of interest was made by Mr Graham Cooper as an employee of Barclays Bank.

**02/15 APPROVAL OF THE NON CONFIDENTIAL MINUTES OF THE MEETING OF 3 DECEMBER 2014**

The Minutes were APPROVED as a true record of the meeting.

**03/15 MATTERS ARISING FROM THE MEETING OF 3 DECEMBER 2014**

It was agreed that Southern Internal Audit Partnership (SIAP) would provide a costed proposal for auditing Maths and English student enrolment for the September 2015 intake. The Principal will arrange for audit criteria to be provided to SIAP.

**Principal  
/SAIP**

It was noted that the other matters arising had either been addressed or were on the meeting agenda.

*With the agreement of Members the Chair moved to items 8 and 9 on the agenda.*

**04/15 REVIEW OF PERFORMANCE OF THE FINANCIAL STATEMENTS AUDITORS AND ESTABLISHMENT OF ANNUAL PERFORMANCE INDICATORS FOR 2015**

The Assistant Principal – Resources & Finance reminded Members that the College was one of the first to be audited under the new regime and he and the College Accountant had benchmarked Baker Tilly's performance against the agreed criteria. He stated that the audit process had been extremely challenging and robust but had been conducted in a highly professional manner throughout.

The Committee APPROVED the Assistant Principal – Resources & Finance assessment of the Performance of the External Auditors and AGREED the Performance Indicators were relevant for the 2014/15 Audit.

#### **05/15 RE-APPOINTMENT OF EXTERNAL AUDITORS 2014/15**

The Committee recommended the re-appointment of Baker Tilly Audit Limited to Corporation for 2014/15.

#### **06/15 AUDIT ISSUES LOG**

The Committee noted that the Audit Issues Log has been updated to reflect progress on previous actions and the incorporation of additional recommendations from Internal Audit Visits 1 and 2 undertaken in 2014/15. The Log also includes actions recommended following visits from External Audit, SFA and the voluntary learner numbers audit. The Chair suggested the Committee should work through the document page by page and focus particularly on the red rated issues, with a view to assessing how they could be addressed and removed.

***Karen Shaw (SIAP representative) joined the meeting at this point.***

Following discussion it was agreed that the following issues could be removed: Annual Budget, Budget Setting, College Accommodation Strategy, Sales and Purchase Ledgers (to be reviewed at the next meeting by the College Accountant), LGPS (amend to yellow as not yet complete), Start and End dates (items 2 and 4 to be checked), Achievement (Principal requested random checks) and HR where Members supported the focus on staff undertaking an exit interview.

PT

The Committee CONSIDERED the Audit Issues Log.

#### **07/15 BOARD ASSURANCE FRAMEWORK/COLLEGE RISK REGISTER**

The Assistant Principal – Resources & Finance introduced the paper and provided an update on progress in developing a Board Assurance Framework (BAF). He explained that the College Risk Register had been scrutinised by SMT and the Lead Internal Auditor. Following the review of the current format four specific recommendations were made, several of which are specifically referred to in the Baker Tilly document, “Board Assurance: A Tool Kit for FE Colleges”.

The Chair asked for reassurances that while this review and development is taking place the College is not at risk. The Principal stressed that the current Risk Register is being reviewed constantly, while the new format is evolving. The Chair reminded Members that this was the second meeting that the Risk Register had not been formally presented. The Principal stated that specific high level risks are regularly and systematically reviewed by her with relevant senior and middle managers to ensure the risks are monitored and mitigating action is taken where necessary. Members were reassured by this action.

Members asked where the example College format had been derived, as it did not match examples in the Baker Tilly document. The SIAP representative stated that this was an evolving process and it was important that a BAF was developed that was fit for purpose for the College. A suggestion was made that consideration should be given to including a “direction of travel” indicator.

The Chair asked how the IOW College compared with other colleges that the Internal Auditors are working with. Members were informed that progress is wide ranging, with some colleges not addressing this issue and others, like the IOW, developing a framework to meet their specific needs. She summarised by stating that she was comfortable with the College's progress to date.

The Chair asked how the Committee would know the controls are working in practice. The Internal Audit representative stated that this is the overarching purpose of the BAF, to ensure that sufficient assurance is gathered and analysed to demonstrate that the controls relied upon to mitigate risk are operating as expected.

The Committee APPROVED the Draft Board Assurance Framework template.

## **08/15 INTERNAL AUDIT REPORTS**

### **AUDIT VISIT 1 AUTUMN TERM 2014**

Members noted that the only changes to the draft report considered at the last meeting were that the management action sections have now been populated and a new para indicating that the audit opinion was restricted by the inherent limitation of scope.

### **AUDIT VISIT 2 SPRING TERM 2015**

The Internal Audit representative introduced the report and referred to the business areas; free school meals and estates management where an adequate audit opinion had been given. Regarding Information Management, where the opinion was limited, it was noted that the College had directed the audit team to examine this area. She stated that the management response has been robust and the College has asked for a follow up on this area at the next audit visit. The Principal recognised that following the departure of the individual responsible for this area the College had a problem and robust action was being taken to address the specific and helpful recommendations made by the audit team. Discussion took place regarding the audit observations and recommendations and Members felt that this was an example of an effective audit process but sought reassurance that the issues were being prioritised and addressed in a timely manner. The Assistant Principal – Resources & Finance assured them that they were, as indicated in the latest Audit Issues Log.

The Committee commented that the Audit Report was a good document, very specifically targeted, with robust and timely action identified. The Chair asked for draft/final to be indicated on future report covers.

**SIAP**

The Committee CONSIDERED the Internal Audit Reports.

## **09/15 DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT**

The Chair asked Members and the SIAP representative if there was a need for discussion and was assured that there was not.

## **10/15 ANY OTHER BUSINESS**

There were no items of any other business.

## **11/15 DATE OF NEXT MEETING**

Wednesday 3 June 2015 at 4.00 p.m. in room A7.

Date: \_\_\_\_\_ Chair: \_\_\_\_\_

**MISSION STATEMENT**  
**Putting Students First**  
**Working for Employers**  
**Supporting our Community**