

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON**  
**WEDNESDAY 8 MARCH 2017 AT 4.00 PM**  
**IN ROOM L8 AT THE ISLE OF WIGHT COLLEGE**

<b>Present:</b>	Mrs Jessica Garbett	Chair
	Dr Nick Sinnamon	Vice Chair
	Mr Graham Cooper	Governor
<b>In Attendance:</b>	Mrs Debbie Lavin	Principal
	Mr Peter Thompson	Assistant Principal
	Brian Bowker	Clerk to the Corporation
<b>Apologies:</b>	Mrs Sheila Paul, Mr Steve Corbett, Mrs Liz Dack	

**ACTION**

**01/17 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**02/17 MINUTES OF 30 NOVEMBER 2016**

The minutes were approved as a true record.

**03/17 MATTERS ARISING FROM THE MINUTES OF 30 NOVEMBER 2016**

It was noted that the matters arising had been addressed or would be dealt with at the appropriate time in the audit cycle.

**04/17 INTERNAL AUDIT REPORT VISIT 1**

The Assistant Principal (Finance and Resources) reminded Members that the areas covered were Governance, Business Continuity and Learner Support Funds (student bursary allocations). Members noted that Governance and Learning Support Funds were given substantial assurance and Business Continuity was given limited assurance. The positive outcome to the Learner Support Funds audit was highlighted by the Assistant Principal because the recent external audit had identified concerns regarding the use of student bursary funds and accuracy of associated documentation. However, the subsequent internal audit considered a significant student sample and identified no issues.

Members expressed concern about the limited assurance given to Business Continuity and the Assistant Principal stated that the College was disappointed with this outcome as significant effort has gone into developing the plan. However, the auditors acknowledged the good progress being made, particularly the liaison with Zurich, the College insurers, but felt until the work was finalised and tested, they could only offer limited assurance.

Members asked a number of questions regarding security of specific College business systems and were reassured by the Assistant Principal's responses. The complexity of this area of College work was noted and the potential for action by the College in enhancing security systems leading to further security issues was acknowledged.

In conclusion, Members were reassured by the internal audit team's view that

they had seen evidence that the College is taking a positive, proactive approach to developing the Business Continuity Plan and felt that, given time, the new approach will provide the College with a robust plan.

The Committee noted that College management have requested an in-year follow-up in this area of work and asked for an update to be provided at the June Audit Committee meeting.

**PT**

The Committee CONSIDERED the report.

## **05/17 COLLEGE RISK REGISTER**

The Assistant Principal (Finance and Resources) reminded Members that the Education Act 2011 required College Corporations to state an opinion on the adequacy and effectiveness of frameworks for the “effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets”.

The Assistant Principal stated that the risk register is constantly evolving, reflecting the transition to a more comprehensive mechanism of assurance, leading to being more responsive to emerging risks. He took Members through the most recent review of the register, completed in January 2017, identifying the five specific actions recently completed and informing Members that in late Autumn 2016, internal audit completed a review of the risk register (shown in Appendix A) and gave the management of risk substantial assurance.

A lengthy discussion ensued with questions asked regarding departmental risk assessments, how robust and challenging they were and how they linked into the overall College risk register? The Assistant Principal responded that this is a staged approach and departments have identified areas of risk and included them in their register but further training is required to refine the risk assessment and scoring to ensure it is relevant to the particular departmental area. Following this discussion, the Chair asked for internal audit to carry out a review of departmental risk registers and the Assistant Principal agreed to add this to the second visit.

**PT**

The Chair asked how internal audit reviewed the risk register/board assurance, querying if it was systems or data based. She was informed that it was data based, with auditors acquiring detailed supporting evidence.

The Chair then asked about how effectively Members of the Audit Committee could scrutinise the risk register, how essential information could be extracted from a large document and how Members could be reassured that the review of risk is comprehensive and robust.

The Assistant Principal and Principal provided a comprehensive response and, following discussion, it was noted that the key role of the Committee is to interrogate the data, ask relevant questions and seek to identify any missing areas of risk.

The Assistant Principal stressed the importance of the “traffic light” system, with red being a key indicator, along with the associated score and Members should track where the score is changing and, in particular, declining. The Chair asked how effectively Committee Members could do that, how they could extract changes that moved to a higher risk. The Assistant Principal was asked to add reference to these changes in any future report cover sheet.

**PT**

Discussion then took place regarding the particular risk associated with apprenticeships and the Principal stated that this is a curriculum area that receives careful monitoring and management. *A Member asked if there would be a benefit to specifically linking a Governor to Apprenticeships.* The Principal agreed to reflect on this.

**DL**

The Committee CONSIDERED the report.

**06/17 AUDIT ISSUES LOG**

The Assistant Principal (Finance and Resources) took Members through his report and reminded them of how the log functions and how items are reviewed, actioned and removed from the log. He stated that the internal auditors have concluded that, based on the audit evidence obtained, all management actions relating to medium and high priority actions have been implemented.

The Principal asked how effectively the Committee could ascertain whether the same audit issues kept emerging. The Assistant Principal stated that the “family” of issues can be very similar in some circumstances and therefore the relevant internal audit team member should be interrogated at the closure meeting.

A question was asked regarding the 59 staff yet to complete data protection training and what action senior managers were taking to address this. The Assistant Principal responded that compliance is monitored rigorously and staff are contacted on an individual basis. However, training is seen as a priority for key business systems staff but less so for teaching staff, although it is recognised that it is essential for them to complete the training and they will do so.

The Committee CONSIDERED the report.

**07/17 REVIEW OF PERFORMANCE OF THE FINANCIAL STATEMENTS AUDITORS AND ESTABLISHMENT OF ANNUAL PERFORMANCE INDICATORS (*Confidential minute*)**

**08/17 DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT**  
No discussion was required.

**09/17 ANY OTHER BUSINESS**  
There were no items of any other business.

**10/17 DATE OF NEXT MEETING**  
Wednesday 14 June 2017 at 4pm – 5.30pm. Room L8.

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

**MISSION STATEMENT**

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