

MINUTES

Group :	AUDIT COMMITTEE	Date:	29/11/16
Location:	AGENCY SUITE, LONDON ROAD CAMPUS	Time:	6.00 p.m.
Membership:	Chris Fountain, Sarah Gibbons, Iain Gilmour, Nigel Merchant, Rex Sartain		
IN ATTENDANCE:	Members of the Senior Leadership Team: Janet Stephens, Group Vice-Principal, Financial and Asset Management Clerk to the Corporation		
BY INVITATION:	Internal Auditors RSM: Karen Gentlees, External Auditors – Grant Thornton – Andrew Reid, KPMG – Simon Stanyer		
APOLOGIES:	None		

Election of Chair

1. Resolved:

That Nigel Merchant be confirmed Chair of the Committee for the 2015/16 academic year

Nigel Merchant in the Chair

2. **Declarations of Interest**

There were no declarations of interest.

Annual Timetable of Standard Business for the Audit Committee 2016/17 (Appendix 1/16)

3. Resolved:

That the Annual Timetable of Standards Business for the Audit Committee 2016/17 be approved

Terms of Reference for the Audit Committee (Appendix 2/16)

4. Resolved:

That the Terms of Reference for the Committee be agreed and referred to the Board for approval.

Internal Audit Reports:

Annual Summary of Assignments Completed – SSFC (Appendix 3/16)

The Internal Auditor submitted a report on the SSFC Annual Summary of Assignments completed. The report was positive and one red item identified by the GVP, Financial and Asset Management had been implemented.

5. Resolved:

That the updated summary report be noted

Annual Internal Audit Report – Year ended 31 July 2016 – SC (Appendix 4/16)

6. Resolved:

That the SC Annual Internal Audit Report for the Year ended 31 July 2015 having been assessed with a high opinion be noted.

Shrewsbury College Group – Internal Audit Strategy 2016/17 (Appendix 5/16)

The Internal Auditor submitted the Internal Auditor Strategy 2016/17 and invited Governors to suggest additional areas for auditors to look at in addition to those set out in Appendix A to the report.

7. Resolved:

(a) That the report and suggested audit strategy for 2016/17 be noted and agreed

(b) That future audits consider the following areas:

- The impact on staff of working across 3 campuses, having regard to the culture of the Colleges
- Retention –ensuring students are on the right course from the start of the process
- Process for preparation for legal compliance
- I.T./Cyber Security Systems
- Business Continuity – utilising space effectively at the different sites.

Shrewsbury Colleges Group – Safeguarding: Single Central Record Follow Up (Appendix 6/16)

The Internal Auditor submitted the Shrewsbury Colleges Group – Safeguarding: Single Central Record Follow Up and advised that the report was positive and all recommendations implemented.

8. Resolved:

That the positive report on Safeguarding: Single Central Record Follow Up be noted

External Auditor Reports:

Financial Statements for the Year Ended 31 July 2016 (Appendix 7/16)

The External Auditors from Grant Thornton and KPMG presented the Financial Statements for the Year Ended 31 July 2016.

They acknowledged the difficulty of working on two separate sets of data from each College in order to give a view on whether the College was a going concern.

Particular reference was made to the impact of FRS102 and the Local government Pension Funds. Both external auditors confirmed that the figures were typical of the sector. KPMG advised that, as an Admitted Trust Status Body, the College was able to query the Shropshire Council regarding the pension contributions although the rate set was in line with other Pension providers. The Group Vice Principal undertook to look into this.

JDS

The Committee considered Appendix C to the report setting out considerations in determining whether the College was a going concern.

The auditors stated that they were satisfied with the assessment that the College was a going concern.

9. Resolved:

That the Board be advised of the Audit Committee's overall assessment that the College is a going concern and the Financial Statements be referred to the Board for approval. JDS

Audit Findings for SSFC and Shrewsbury College Year Ending 31 July 2016 (Appendix 816)

The External Auditor submitted the Audit findings for SSFC and Shrewsbury College for the year ending July 2016. The KPMG Auditor advised that there was nothing adverse in the findings. There was one recommendations for the timely completion of the accounts in the future but he acknowledged that the merger had impacted on the process this year. Both auditors confirmed it was a clean opinion with no adjustments.

The Chair thanked the External Auditors and the Finance Team on their joint work which had been particularly difficult in the light of the merger.

10. Resolved:

That the Audit Findings for SSFC and Shrewsbury College for the year Ending 31 July 2016 be noted.

KPMG – EFA and SFA Audit Opinions (Appendix 9/16)

11. Resolved:

That the KPMG EFA and SFA Audit Opinions be noted.

Risk Register and Board Assurance Framework (Appendix 10/16)

The Group Vice Principal, Financial and Asset Management, submitted the Risk Register and Board Assurance Framework for 2016/17.

Reference was made to the Amber item regarding maintaining a positive image. The Chair and a Governor both reported on positive comments picked up at recent Open events at the College which was encouraging for the future.

12. Resolved:

- (a) That the updated risk register and Board Assurance Framework be approved
- (b) That the assurance levels and proposed actions be approved as appropriate.

Audit Recommendation Tracking Report (Appendix 11/16)

The GVP Financial and Asset Management submitted the Audit Recommendation Tracking Report. The Chair requested that implementation dates be included in future reports. The Group Vice Principal advised that some actions had been delayed as a result of the merger but that they should reduce quickly in the future.

In relation to the I.T. Asset Register, a Governor stated that it was important that this be kept up to date now that there were 3 campuses to cover.

A Governor commented on the difficulty of assessing the risk of one area on other areas and suggested some thought be given on how to cross reference risks.

13. Resolved:

That the Audit Tracking report be noted

Audit Committee Draft Annual Report 2015/16 (Appendix 12/16)

The Chair submitted his Draft Annual Report and advised that the report would be completed and referred to the Board for approval. He invited comments on the report.

14. Resolved:

That the Draft Annual Audit Report for Audit be agreed and, subject to further amendments, be referred to the Board for approval.

15. **Risk**

There were no areas of risk arising from the meeting

16. **Irregularity and Fraud**

None

(**Note:** At this point of the meeting, the Internal and External Auditors withdrew from the meeting)

Performance Indicators (Appendix 13/16)

17. Resolved:

(a) That the Internal and External Auditors be rated 'Good' across all the listed criteria.

(b) That it be noted that the College would go out to tender in the Spring for both Internal and External Auditors,

18. **Date of next meeting** – Tuesday, 7 March 2017 at 6.00 p.m.