



## MINUTES OF THE AUDIT COMMITTEE MEETING

Held At Esher College  
Wednesday, 22<sup>nd</sup> February 2017, at 6.00 pm.

### Present:

Paul Collyer (Chair)  
David Lavarack  
Darrell Bate

Ian Leigh  
Daniel Loughlin  
Karin Rowsell

Stephanie Wiles, Director of Finance and Estates (Advising Officer)  
Rebecca De'Ath (Clerk)

### 1. REGISTER OF INTERESTS

No interests were declared in any agenda items.

### 2. APOLOGIES FOR ABSENCE

Peter Hickman had sent his apologies; this was accepted by the meeting.

### 3. MINUTES OF THE LAST MEETING (16<sup>th</sup> November 2016)

There were two paragraph 11s; the second should read 12. The minutes were otherwise approved as an accurate record.

### 4. MATTERS ARISING

**A1-001:** Risk Register update and scoring – see item 5, below.

**A1-002:** Extended audit assurance – see item 6, below.

### 5. STRATEGIC RISK REGISTER UPDATE

The Chair sought clarification as to the interpretation of the scoring system. Director of Finance and Estates explained that although there was an explanatory column heading on the first page, she would ensure this carried forward to the top of each page. She confirmed that the scoring looked at “likelihood x impact”.

Governors discussed the action from the previous minutes, which suggested that risks to reputation from, for example, Health and Safety incidents, should be captured on the Register. It was explained

that this might capture any risk to the College's reputation (even though the likelihood of this might be Low, the impact would be High), not just those that might involve the Health & Safety Executive. Governors were clear that they did not want to exclude enduring risks, but were supportive of the ethos of refreshing this "live" document every term. The meeting agreed that the Director of Finance and Estates should convey to the Principal that such reputational risks were deemed strategic and should replace/encompass risk 8. The Register should capture risk to reputation with new controls as appropriate.

*Karin Rowsell arrived at 6.20pm*

**ACTION:** Director of Finance and Estates to take this suggestion of adding reputational risk to the Principal.

The Risk Management update was approved.

## 6. INTERNAL AUDIT SCOPING

The Senior Management Team had reviewed the three areas suggested for a 3-day audit (performance management, record retention and Safeguarding), and had agreed that an audit of the College's safeguarding procedures and practices would be the most useful. Governors agreed that this topic was the most value-added of the three options and suggested that the audit include on-line safety as well. They discussed the level of expertise required for such an audit. The meeting agreed that the Director of Finance and Estates should take the following actions:

**ACTIONS:** Director of Finance and Estates to:

- Confirm with the College's Designated Safeguarding Lead that he thought the scope of the audit was appropriate, and add in online safety;
- Ensure that the scope covers looking at external legislation and guidance, then compare this to the College's procedures, and College practices;
- Commission the audit such that a report could be produced for the next Audit Committee meeting.

## 7. REVIEW OF COMMITTEE TERMS OF REFERENCE

The Director of Finance and Estates explained that she would make the following changes to the Terms of Reference:

- Add "to the Audit Committee" at the end of the first sentence;
- Replace references to "internal auditor" with "external assurance auditor";
- At note 5.4, clarify that the Deputy Principal may attend as an adviser where required;
- Add "whistleblowing" to the last but one responsibility "to ... investigate...alleged fraud or other financial irregularity...";
- Add, as a responsibility, "To recommend the annual financial statements to the Corporation for approval."

**ACTIONS:** Director of Finance and Estates to :

- Email members a copy of the Whistleblowing and Fraud policies and confirm that the former was approved by this committee;
- Amend the current TORs with Track Changes.

The meeting agreed to recommend these TORs to the Corporation, subject to the above changes being circulated to the Audit Committee.

**8. ANY OTHER BUSINESS**

There was no further business.

**12. DATE OF NEXT MEETING – Wednesday, 14<sup>th</sup> June 2017**

*The meeting closed at 6.27 pm.*

*Attendance was 86% (6 out of 7 members)*

Signed.....

Date.....

**SUMMARY OF ACTIONS**

<b>A2-001</b>	Item 5: Risk Register - <b>Director of Finance and Estates</b> to take the suggestion of including reputational risk on the Register to the Principal.
<b>A2-002</b>	Item 6: Extended audit assurance - <b>Director of Finance and Estates</b> to ensure that the audit covers on-line safety and that external legislation and guidance was the starting point for the audit.
<b>A2-003</b>	Item 7: Committee Terms of Reference - <b>Director of Finance and Estates</b> to : <ul style="list-style-type: none"> <li>• Email members a copy of the Whistleblowing and Fraud policies and confirm whether the former was approved by this committee;</li> <li>• Amend the current TORs with Track Changes.</li> </ul>

**SUMMARY OF GOVERNOR CHALLENGE [C] /SUPPORT [S]**

<b>C/S</b>	<b>Item</b>	<b>Topic</b>
C S	5	Strategic Risk Register - Governors agreed that the Risk Register should cover not just transient risks, but enduring risks too, and include the new risk of reputational loss to the College. Support for the aim of the Risk Register being a “live “ document, where specific risks were removed once they became benign.
C S	6	Extended audit theme - Suggestion that on-line safety be included within the scope of an extended audit of safeguarding procedures and practices. Support for the SMT who, Governors agreed, were best placed to decide which theme to select for an extended audit.

C	7	Review of Committee terms of reference - these had been benchmarked against some other Sixth Form Colleges, and suggestions for amendments were agreed.
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