



MINUTES OF THE AUDIT COMMITTEE MEETING

Held At Esher College
Wednesday, 14th June 2017, at 6.00 pm.

Present:

Paul Collyer (Chair)
Darrell Bate

Ian Leigh
Daniel Loughlin

Guy Biggin – Audit Partner
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

David Lavarack and Karin Rowsell had sent their apologies, which were accepted by the meeting.

3. EXTENDED ASSURANCE AUDIT OF SAFEGUARDING

The College's Audit Partner (from Crowe Clark Whitehill) reported that the result of the audit of the College's safeguarding policies and practices was good, producing an overall assessment of "significant assurance". He explained how the review had been carried out and summarised the findings detailed in the Additional Assurance Report. Four issues had been raised, most of which were low priority. The Director of Finance and Estates informed the meeting that the findings had mostly been acted on.

He was asked the following questions by Governors:

Q: Did you start the review by looking at UK legislation? Yes. We looked at legislation and external guidance, then at the processes and practices in the College.

Q: Did you find any gaps in what the College had in place? No.

Q: Did you refer to the OFSTED Inspection Handbook in the review? No. This was not in the scope of the review; we were focussing on our work from the point of view of the College, not OFSTED. We are not qualified to look at safeguarding from an OFSTED stand point.

Q: How did your colleague select the staff to interview? I am afraid I do not know.

Q: Is there anything further that the College needs to do? No.

Governors noted that the action points did not have any “owners” or target deadlines. The Director of Finance and Estates replied that the first two recommendations had already been met. Recommendations 2.3 and 2.4 were Dan Hard’s responsibility and were in progress, with a December 2017 deadline.

The Director of Finance and Estates reported that she had been very impressed by the Auditor conducting the review. The Chair of the Audit Committee thanked the Audit partner for his summary of a very thorough review.

8. PLANNING FOR FINANCIAL STATEMENTS AND REGULARITY AUDIT

This item was taken out of agenda order to enable the Audit Partner to complete his contribution to the meeting in time to catch his train. He explained that this year the Audit Plan will look different to that of previous years in that the letter will have a new layout and format, but the content of the Plan will remain the same. The list of audit deliverables would this year be sent separately to the Director of Finance and Estates.

The Audit Partner explained that the key areas of audit focus would be on:

- Income (for completeness, benefit, and accuracy);
- Management override of controls (focussing on journal entries and estimates such as depreciation and pension liability).

The Director of Finance and Estates stated that she aimed to get the draft financial statements for the year ending 31 July 2017 to committee members well before the next meeting on 22nd November, so that there would be time for Governors to comment and for her to make amendments beforehand. She was asked if this timeframe was realistic. She replied that it was, as this was the second year of FRS102 reporting and the process would be easier.

The Chair thanked the Audit Partner for his Audit Plan.

4. MINUTES OF THE LAST MEETING (22nd February 2017)

Item 12 should be renumbered item 9. The minutes were otherwise approved as an accurate record.

5. MATTERS ARISING

All actions had been completed.

A2-001: The Principal had included risk to the College’s reputation in the Risk Register.

A2-002: Extended audit assurance on safeguarding – carried out, see item 3, above.

A2-003: The Confidential Reporting (Whistleblowing) and Anti-Fraud Policies had been reviewed by this committee in March 2015, but not re-circulated. It was agreed they should be made available on the Governors’ Portal. The committee’s TORs had been amended.

ACTION: Clerk to upload policies to the Governors’ Portal.

6. RISK MANAGEMENT DOCUMENTATION REVIEW

The College had reviewed the key risk management documents, and suggested the following changes to the review processes for discussion:

Risk Management Policy – review on a 3-yearly cycle as per other policies, rather than its current annual cycle;

Risk Register – continue to update every term, but remove the Introduction and Strategic Context sections which repeated information contained in other documents.

Risk Management Policy

Members reviewed this policy and agreed the following changes:

- Page 2, e) remove “annually”.
- Page 4, g) add at the end of the sentence “and risks retired from the Register if no longer significant.”

The Policy was approved by the Committee.

Risk Register

The meeting noted that this Register would still be updated and presented at each Audit Committee meeting. It was agreed that the introduction and strategic context sections to the Register were now superfluous and covered elsewhere (in the College SAR, for example) and should therefore be removed.

The Director of Finance and Estates explained that although she was not responsible for the wording in the Risk Register, she could pass on any comments to the Senior Management Team if required. Changes to the scoring of certain risks was brought to the meeting’s attention; the following risks were also discussed:

- The impact over uncertainty with parts of the Abellio bus service;
- Remove the stray bullet point in the second column at the end of risk 7;
- Risk 11 would remain on the Register for the time being;
- Risk 12 was debated as being perhaps scored too high, but it was agreed that it would remain at that level for the present instead of dropping to “amber”;
- Despite College controls, if a risk was still deemed to be “amber”, Governors discussed whether that meant that the controls had not been very effective. They were informed that it could be an emerging or altered risk of an issue that was out of the College’s control.

The meeting approved the updated Risk Register; this would be reported on at the Corporation meeting in July 2017.

7. DISASTER MANAGEMENT STRATEGY

Governors asked the following questions of the Director of Finance and Estates:

Q: Which two Governors would be contacted for involvement on any disaster recovery team? We would, in the first instance, aim to contact the Chair and Vice Chair.

Q: This Strategy could be more precise - for example, could it list some potential disaster management centres or locations that might be suitable for the teams to work from if unable to use College premises? I will feed this back.

Q: There is a lot of reliance placed on the Deputy Principal and Assistant Principal (Student Services) in terms of managing an incident should one occur. Do they feel that they have had sufficient training and support? I will ask them.

Q: Do you ever test the Strategy in a disaster scenario exercise? No – it was felt that it would be difficult to replicate the panic and confusion.

Governors felt that a disaster recovery exercise would prove to be a valuable learning tool for those on the College disaster recovery team, and asked the Director of Finance and Estates to look into this possibility.

The Disaster Management Strategy was approved by the Committee.

ACTIONS:

Director of Finance and Estates to feedback suggestions on the Disaster Management Strategy:

- Alternative locations for teams to work from
- The level of training and support for the Deputy Principal and Assistant Principal
- The undertaking of a disaster scenario exercise

9. ANY OTHER BUSINESS

The Director of Finance and Estates was asked if the OFSTED Common Inspection Framework Action Plan referred to in Risk 1 of the Risk Register would be circulated to Governors. She said that she would feed this back to senior management.

ACTION: **Director of Finance and Estates** to determine if the CIF Action Plan would be circulated to Governors.

10. DATE OF NEXT MEETING – Wednesday, 22nd NOVEMBER 2017 tbc

The meeting closed at 7.10pm.

Attendance was 67% (4 out of 6 members)

Signed.....

Date.....

SUMMARY OF ACTIONS

A3-001	Item 5. Matters Arising Clerk to upload policies to the Governors' Portal.
A3-002	Item 8. Disaster Recovery Director of Finance and Estates to feedback suggestions on the Disaster Management Strategy: <ul style="list-style-type: none"> • Alternative locations for teams to work from • The level of training and support for the Deputy Principal and Assistant Principal • The undertaking of a disaster scenario exercise
A3-003	Item 9. AOB Director of Finance and Estates to determine if the OFSTED CIF Action Plan could be circulated to Governors.

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

C/S	Item	Topic
C	3	Safeguarding Audit – Governors tested the robustness of the audit via their questioning and sought reassurance that the findings were being implemented and that there was no further action for the College to take.
S	6	Risk Management documents – support for senior management demonstrated in that Governors agreed to the Principal's suggestions that the Policy be reviewed every three years, rather than annually, but that the Risk Register would continue to be updated termly. To add a statement to the Risk Management Policy that, in addition to adding new risks to the Risk Register, those which are no longer a significant risk are removed.
C S	7	Disaster Management Strategy – Governors as "critical friends" suggested that the Strategy might contain more detail, and that its procedures could be tested in a scenario planning exercise. Governors recognised the significant responsibilities that the Deputy Principal and Assistant Principal had in the Strategy, and assurance was sought that they felt sufficiently trained and supported by the College to be able to fulfil these roles.
C	9	AOB/Risk Register – Governors requested whether they could see the CIF Action Plan cited in the Risk Register (Risk 1).