



## MINUTES OF THE AUDIT COMMITTEE MEETING

Held At Esher College  
Wednesday, 13<sup>th</sup> June 2018, at 6.00 pm.

### Present:

Paul Collyer (Chair)	Fran Stewart
David Irving	Karin Rowsell
Dan Loughlin	
Helen Odhams, Deputy Principal (Advising Officer)	
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

Darrell Bate sent his apologies, as did Guy Biggin (Audit Partner); these were accepted by the meeting. The meeting discussed the use of Skype and other conferencing facilities to enable members to participate in meetings if they could not attend in person and noted that the College had done this before.

### 10. PLANNING FOR FINANCIAL STATEMENTS AND REGULARITY AUDIT

This item was taken out of agenda order to enable the Committee Chair to report on his telephone conversation with the Audit Partner as the latter was unable to attend. It was explained that this year the Audit Plan would continue in the same vein as the previous year's Plan, with the key areas of audit focus being on:

- System controls
- Journal entries
- Payments, and payroll

The Director of Finance and Estates confirmed that the only change was in relation to the fees charged by Crowe Clark Whitehill (following her recent benchmarking exercise, the Audit Partner had agreed to invoice the College at the level stated in the Plan for the next two years, and in year three would only apply an inflationary increase).

The meeting approved the Audit Plan.

### 3. EXTENDED ASSURANCE AUDIT OF HEALTH AND SAFETY

The Additional Assurance Report from the external health and safety review had been circulated to committee members. The College's Audit Partner confirmed to the Committee Chair that the results were very positive, producing an overall assessment of "significant assurance". Four low-level issues had been raised of the type where the controls were operating but they needed to be evidenced. Most of the recommendations had already been actioned or would be by the start of the new academic year.

Asked if this audit had been a valuable exercise, the Director of Finance and Estates replied that she felt that it was – it was comforting to know that there were no material gaps in the College's health and safety processes and she had been very impressed by the Auditor conducting the review. Governors stated that they felt reassured by an *external* review which had concluded that they could take a high level of assurance from the audit.

The meeting discussed the suggestion made earlier in the year for the next extended audit to review the College's General Data Protection Regulations procedures (GDPR). It was agreed that the Committee should again explore the main risks to the College first, and, if it was concluded that the focus should still be on GDPR, then it would be sensible to ensure that auditors are selected who are experienced in this area.

The meeting approved the audit report.

*Karin Rowsell arrived at 6.10pm*

### 4. MINUTES OF THE LAST MEETING (21<sup>st</sup> November 2017)

Governors queried the information captured under item 9 (Strategic Risk Register Update): Risk 3 should clarify that for students to *study* at the College, a GCSE grade 4 was required to study English; a grade 6 was required for Maths, Science and languages. Subject to this clarification, the minutes were approved as an accurate record.

### 5. MATTERS ARISING

All actions had been completed.

**A1-001:** The SLT had researched what sort of disaster management exercise the College might benefit from. It was felt that a counter-terrorism exercise run by counter-terrorism security and awareness advisers would be the most useful, and would provide a better awareness of that threat and the means to protect the staff and students. Multi-media scenarios would be considered by the Senior Leadership Team in order to identify measures to help the College prevent, manage and recover from a terrorist incident.

**A1-002:** The IT Director had included the exam leak on his Data Loss Table.

**A1-003:** The extended audit on health and safety had been conducted (see item 3, above).

**A1-004:** The minutes had been circulated after comments from the Chair and SLT, had been uploaded to the Governors' Portal and were sent out prior to the Corporation meeting in December.

## 6. ANTI-FRAUD POLICY REVIEW

This policy is reviewed every three years, and while most policies were reviewed by the Strategy & Policy Committee, those requiring audit or financial expertise were brought to the relevant committee.

The meeting discussed how the policy differentiated between the process to be followed when a fraud was *suspected*, and that required when a fraud had actually *occurred*. In the latter instance, it would be important to ensure that any subsequent investigation did not prejudice the evidence or audit trail should the police be involved. It was agreed that an addition should be made to the second sentence at the top of page 2: "Consideration will be given to whether the funding bodies **and/or the police** should be informed."

Governors asked who had reviewed this policy, what processes the reviewer had undertaken to update the policy and how it had been benchmarked. They were informed that the Office Manager maintained a list of policies and allocated them to the appropriate member of staff. The policies are then reviewed by SLT. Governors suggested that for the next review, it should be considered whether the policy could be benchmarked against other college policies and the "owner" of the policy could be cited at the bottom of the document, along with the frequency of review. Subject to the addition suggested, the Policy was approved.

**ACTIONS:** Office Manager to make the amendment.

## 7. CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

The following matters were raised:

3.1.2: the document should explain what a "qualifying disclosure" is.

3.3.3: the "credibility of the concern" places a large onus on that person to make a subjective judgement. The Deputy Principal explained that in practice, someone would usually discuss the concern in confidence with another member of staff as well. The process was that the concern would be reported to her and she would then engage with others about taking it forward. However, it would depend on the situation.

Asked whether any member of staff had raised a concern under this policy, the Deputy Principal replied that there had been nothing since she had worked at the College. She added that the policy is on the website where all can access it.

The meeting approved the Policy subject to the clarification sought above.

## 8. STRATEGIC RISK REGISTER UPDATE

The meeting focussed on risks whose profile or score had changed:

- Issue 5. Bus service timetabling – Governors sought further details about this issue, noting that about 20 students were affected who would have to get a bus at a significantly earlier time to attend two subject lessons that had a morning start time (period 1). The College is monitoring Thamesmead uptake and withdrawals and the Deputy Principal stated that reasons for students not choosing to come to Esher are not only decided by the transport

issues and the monitoring process is therefore more complex than this. However, by now, prospective students would be aware of the lack of service to arrive for period 1 and would be taking this into account when applying for colleges; it was suggested therefore that this risk be removed from the Register. After a debate, it was agreed by the majority of Governors to monitor and retain this risk on the Register for one more year.

- Issue 6. Applied General BTEC qualifications – there had been no change to this risk due to the level of uncertainty as to how the T-level qualifications will take off.
- Issue 9. Finance and Resources – did the lower score mean that the risk to staff morale was receding? The Deputy Principal explained that the adjustment had been made to reflect the 2017/18 national pay award.
- Issue 10. ESFA retention factor – this issue had been removed as the retention factor is now applied to a one year study programme rather than 2 years.

The Risk Register was approved by the Committee.

## 9. DISASTER MANAGEMENT STRATEGY

The Deputy Principal explained that this document had received quite a few additions, mainly in terms of the appendices. Asked if Appendix 4 took account of lessons learned from the previous incident, she replied that it did.

The Disaster Management Strategy was approved.

The meeting requested that if any significant changes to the Policy were required as a result of the counter-terrorism exercise in the autumn, this Strategy should be updated and brought back to this committee. The Strategy should also contain wording to the effect that it was approved by the Audit Committee on today's date.

**ACTION: Deputy Principal** to ensure that updates are made to the Strategy should any be identified as a result of the disaster exercise and that it is reviewed at a subsequent Audit Committee meeting. It should also contain details when approved, and by whom.

*[See page 1 for item 10.]*

## 11. ANY OTHER BUSINESS

It had come to the Corporation Clerk's attention that the Joint Audit Code of Practice (2017-18) states that one of the changes made to this version was "...clarifying that Staff Governors should not be members of the Audit Committee" - pages 4 & 8 of this document. The background and reasoning behind this advice was not clear, other than the Code citing this as accepted good practice for audit committees of publicly-funded organisations. As it was a national code for best practice, the meeting agreed to recommend to the Corporation that this change be effected when the committee membership receives its annual review over the summer.

**ACTION: Deputy Clerk** to ensure that this is an agenda item for the next Corporation meeting.

## 12. DATE OF NEXT MEETING – Wednesday, 14<sup>th</sup> November 2018 *tbc*

*The meeting closed at 7.02pm.  
Attendance was 83% (5 out of 6 members)*

Signed.....

Date.....

### SUMMARY OF ACTIONS

<b>A2-001</b>	<u>Item 6. Anti-Fraud Policy:</u> <b>Office Manager</b> to ensure that the policy document is amended.
<b>A2-002</b>	<u>Item 9. Disaster Management Strategy:</u> <b>Deputy Principal</b> to ensure that updates are made to the Strategy should any be identified as a result of the disaster exercise, and that it is reviewed at a subsequent Audit Committee meeting. It should also be dated with details of when approved, and by which committee.
<b>A2-003</b>	<u>Item 11. AOB (JACOP):</u> <b>Deputy Clerk</b> to add an agenda item for the next Corporation meeting regarding the recommendation that Staff Governors do not become members of the Audit Committee.

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

C/S	Item	Topic
C	3	H&S Audit – Governors challenged whether the College felt that the audit produced added value for the College (it did). They also recommended that future extended audits should be carried out by Auditors experienced in that field.
C	4	Previous Minutes – challenge to the information recorded about grades for entry to the College, which was not clear.
C/S	6	Anti-Fraud Policy – challenge to the wording of the policy, and suggestions for an amendment to support the process.
C	7	Whistleblowing Policy – questions from Governors as to whether anyone had invoked their right to make a confidential report under this policy.
C	8	Strategic Risk Register – the status of four risks were challenged, and the Committee requested to see major changes to the Policy in the future (e.g. as a result of the disaster exercise planned for the autumn).
C	9	Disaster Management Strategy – Governors ensured that lessons learned from a previous incident were reflected in the updated Strategy.
C	10	Audit Plan – Governors checking whether there was any significant change to this year's Plan over that of last year.
C/S	11	AOB – decision by the Committee to comply with the advice in the Joint Audit Code of Practice.