



**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON  
WEDNESDAY 7 MARCH 2018 AT 9.00 AM IN  
THE BOARD ROOM, THE ROUNDHOUSE**

Present: Kevin Slack (*Chair*), Rosslyn Green, Mike Kapur (remote attendance), Peter Lewis, Jonathan McCluskey

In attendance: Bernadette Doyle (*HR Director*) – Minute number 46/17-18 only  
Richard Eaton (MIS Director)  
Jon Fearon (*CFO*)  
Michael Ford (Business Improvement Director)  
Heather Simcox (*Deputy CEO*)  
Jonathan Creed (*ICCA – Internal Auditors*)  
Sam Lifford (*BDO – External Auditors*)  
Rose Matthews (*Clerk*)

*Prior to commencing formal business, Governors met in private with the representatives from ICCA and BDO*

		Action	Date
<b>42/17-18</b>	<b>Apologies for absence</b>		
	Apologies for absence were received from Simon Smith.		
<b>43/17-18</b>	<b>Declaration of Interests and Eligibility and Quorum</b>		
	Jonathan Creed declared he was the Head of Internal Audit at Bilborough Sixth Form College.		
	No new declarations had been received from members, all members were eligible and the meeting was confirmed to be quorate.		
<b>44/17-18</b>	<b>Minutes of the last meeting</b>		
	The minutes of the meeting held on 28 November 2017 were approved and signed as a true record.		
<b>45/17-18</b>	<b>Matters arising</b>		
15/17-18	The CFO would address the Cash Handling Procedure as part of the Policy agenda item.		
29/17-18	The Clerk had sent a copy of the Internal Audit Plan and Strategy to Peter Lewis.		
33/17-18	The Financial Statements for the College and MBS were approved at the Corporation meeting held on 11 December 2017.		
34/17-18	The Business Improvement Director confirmed the actions had been completed prior to the report being submitted to the Committee. He had since added a completed action column on the report.		

35/17-18	The Business Improvement Director confirmed the risks had been consolidated and had included the closed risk register with the Committee report to indicate which risks had been closed.		
36/17-18	<p>The Financial Regulations were approved by Corporation on 11 December 2017.</p> <p>The Anti-Money Laundering Policy had been revised and would be presented later in the meeting.</p> <p>The Bribery Policy was approved by Corporation on 11 December 2017.</p> <p>The Risk Management Policy was approved by Corporation on 11 December 2017.</p> <p>The Cashflow Procedure was approved by Corporation on 11 December 2017.</p> <p>The Cash Handling Procedure was waiting for the provision of new safes at the main sites.</p>	CFO	20/06/18
37/17-18	The Audit Committee Annual Report was received by the Corporation on 11 December 2017.		
46/17-18	<p><b>Gender Pay Gap Report</b></p> <p>The HR Director joined the meeting to present the Gender Pay Gap Report.</p> <p>She explained the legal requirement to carry out gender pay reporting in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.</p> <p>The report showed a 2/3 majority female split, with information presented on the hourly rate of pay broken down by mean and median.</p> <p>The proportion of male and female employees was split into four quartile pay bands. The percentage split between females and males was consistent across all four quartiles, but with a higher percentage of women making up the lower quartile and a lower percentage making up the upper quartile.</p> <p>The results related to a large proportion of women compared to men being employed in administrative, assistant and support roles.</p> <p>The College's gap was significantly lower than the whole economy and the education sector nationally. However, the College would want to eradicate gaps wherever possible.</p> <p>The HR Director shared the College's work in addressing the pay gap, which included policies to support women at work.</p> <p>The Committee requested the word 'very large part' be removed from the statement attached at Appendix 1.</p> <p><b>The Committee noted the report and approved the accompanying statement and action plan for eradicating the pay gap.</b></p> <p>The HR Director left the meeting.</p>		

**47/17-18 Review of Internal and External Audit Recommendations**

The Director of Business Improvement shared the Internal and External Monitoring Report.

There were nine recommendations from audits carried out this year which were yet to be completed.

Items 50, 51 and 52 had all been completed since the report had been circulated. The other actions were in progress with regular updates received. There were no concerns the actions would not be completed.

Item 72 had been completed, but remained on the report following feedback at the last meeting to show resolved actions between meetings.

Sam Lifford of external auditors BDO, asked if this report included external audit recommendations. The Director of Business Improvement agreed to liaise with the CFO to check they had already been incorporated.

**MF**

**20/06/18**

**48/17-18 Risk Management and Risk Register Review**

The Risk Management Report was shared with Committee Members and 'high' priority risks identified as detailed in the report.

There were no new litigation and health and safety cases to report.

Compliance against the data protection legislation and the actions implemented to address were discussed.

The Committee Chair asked who the DPO would report into and it was confirmed it would be the Deputy CEO.

Mike Kapur felt the right to access data and the right of correction needed some more thought. The Business Improvement Director explained a bespoke webpage had been set up. In terms of arbitration, that would come from the ICO.

The risks relating to GCSE English were covered and the challenges the team faced in implementing and achieving the preventative controls were highlighted.

Rosslyn Green questioned why the results had been so low. The Deputy CEO said a full analysis had taken place following the remarks and there was not one sole reason that could be identified.

There were a number of complex safeguarding cases, but no significant issues to escalate to Corporation. Jack Atwal as the Safeguarding Link Governor attends the monthly Designated Safeguarding Lead meetings.

**49/17-18 Internal Assurance  
2017-18 Assurance Plan Progress, including;**

**49/17-18.1 Financial and Accounting Controls – Cash and Banking**

Jonathan Creed, Head of Internal Audit at the College's internal auditors, ICCA, presented the Financial and Accounting Controls – Cash and Banking.

The scope was to provide the College with independent assurance that adequate and effective financial controls were in place with regard to cash and bank reconciliations, cashflow forecasting, treasury debt management.

The overall assurance opinion was substantial with one recommendation relating to cashbook and bank reconciliations. The CFO said this had now been addressed.

#### **49/17-18.2 Readiness for Compliance to GDPR**

Jonathan Creed confirmed the internal audit visit had taken place last week and provided a verbal update to the Committee.

The report, which would be presented at the next meeting, would look to provide substantial assurance, with some relatively low-level points.

#### **49/ 17-18.3 Student Journey 16-18**

A verbal update was provided on the visit w/c 26 February 2018 and the full report would be presented at the next Audit Committee on 20 June.

A review of the student enrolment process was completed, to achieve maximum conversion of students.

The report should provide substantial assurance, with a couple of minor points.

#### **49/17-18.4 Business Intelligence Strategy and Effective Reporting**

The internal audit visit for Business Intelligence had taken place last week and Jonathan provided verbal feedback.

This review related to the local demographics, decline in 16-18 numbers, HE growth, apprenticeships and how they informed the financial planning process at the College.

Substantial assurance was given, and the full report would be presented at the next meeting.

#### **49/17-18.5 Financial Strategy and Budgetary Controls**

A review of the Financial Strategy and Budgetary Controls took place w/c 26 February and a full report would be available for the next meeting.

Jonathan explained this audit was to ensure the College had capacity to leave itself financially viable by having a growth plan, but ensuring financial plans were optimistic but achievable.

Mike Kapur questioned consideration of value for money on surplus cash balances.

The CFO explained the agreement with the College's bank and agreed to model and produce a report for the next meeting.

**CFO 20/06/18**

<b>50/17-18</b>	<b>Policy Review</b>		
<b>50/17-18.1</b>	<p><b>Procurement Regulations and Tendering Procedures</b>  The CFO presented the Procurement Regulations and Tender Procedures, which had minor changes, relating to signature of contracts, and alignment with the Financial Regulations.</p> <p><i>The Committee recommended the Procurement Regulations and Tendering Procedures to Corporation on 19 March 2018 for approval.</i></p>	<b>Chair</b>	<b>19/03/18</b>
<b>50/17-18.2</b>	<p><b>Anti-Money Laundering Policy</b></p> <p>The Anti-Money Laundering Policy had been fully reviewed in line with the Anti-Money Laundering Regulations 2017 and removal of reference to regulated activity which the College does not carry out.</p> <p><i>The Committee recommended the Anti-Money Laundering Policy to Corporation on 19 March 2018 for approval.</i></p>	<b>Chair</b>	<b>19/03/18</b>
<b>50/17-18.3</b>	<p><b>Cash Handling Procedure</b></p> <p>There had been a delay in the delivery of the specialist safes and therefore the College was unable to implement the revised procedure. A pilot had been introduced at the Joseph Wright Centre with a safe they had in place which should assist with the revision of the guidance.</p>	<b>CFO</b>	<b>20/06/18</b>

The Internal and External Auditors left the meeting.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_