

## THE CORPORATION

### EALING HAMMERSMITH AND WEST LONDON COLLEGE

#### Minutes of the Audit Committee Meeting held on 1 November 2016 at the Hammersmith Campus

The meeting started at 6.00 pm

#### Item 1

##### Attendance, Apologies for Absence and Declarations of Interests

- 1.1 The Committee members present were Julia Clements-Elliott, Joanne Fintzen, Nick Ratcliff (Chair)
- 1.2 Apologies for absence had been received from Jonathan Grant and Sundeep Sangha (Joanne Fintzen substituting)
- 1.3 Emma Crook (Head of CIS), Janet Gardner (Executive Director, Hammersmith Principal), James Newton (RSM UK Group LLP) Sonya Panova (Grant Thornton UK LLP), Garry Phillips (CEO/Principal), Urmila Rasan (Executive Director, Finance and Shared Services), Omer Tauqir (Grant Thornton UK LLP) were in attendance.
- 1.4 Keith Scribbins clerked the meeting.
- 1.5 There were no new declarations of interests.

#### Item 2

##### Appointment of Chair and Vice Chair

In accordance with the wishes of the Corporation Nick Ratcliffe was reappointed Chair and Sundeep Sangha, Vice Chair. It was **AGREED** that during the period of Sundeep Sangha's sabbatical either Julia Clement-Elliott or Joanne Fintzen could be asked to chair meetings if Nick Ratcliffe was not available.

#### Item 3

##### Minutes of the Audit Committee meeting held 21 June 2016

The Minutes were **APPROVED** as a correct record. It had not proved necessary to call an extraordinary meeting. There were no matters arising.

## Item 4

### Provider Financial Assurance Data Audit

Members received the data audit which provided to the Funding Agencies assurances in respect of claims for 2015/16. The overall opinion was that the Provider's EFA Funding Claim Report for 2015/16, has, in all material respects, been properly compiled in accordance with the EFA's Funding Guidance for young people 2015 to 2016 and other relevant guidance.

It was acknowledged that this conclusion represented a significant improvement in the audit of data in recent years. The mock audit and remedial work had paid off. Staff were to be congratulated. Discussion turned to how this success could be maintained and Emma Crook described the 'embedding measures' being undertaken.

The PFA Data Audit was **ADOPTED** and the staff congratulated on the achievements made.

## Item 5

### External Audit

5.1 The following documents from RSM were before the Committee:

- Mock Funding Audit
- Draft Financial Statements
- Final Audit Findings Report – Management Letter
- Draft Letter of Representation

5.2 The Mock Funding Audit had been overtaken by the data audit (see Item 4) but it was pointed out that improvements had been largely due to training including this mock exercise. The Mock Funding Audit report was **NOTED**.

5.3 Members considered two documents prepared by RSM:

- The Power of Being Understood – Final Audit Findings Report
- Report and Financial Statements

The final audit findings report said the work followed the agreed audit plan. The opinion was 'that the audit and regularity assurance approach adopted will provide the Audit Committee with the required confidence that thorough and robust audit and regularity assurance engagements have been carried out'. Subject to some continuing work, no modifications were needed. The report set out letters of representation at Appendix A. The main themes of the report were:

- Audit, accounting and regularity issues identified at the planning stage and during the audit
- FRS102 Transition and Adjustments
- Unadjusted/Adjusted Misstatements
- Impropriety Issues (none reported)
- Deficiencies in Internal Control
- Significant Policies, Disclosures and Estimates
- Qualitative aspects
- Fees and Independence

It was noted that one of the subsection titles concerning VAT should read 'Impact of the Wakefield Appeal'.

During the course of discussion it was felt that the work of the Committee would be enhanced if it saw a high level assets register, from time to time.

#### 5.4 It was **RECOMMENDED**

that: The Final Audit Findings Report be adopted.

that: The Report and financial statements (year end 31 July 2016) be adopted.

that: The letters of representation be agreed for signature by the Corporation Chair and CEO/Principal.

### **Item 6**

#### **Internal Audit**

##### 6.1 Members considered the following visit reports:

- Compliance Manual Implementation
- Governance
- Annual Opinion Report
- Annual Plan
- Letter of Engagement

6.2 In respect of the compliance manual reference was made to the appointment of ambassadors (a helpful development). There were only two recommendations: one

(updating of Supporting Process Documentation) was categorised as 'low'. The other (raising awareness) was for information only. The report and management responses were **APPROVED**.

In discussion Garry Phillips reported on recent appointments aimed at providing assurance re property and related developments. The 'gateway process' is subject to specific compliance/operational provisions.

- 6.3 The Governance report was thought to be very useful and reflected well on the work of the Governing Body and the Clerk. It covered items like the governance framework, recruitment, induction, skills audit etc. There were two medium recommendations (Board Skills Matrix and Governor Training) and one low recommendation (terms of reference). These were accepted and a timetable for implementation had been agreed.

The Audit report was **ADOPTED**. In discussion it was suggested that a glossary of terms, abbreviations and acronyms would be useful.

- 6.4 The annual opinion report set out the five recommendations made in the year – a considerable reduction by comparison to previous years. The overall conclusion was before on the basis of the agreed management action plans and subsequent discussions, we are satisfied that the College has taken, or is taking, the appropriate actions to address the issues and control weaknesses that were raised in our individual reviews'. In discussion it was pointed out that the purpose of the report was to help the Committee in producing its own annual report and opinion. The annual opinion report was **ADOPTED**.

- 6.5 The Internal Audit Plan 2016-17 was also **ADOPTED** subject to some revisions and change of emphasis in respect of some items. The plan suggested 48 days of audit work covering marketing, purchasing compliance, HR and payroll processes, quality arrangements and follow up.

The internal auditors agreed to revise the plan and submit it to the CEO/Principal and the Executive Director, Finance and Shared Services.

- 6.6 The Letter of Engagement produced by the internal auditors (requiring counter signature by a College representative) was presented and **APPROVED**. It was **AGREED** that the letter could be signed by the Executive Director, Finance and Shared Services, after receipt of the revised audit plan.

## **Item 7**

### **Annual Report of the Audit Committee**

The draft annual report was tabled, introduced by the Clerk and **APPROVED**.

It was **AGREED** that a sentence covering progress in the year on data management and capital, should be added to the report.

**Item 8**

**Risk Register**

The Committee was asked to **APPROVE** the identified risks, the scores and the controls for risk mitigation. This was **AGREED** subject to caveats:

- There should be a guide to headings and a key to risk numbers
- The results of an ongoing sensitivity analysis should be reported at a later date

**Item 9**

**Any other Business**

There was no other business.

**Date of Next Meeting**

Date of next meeting 7 March 2017.



Chair's Signature

7-3-2017

Date

