

THE CORPORATION

EALING HAMMERSMITH AND WEST LONDON COLLEGE

Minutes of the Audit Committee held on 7 March 2017

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, Nick Ratcliffe (Chair) and Sundeep Sangha.
- 1.2 Apologies for absence had been received from Joanne Fintzen and Jonathan Grant.
- 1.3 Tony Alderman (Observer), Emma Crook (Head of CIS), Sonya Panova (Grant Thornton UK LLP), Urmila Rasan (Executive Director, Finance and Shared Services), Omer Tauqir (Grant Thornton UK LLP) were in attendance.
- 1.4 Garry Phillips (Principal and Chief Executive) was also in attendance and Keith Scribbins clerked the meeting.
- 1.5 There were no new declarations of interests.

Item 2

Membership and Terms of Reference

It was **AGREED** that, if possible, Joanne Fintzen should remain a member of the Committee when the terms of reference were reviewed.

It was **RECOMMENDED**

that: Section 2.3 should be removed in favour of the following: The Committee shall comprise at least three and up to five members of which one member will be a co-opted member and the remainder Corporation members.

It was **AGREED**

that: Save for the alteration to the membership clause, the terms of reference were fit for purpose.

Item 3

Minutes of the Audit Committee meeting held on 16 November 2016

The Minutes were **APPROVED** as a correct record, with no matters arising.

Item 4

Internal Audit Reports

Two internal audit reports were considered:

- (i) Payroll and HR processes
- (ii) Purchasing Process

Members were informed that there were no significant faults but some processes required fuller development.

- Documentation and Processes within HR and Payroll was incomplete. It had been agreed with management that a process manual will be developed.
- Testing of starters, leavers and changes to standing data.

It had been agreed that some hard copies were missing from files and it was recognised that a new process should be implemented to rectify this.

- Access to ITRENT had been studied and it was recommended that the full list of those having access should be obtained from ITRENT.
- Two improvement actions were agreed regarding elements of managing the contract with Midlands HR and data cleansing.
- In relation to controls on BACS files should be strengthened. This was a high recommendation and it had been agreed to implement it immediately.
- Another high recommendation was an independent check of bank details amendments. This was also adopted for immediate implementation.

- It was also agreed that the compliance manual covering purchase order and invoice approvals should be updated. This will cover a number of other items within financial process.

Members congratulated Urmilla Rasan and her team for the work being undertaken in response to these audits. The internal audits and the management action were **APPROVED** and **ENDORSED**.

Item 5

External Audit

Urmilla Rasan introduced her report on the external audit of sub-contractor controls and the action plan.

The sub-contractor control audit is an annual process and a condition of funding. The report also covered JTJ and its status of going into a voluntary arrangement. Steps for taking over the work (by other College partners) were described.

Emma Crook introduced the action plan and it was discussed in detail. Members asked about the 'checks and balances' involved. It was clarified that the frequency of visits had been increased and some payments had been held back.

It was **AGREED**

that: The sub-contractor control report should be **ADOPTED**.

that: The action plan should be **ADOPTED**.

that: The Corporation should receive a full report on JTJ at its March meeting.

Item 6

Risk Register

Members considered a paper on the College Risk Register and the Projects Risk Register.

The purpose of the paper was to identify risks and confirm the system of control to manage and mitigate the risks. The report described the enterprise risk management process as part of the Corporation and Board Assurance Framework. The report said that risk management and mitigation was crucial to good corporate governance.

The risk register set out two high, twelve medium and three low level risks. For projects there were fifteen red/amber and three green risks before controls and one red, eleven

amber and six yellow after controls. The task of the Strategic Leadership Team was to identify and assign controls to new risks; evaluate existing risks and update controls and remove appropriate risks.

Following discussion of the risk register and mitigations, the report, recommendations, scores and controls were commended for Board adoption.

Item 7

Hammersmith and Fulham Gateway Update, Risk Register and Assurance Report

This report covered the Gateway Project and progress to date. It incorporated an assurance report from Grant Thornton, a risk register, scores and mitigation controls and full description of the Hammersmith and Fulham Gateway process. The regularity, propriety and Compliance Manual had been strengthened. Grant Thornton oversaw the tender and appointment process. The paper set out the RIBA stages and how the Corporation would deal with them.

The proposed strategy and paper from Grant Thornton covered

- Updated regularity, propriety and compliance process
- Updated finance controls
- Internal audit framework to be in 2017/18 audit plan

The Committee **NOTED** the Grant Thornton assurance report and **RECOMMENDED**

that: The risk register, scores and mitigation controls be adopted.

that: The Hammersmith and Fulham Project Gateway process and governance be adopted.

In discussion the role of Laurie Morey was outlined and **APPROVED**.

Item 8

Regularity, Propriety and Compliance Manual Update

Urmilla Rasan introduced her report which set out an update on the Regularity Framework Propriety and Compliance update. This updating is an annual exercise. This year account is being taken of the internal audit report (see above) and the implementation of new finance and HR systems. The report sought support for a paper going to the March Corporation meeting covering authorisation limits, the compliance manual, the adoption of IR35 anti-

avoidance legislation and the credit card process. This **SUPPORT** was given by the Committee.

Item 9

Supplementary Matters

There were no items of other business, but in the course of the meeting two supplementary items were raised.

It was felt that in relation to risk registers, sections should be added regarding key personnel and continuity. It was also suggested that job titles should be checked for accuracy.

Item 10

Date of Next Meeting

20 June 2017.



Chair's Signature

20-6-2017

Date

