

THE CORPORATION

EALING HAMMERSMITH AND WEST LONDON COLLEGE

Minutes of the Audit Committee held on 20 June 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 Nick Ratcliffe (Chair), Joanne Fintzen and Sundeep Sangha.
- 1.2 Apologies for absence had been received from Julia Clements-Elliott and Jonathan Grant.
- 1.3 Hannah Catchpool, Sonya Panova, Garry Phillips, Urmila Rasan and Ray Shilling were in attendance.
- 1.4 Keith Scribbins clerked the meeting.
- 1.5 There were no new declarations of interests.

Item 2

Minutes of the Audit Committee meeting held on 7 March 2017

The Minutes were **APPROVED** as a correct record, with no matters arising. This was subject to the correct spelling of Nick Ratcliffe's name.

Item 3

Internal Audit Report

The internal audit report had been prepared by Grant Thornton. It was a follow-up report and covered:

- Investment Strategy – Compliance Manual
- HR and Payroll Processes
- The Purchasing Process

There was a total of six recommendations and five had been implemented with one in the process of being implemented. The status of the recommendations were as follows:

- HR and Payroll: The required documents for starters and leavers to be included in HR procedure. Implemented.
- Report from Midland HR of all staff having access to ITRENT. Implemented.
- Minutes to be made of quarterly HR/Payroll meetings. Implemented.
- Independent verification of BACS changes re purchasing. Automated reconciliation report to be signed off. Implemented.
- Independent check to be made of amendments to bank details. In progress, but since implemented.
- Investment strategy requires new procedure notes. Implemented.

Members congratulated staff on the achievements made against this audit report. The follow-up report was **NOTED**.

Item 4

External Audit

Members considered the Audit Plan for the year ending 31 July 2017. The plan had been prepared by RSM.

The plan covered:

- Engagement Objectives
- Audit and regularity approach
- Key risks
- Fees
- Matters brought forward
- Appendices: the team, other matters relating to scope etc, pro-forma reports, governance and emerging issues.

It was reported that Chris Mantel had left RSM and that Hannah Catchpool had taken over from him. She introduced the plan and answered questions on it. These focused on key risks (page 8) and those unique to the College (pages 9/10). Members also discussed the regularity approach and the new (tighter) going concern considerations.

The external audit plan (2016/17) was **RECOMMENDED** for approval by the Corporation. Members **NOTED** the additional fees (H and F Gateway project, going concern opinion and Evolve Learning Group audit) and the core fee producing a total of £40,540.

Item 5

Risk Register

Urmila Rasan introduced the College Risk Register and described the process used to produce it. This is an Enterprise Risk Management Process as part of the Corporate and Board Assurance Framework. Risk identification and risk appetite were discussed with members.

The summary of the register depicted two high risks, twelve medium risks and three low risks.

There are two supplementary registers which cover all accommodation projects and the Hammersmith and Fulham Gateway project, in particular (see below). The summary scores for the Projects Risk Register are (after controls): one very high, eleven high and six medium.

The context of a likely merger with Kensington and Chelsea College was discussed and eventually that the College's risk register will need to be incorporated. Also it was thought a good idea to have a merger risk register.

Following extensive discussion it was **RECOMMENDED**

that: The Corporation should adopt the scores and controls in relation to the Risk Register

that: The Corporation should adopt the scores and controls in relation to the Projects Risk Register

that: A separate register should be developed relating to merger.

Members moved on to consider:

Key man risks relating to:

- Accommodation
- Financial strategy

- Growth strategy and mergers
- Quality, and
- Stakeholder engagement

Each area was considered in turn and actions to mitigate risks were discussed. This discussion also considered training arrangements. The conclusion was that the mitigation measures should be **APPROVED**. However, it was also felt that this item should be kept under review and further consideration given to key man risks and insurance.

Finally, an update report was given on the H and F Gateway Project and its risk register. Before management controls there were fifteen high level risks now reduced to medium risks after management controls. The report also covered the governance structure to manage the H and F Gateway Project.

It was **AGREED** that the Risk Register and mitigation controls should be adopted and that the update report be **NOTED**. Funding and planning (risk 1.9) formed the core of the discussion undertaken by the Committee.

Item 6

Procurement

Urmila Rasan introduced her report covering the procurement timetable and reports. She thanked Nick Ratcliffe for his assistance with this matter. The reports covered cleaning, security, insurance, agency staff and telephone system. The projects, estimated costs and the procurement process were described in detail via an elaborate spreadsheet (See the Regularity, Propriety and Compliance Manual). Members were informed that Corporation approval for contract signing would be sought on 21 June 2017. This was **NOTED** as was the detail of the procurement process.

Item 7

Any Other Business, Date of Next Meeting

There was no other business. The date of the next meeting would be fixed as part of the 2017/18 Calendar.



Chair's Signature

Date