

**THE CORPORATION**

**EALING HAMMERSMITH AND WEST LONDON COLLEGE**

**Minutes of the Audit Committee held on Tuesday 31 October 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, Joanne Fintzen, John Jeffcock and Sundeep Sangha.
- 1.2 There were no apologies for absence.
- 1.3 Emma Cook, James Newton, Sonya Panova, Garry Phillips and Urmila Rasan were in attendance.
- 1.4 Keith Scribbins clerked the meeting.
- 1.5 John Jeffcock chaired the meeting.
- 1.6 There were no new declarations of interests.

**Item 2**

**Minutes of the Audit Committee meeting held on 20 June 2017**

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

**Item 3**

**ALS Audit**

Emma Cook and Urmila Rasan gave presentations on this matter. A report was given on correspondence with the ESFA about the level of investment made. In 2015/16 a detailed

audit was carried out by the financial statements auditor and the recommendations made were implemented. An audit for 2016/17 was subsequently commissioned and further work is being done of achievement rates and areas of spend.

A full report is expected in March 2018. No claim for repayment is expected and no contingency has been dedicated in view of this. Members also had before them a letter from the funding authority on 'Funding Monitoring Activity – Excess Learning Support'.

Members **NOTED** that the College had requested the audit of the EAS claim and update given by Emma Cook and Urmila Rasan.

It was **NOTED** that a further report would be given in due course.

#### **Item 4**

##### **Finance Audit**

Urmila Rasan and RSM representatives outlined the Financial Audit Report and its attachments (being, the Audit Findings Report and the Regularity Assurance Self-Assessment Questionnaire). Members discussed the documents in detail and sought further information on a number of aspects of them.

There was a significant discussion of Page 24 of the Audit Findings Report which covered the treatment of buildings, leases, capitalisation and related matters. Attention was also drawn to Page 29, covering merger accounting. The auditors declared their interest in KCC but it was indicated that there was a clear separation between the work for the two colleges.

The conclusion of the discussion was:

that: The management actions be **NOTED** and **APPROVED**.

that: The Regularity Assurance Self-Assessment Questionnaire be **NOTED** and **APPROVED**.

that: The Audit Findings Report (year ended 30/07/17) and all its recommendations from RSM, be **ADOPTED**.

#### **Item 5**

##### **Internal Audit Assignment Reports and Related Matters**

Members considered reports on:

- IT Disaster Recovery
- Follow Up Review Report

- Internal Audit Annual Report 16/17
- Internal Audit Plan 17/18
- Letter of Engagement

Urmila Rasan and Sonya Panova (Grant Thornton) gave an executive summary of all these documents.

- There were five recommendations relating to IT Disaster Recovery. (They were, one high, one medium and three low level recommendations).
- It was affirmed that the most significant issue was the need to update the Business Continuity Plan. Attention would also need to be paid to this after the merger.
- Follow Up showed three recommendations completed and six in progress.
- The Annual Audit Report (from the internal auditors) stated that '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 during 2016/17'.
- The Internal Audit Plan items (2017/18) were presented, together with a strategy/action programme.
- The proposed Letter of Engagement was presented.

Following discussion of these documents and the management responses to them it was **RESOLVED**

that: The Internal Audit Annual Report 2016/17, the Internal Audit Plan 2017/18, the Letter of Engagement and the Management responses to the IT Disaster Recovery Plan, and to the Follow Up reports, all be **ADOPTED**.

## **Item 6**

### **Risk Items**

The risk items covered the identification of risks and the establishment of controls. There were a large number of attachments, all of which were discussed in varying degrees of detail. These attachments covered risk register relating to the College, Projects, H and F Gateway and the proposed merger. Further documents dealt with finance and legal due diligence relating to the proposed merger.

The summaries of the risk register showed high degrees of mitigation when controls were applied. The full College risk register was also before the Committee.

Following discussion of a number of risks, the Committee **RESOLVED** to **NOTE** and **APPROVE** the Management recommendation that the Board should adopt the scores and management controls in place for mitigation of the College, Projects, H and F Gateway and Merger Risk Registers.

#### **Item 7**

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

Members considered and **APPROVED** (for communication to the Board as an urgent matter) their Annual Report for 2016/17 which had been written as a draft by the Clerk. The date on the report should be the date of the meeting.

**AFTERNOTE:** the report was **ADOPTED** by the Corporation.

#### **Item 8**

##### **Any Other Business**

There was no other business.

#### **Item 9**

##### **Date of Next Meeting**

The date of the next meeting is 6 March 2017.

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**Chair's Signature**

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**Date**