

**CITY COLLEGE PLYMOUTH
CORPORATION AUDIT COMMITTEE**

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON MONDAY 4th MARCH
2019 AT 4.30PM IN ROOM KS301**

MEMBERS PRESENT:

William Woyka	Chair
Andrew Ashley	Governor
Paul Brunt	Specialist Non-Governor
Adam Croney	Governor
Kristi Dingwall	Governor

IN ATTENDANCE:

Alastair Campbell	RSM
Adam George	RSM
Lorraine Hill	Chief Finance Officer
Sandra Wilson	Head of Finance
Liz Wiltshire-Meads	Clerk
Penny Wycherley	Principal

AU19/01 Apologies & Quoracy

No apologies were received. The meeting was quorate.

The Chair reminded the Committee that this was his penultimate meeting and a new Chair for the Committee was needed.

AU19/02 Minutes of the Last Meeting

RESOLVED that the Minutes of the meeting of the Committee held on the 13th November 2018 were signed as a correct record.

AU19/03 Matters Arising

The Principal updated the Committee on progress against the budget. Workforce reforms were complete and were reflected in the projected forecasts. A £80k deficit was forecast for the Consolidated Group. The three year financial plans had been updated and showed satisfactory health for 2018/19. The Education and Skills Funding Agency (ESFA) had confirmed an extra £705k income for the current year in five instalments commencing in March 2019. The College had breached a bank covenant in November 2018 and had received a Reservation of Rights letter which resulted in the external auditors giving an opinion of going concern. The covenant was forecast to be met in 2018/19. Barclays had approved a £1.8M overdraft. Financial health remained forecast as Satisfactory and was on track to move to Good next year.

AU19/04 Confidential Business

RESOLVED that no agenda items were required to be dealt with In Commercial Confidence and that there were no items that should be classified as Part II.

NOTED that no declarations of interest were made at the meeting.

AU19/05 Internal Audit Report - Financial Controls - Purchase Ledger

RSM presented the internal audit report on Purchase Ledger and confirmed that the report provided positive assurance that a sound operation control framework was in place. Three low priority recommendations had been made which had

been accepted by management in relation to: a review of the financial regulations; segregation of duties around payment approvals; and an independent review of changes in supplier details.

The Committee NOTED the Internal Audit Report – Financial Controls - Purchase Ledger

AU19/06 Internal Audit Progress Report 2018/19

RSM asked the Committee to consider the proposed amendments to the Internal Audit Plan for 2018/19. The Chair highlighted the following areas for focus for proposed inclusion in the plan following the FE Commissioner Review: the Curriculum Plan for a deep dive to test the assumptions, of numbers etc and to ensure it was joined up with the financial plan; risk management; and the HR and Payroll systems due to manual work between the systems. The audits would need detailed scopes and the College would need to negotiate with RSM in terms of the number of audit days left for the year and the level of work required.

The Committee approved the proposed amendments to the Internal Audit Plan for 2018/19, and noted that the work should start as soon as possible. RSM to circulate scopes to the Audit Committee.

AU19/07 Risk Management and Register

The Principal set out the new process including definitions, impact analysis and calculation of risk scores. The new register was a live document which would show the residual risk with the highest score at the top. The Principal took the Committee through the top five risks: failure to develop the College's strategic direction; failure to comply with health and safety requirements; major failure of IT systems; failure to recruit, develop and train key staff; and maintaining provision for all learners.

Following questions from the Committee and further discussion it was agreed that: updates to the Register would be in a different colour; actions that did not make an impact would be removed; arrows would be used to show the movement of risks; the separation of existing mitigation on an annual basis to provide a new baseline for inherent risk and then the planned actions to further mitigate the risk.

The Risk Register would be a standing item on the Audit Committee agenda and would also be reported to the Finance & General Purposes Committee, and to Corporation.

The Committee NOTED the Risk Register.

AU19/08 Date of the Next Meeting

The next meeting of the Audit Committee will be held on Monday 1st July 2019 in room KS301 commencing at 4.30pm.

There being no other business the meeting closed at 5.30pm.

SIGNED _____ DATE _____