



BOARD OF GOVERNORS AUDIT COMMITTEE

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT STRODE'S COLLEGE ON WEDNESDAY 31 JANUARY 2018

		<u>Meeting Attendance</u>
PRESENT:	Stuart Taylor (Chair)	(3 out of 3)
	Peter Tyndale (Vice Chair)	(3 out of 3)
	Tina Coates	(3 out of 3)
	Daljit Bains	(2 out of 3)
	Gurpreet Nizzar	(2 out of 3)
IN ATTENDANCE	Kate Webb (Group Principal & Chief Executive)	
	Graham Try (Deputy CEO)	
	Pankaj Makwana (Head of Finance)	
	Abbas Alimohamed (MacIntyre Hudson)	
CLERK	Lynn Payne	(3 out of 3)

PART I

MINUTE

No

The meeting started at 6pm.

- Apologies for Absence
There were no apologies. The Clerk advised members that both Darren Bryant and Emily O'Neill had resigned from the Board and so were no longer members of this Committee.
- Declarations of Interest
No Member declared a conflict of interest with the agenda.
- Minutes of the Previous Meeting Held on 27 November 2017
The minutes of the meeting of the 27 November 2017, having previously been circulated to all members, were agreed as a true record and signed by the Chair.
All Members were agreed.
- Matters Arising of the Previous Meeting held on 27 November 2017
It was noted that all matters arising would be covered within the agenda or had been actioned.
- Standing Agenda Items
 - Risk Management Action Plan 2017/18
This item was presented by the Group Principal. Members were advised of the key risks on the Action Plan with a current update.
The highest current risks and update were as follows:-
 - Failure to improve the College's Ofsted rating to "Good" at the next inspection. The Group Principal said a comprehensive action plan was in place and was being monitored by the Quality & Curriculum Committee. She said that the HMI monitoring visit in 2017 concluded that good progress was being made.

ACTION

MINUTE

No

2. Recruitment of learners in 2017-18 and future years including the impact from "Brexit" and in turn the impact on the college's financial forecast and financial health and viability. The Group Principal said there was reduced recruitment of over 300 16-18 learners which would reduce funding by around £1.8 million in 2018-19. With regard to the forecast on Adults, Apprentices and HE funding she said this was lower than the budget as included in the management accounts. She advised members this would place significant pressure on achieving the college's 2017-18 £750k deficit budget and the current management accounts forecasted a higher deficit of £910K. She said this would leave over £530K "headroom" from the EBITDA to debt service bank covenant and "good" financial health is forecast overall. She said the reduction of the £1.8m grant in 2018-19 would be very challenging for the 2018-19 budget.
3. The risks in the period following merger. The Group Principal said that these included the pressure on support service departments from staffing changes and the additional work from harmonising and embedding some systems. She said progress had been made in fulling support staff vacancies and there now was reduced reliance on temporary support. She confirmed that these matters were being considered within the Integration and Transition Committee and that there was a plan in place.
4. Maintaining the college's strength in the local community from further possible merger opportunities specifically with Bracknell and Wokingham College. The Group Principal said that Bracknell and Wokingham College and Activate Learning had announced their intention to merge and she would keep members up to date with further opportunities. In considering the risk register the members felt it would be useful to have a risk dealing with reputation.

Members noted the report.

b) Notification of Incidents of Attempted or Actual Fraud Identified

The Deputy CEO noted that there were no items to report in the Part I Minutes.

c) Log of Outstanding Recommendations From Internal and External Audit Reports

The Deputy CEO said there were no outstanding recommendations to report.

6. Internal Audit Report

Members had received four internal audit reports to consider, Governance and Risk Management, Financial Regulations, Curriculum Quality Assurance Systems and Strategic Planning and Financial Forecasting.

Members discussed the report in detail and were pleased to note that all audits had a full or substantial assurance with only one low and advisory recommendation in the audit of the financial regulations. The Chair thanked the internal auditor for his work.

The report was noted

7. Reviewing the Performance of the External Audit Service

The Deputy CEO reported on the performance of the external audit service in their first year auditing the college's accounts. He advised members it was a difficult accounting and audit year due to the complexities of acquisition accounting on the year end accounting and audit processes. Overall there was a good performance reflected in the assessment against the performance indicators.

The report was noted

8. Evaluation of Meeting

Members were pleased to complete an evaluation of the meeting highlighting where they felt they had added value and made appropriate challenge.

9. Dates and Times of Future Meetings

Dates and times of future meetings were noted as:

Scheduled for 6.00pm at Strode's College on: Wednesday 6 June 2018

ACTION

**Group
Principal
DCEO**

MINUTE

No

10. Any Urgent Business
There were no items of other business.

ACTION

The meeting ended at 6.45pm.