

The Henley College Corporation

MINUTES of the Meeting of the Audit Committee held on Monday 6 June 2016 at 09.00

Members present: Simon White (SW) Chair Stephen Forward (SF) Independent Member/Vice Chair Jeni Wood (JW) Independent Member Charles Wiggins (CW) Associate Member In attendance: Kulbir Sethi (KS) Director of Finance Simon Cuthbert (SC) Acting Principal Katherine Patel (KP) Partner, Buzacott LLP Jacky Gearey (JG) Corporation Secretary Apologies: Mohammed Khaliel (MK) Independent Member Jim McCaffney (JMCC) Health & Safety Manager		
Agenda Item	Minutes	Action by
3.1	Opening of meeting The meeting opened at 09.05 am. SW said that the agenda items would be taken out of order to allow KP from Buzacott to leave earlier as her item was towards the end of the agenda.	
3.2	Apologies for Absence Apologies had been received from: <ol style="list-style-type: none"> 1. Mohammed Khaliel – Ramadan 2. Jim McCaffney 	
3.3	Declaration of Interests No other interests were declared.	
3.4	Minutes of the Meeting of 21 March 2016 Action: The Committee agreed that the minutes were an accurate record of the meeting of 21 March 2016	
3.5	Matters Arising <ol style="list-style-type: none"> 1. Security report – this will be addressed under item 3.9 (was 3.6) 2. Risk register – the Corporation Secretary had not been able to ascertain from other colleges how they structure their operational and strategic risks. <p>There were no other matters arising.</p>	
3.6	Financial Statement Auditors – this was moved from 3.13 As a result of the implementation of a new UK accounting framework and Statement of Recommended Practice for Further and Higher Education (SORP), KP went through the report at Appendix 3.13 with the following being discussed: <ol style="list-style-type: none"> 1. holiday pay; 	

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	<p>2. fixed assets; SW asked about revaluing the assets KS said that if they were revalued there would be increased depreciation costs, therefore the decision was not to do this which KP concurred with.</p> <p>3. government grants; and</p> <p>4. key management personnel.</p> <p>KP confirmed that Buzzacott will look through all of the above during the summer.</p> <p>SW asked if there were any questions on the report and KS said it was a very good summary.</p>	
3.7	<p>Remuneration of internal/financial statement auditors was 3.12 Financial Statement Auditors</p> <p>KS went through the fees which were a small increase due to HE SORP. CW said it was a good quote, moreover Buzzacott have been auditors for the College for several years so were very familiar with the College's finances and they know the sector really well.</p> <p>Internal Fees</p> <p>SW asked CW for his professional opinion on the fees, CW confirmed that he thought that the fees of £3000 were reasonable.</p> <p>SW asked the committee to vote on the acceptance of the increase of fees for the following:</p> <p>a) Financial Statement Auditors b) Internal Fees</p> <p>Action:</p> <p>a) The committee was unanimous in accepting the increase of fees from Buzzacott LLP, the Financial Statement auditors.</p> <p>b) The committee was unanimous in accepting the increase of Internal fees from Buzzacott LLP.</p>	
3.8	<p>Appointment and reappointment of internal and/or financial statement auditors was 3.11</p> <p>SW asked if the College needed to get quotes from other auditors. After much discussion it was decided that the College should appoint Buzzacott LLP for a further 2 academic years after which time the College would go out to tender to ensure that the fees charged were competitive, at which time two separate quotes one for Internals and the other for Financial Statements would be sought.</p> <p>Action:</p> <p>The committee was unanimous in maintaining Buzzacott as the current Internal and Financial Statement auditors with the provision that in two years' time this would go out to general tender and that individual quotes for Internal fees and Financial Statements would be sought.</p>	
3.9	<p>Health & Safety was 3.6</p> <p>SW asked about the original report that should have been circulate to committee members after the last meeting 21 March 16, KS said there had been several changes which is why it had not gone out. The report at Appendix 3.6 covered the main issues. A meeting was planned for next week and the report redone at the end of June, this would then be taken forward to the first formal review at the Accommodation Strategy meeting in the next academic year and then to the Finance committee.</p> <p>SF raised the fact that it was a red risk and KS said that work is being done on it. SF said that an update is to be provided at the next Corporation meeting on 27 June 2016.</p> <p>Action:</p>	

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	KS to provide an updated health, safety and security report for the Corporation meeting 27 June 2016.	KS
3.10	<p>Internal Audit Report was 3.7 KS brought in Greene Safety Services Limited (GSS) to do a Health and Safety Audit as Buzzacott could not do this as it was not their specialization. Full details in Appendix 3.7. SW said that having looked at the Executive Summary he was concerned that the conclusion was imprecise and did not answer where the College is legally and there followed a lively discussion on this. Committee noted that the detailed report did highlight general good compliance in effect but a challenge around documentation. SC said that the representative from GSS was good and perceptive. The conclusion referred to the availability of documentation and SC confirmed that although the College was compliant the existing policy/documentation needed to be revised, otherwise all items had been actioned. KS referred to appendix 3.7 and the need to report key performance indicators up to Audit committee (an example from another institution was at appendix 3.7(i)) and this could then be presented at each Audit committee meeting. SC said that this was the first time that this type of audit had been done and SF asked that the SLT confirm that all action points have been addressed and for this to be done by next audit meeting 14th November 2016.</p> <p>Action: SLT/KS to produce a Health & Safety Management Plan to present to the next Audit committee 14 November 2016.</p> <p>KS said that the College has taken up every recommendation that GSS had made except the requirement for "Champions" under 3.4.</p> <p>JW asked about health & safety training for staff and SC replied that there was a rolling programme dependent on what roles they undertake but all new staff do this as part of their induction training.</p>	SLT/KS
3.11	<p>Review notes of Risk Management Group was 3.8 There were few comments on the risk management group notes apart from: Risk 5 - JW requested a copy of the amended Social Media Policy to see what changes had been made. The Corporation Secretary was asked to send out the amendments to the Audit committee for information.</p> <p>Action: Corporation Secretary to send details of the amendments to the Social Media Policy relating to risk 5 of the register.</p> <p>JW raised the issue of the college transport and asked KS for his thoughts. KS said that OCC would drop subsidy for all new students but it would remain for existing students. This would affect around 30% of students but can vary from year to year. Therefore a consultant was to be engaged to look at all aspects namely costs, provision etc.</p>	Corporation Secretary
3.12	<p>Update on Risk Register was 3.9 SF explained the revised format for the risk register and its RAG rating. SC said that this new register was far better to read and easier to identify the risks. The register can now treat the majority of risks that the College comes across. SC said that the use of 4 "T"s was really useful and he thanked SF for his work on this. This now allows the committee to inform the Corporation of the risks and for the governors to say whether they accept them.</p>	

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	<p>When asked about the numbers mentioned on the register SF said that it was the colours that are most important and that the risk management group was doing it job and mitigating the risks.</p> <p>Two items were now deleted from the register:</p> <ol style="list-style-type: none"> 1. Government policy – the College has no control over this; and 2. Severe weather impact – there are no January exams anymore. <p>SW asked if apart from campus security was there anything else that the committee and the Corporation should be informed about. Apart from two items now deleted from the register there were none. Committee agreed that this risk item should be specifically identified to the Corporation at the next full Corporation Meeting.</p> <p>Action: SW to advise Corporation of campus security risk at next Corporation meeting 27 June</p> <p>SW asked what SC what were the biggest risks that the College has had to deal with and SC said:</p> <ol style="list-style-type: none"> 1. Recruitment/enrolment. 2. Ofsted – although SC did say that Ofsted could come back. <p>SW asked about the risk management policy and whether it explained the register. SF confirmed that there was a documented policy on how the register now works.</p> <p>JW asked about item 19 Student Behaviour and whether the students union could be reminded about this. SC said he would speak to Kathryn Caulfield Head of Student Services to ensure that students are reminded about this but that it would be better coming from the students' union/council.</p>	SW
3.13	<p>Review of Terms of Reference was 3.10</p> <p>SW went through the current ToRs with the committee. It was decided to remove all references to audit providers with “auditors” and with the exception of the following clauses that they would remain as it:</p> <ol style="list-style-type: none"> 1. Clause (a) remove “value for money” 2. Clause (e) add after audit service “with reference to the risk register” 3. Clause (f) remove “assignment” 4. Clause (i) remove in entirety as this is already in Clause (b) 5. Clause (j) remove “and the accounting officer” 6. Clause (k) add after irregularity “is followed up” and remove the rest of the clause. 7. Clause (l) remove already in Clause (a) 8. Clause (m) remove <p>Membership of the committee to increase with an additional person this ensure that the meetings are always in quorum.</p> <p>Standing Agenda items – the following amendments to be made:</p> <p>Autumn</p> <ol style="list-style-type: none"> 1. Remove to summer term - Review of performance of internal and/or financial statement auditors and the establishment of annual performance indicators for next year 2. Remove to summer term - Internal audit needs assessment, strategic plan and annual plan 3. Reported to Corporation change from No to YES - Review draft report and financial statements. <p>Spring</p> <ol style="list-style-type: none"> 1. Remove FMCE - as this is no longer done. <p>Summer</p>	

