



Audit Committee Minutes

Meeting	Audit Committee	Date	Tuesday 6 th March 2018
Location	Room 2.119, Innovation House, Discovery Park	Time	9.07am
Membership	Tim Kent (Chair), Tom Price (Vice-Chair), Gail Clarke and Tony Allen		
In Attendance	Paul Sayers, (Executive Director – Strategy and Partnerships) Chris Legg (Executive Director – Finance and Commercial Development) Tara Ashman (Clerk) Andy Costin – Wilkins Kennedy (Item 6 only) Paul Nixon – Wilkins Kennedy (Item 6 only)		

* *Italics notes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies for Absence	The Chair welcomed members to the first Audit Committee of the EKC Group. There were no apologies from the membership however Sue Bzikot was unable to attend to present her findings of the Nursery Review (Item 7).	
2	Declarations of Interest	There were no additional declarations raised at the meeting other than those previously declared and none directly related to any items within the agenda.	
3	Minutes of the Meeting held on 28th November 2017	The minutes of the Audit Committee meeting held on 28th November 2017 were approved as an accurate record and duly signed by the Chair. The minutes from the last Canterbury College Audit Committee were noted for information.	
4	Membership and Terms of Reference	Members approved the terms of reference and agreed for these to remain for the 18/19 academic year. Members noted the lean Committee with 3 to be quorate and 4 as the membership and agreed to invite	

		additional membership from the board in the first instance.	Chair
5	Matters Arising	<p>The Chair has been unable to meet with Steve Solley as the previous Chair of Canterbury College Audit Committee. PS advised the only outstanding item to carry forward was the work being done with Zurich Insurance on a Group Business Continuity Plan which will be presented at the next meeting.</p> <p>Members considered the outstanding matter regarding the archiving facility. There has been space identified at Canterbury for a similar room to Folkestone with 2 locations spreading the risk however this is an ongoing discussion as although much can now be stored electronically there are still some items which require a wet signature. Both Colleges prior to merger adopted the same cloud based finance system and CL noted that the College should keep this under review when making decisions about software and new technology as this is effectively stored on someone else's system and may be under their records retention/archiving policy. A Governor asked if CL felt the College was diligent in its record retention policy and was assured this was the case.</p>	
6	Internal Audit Report – Financial Controls	<p>[Tony Allen joined the meeting at 9.21am]</p> <p>The committee considered the report before inviting the representatives from Wilkins Kennedy in to present their findings. CL reported his frustration and disappointment with Symmetry in being fit for purpose and cited a double paid invoice as an example. Members discussed the recommendations within the report in particular the issues around invoice payment and consistency of process. CL advised that a number of the issues highlighted have already been addressed and descried some of the new systems and processes across the Group for assurance.</p> <p>A Governor raised the issue of stock control, corporation tax and cash collection in relation to the Yarrow. CL noted that cash collection was an issue over the Christmas break due to the College closure. Members with experience in the hospitality and service industry felt strongly about counting the food as stock. The Chair asked whether members felt a review of the initial assumptions of the Yarrow would be of benefit and this was agreed.</p> <p>[Paul Nixon (PN) and Andy Costin (AC) joined the meeting at 9.37am]</p>	

		Members recognised there have been teething problems post-merger including the devolution of services including HR and discussed how they can be supported. The risk of this going wrong is considerable in terms of both reputation and financial recompense which the Committee feels should be highlighted to the board; to give assurance that the items were adequately addressed the internal audit plan would be adjusted (see item 10).	
7	Internal Audit Report – Nursery Review	Unfortunately Sue Bzikot was unable to attend the meeting; members agreed that the style of the report was difficult to interpret in her absence and have asked that this be revisited before being presented to the meeting in June. The Clerk will invite Sue to the June meeting and CL will liaise with Sue regarding the format of the report.	Clerk/CL
8	College Performance Indicators	Members discussed the CPIs relating to audit, namely staff absence rates and health and safety reported incidents. Staff absence has increased across the group which is not unusual given the time of year, CL highlighted that Broadstairs had more issues relative to the size of campus and described some to the statistical data he has been gathering in relation to deprivation, initial qualifications on entry and accessing learning.	
9	Risk, Audit and Compliance Committee Report	<p>CL presented the Risk, Audit and Compliance Committee minutes for information and invited questions. A Governor noted the good attendance to the meeting as this had been a concern previously and felt it demonstrated the collective responsibility for risk across the Group.</p> <p>CL advised that the agenda order is varied at each meeting to allow a focus on specific items, this meeting discussed risk in greater depth and looked again at the College Performance Indicators against staff absence and Health and Safety incidents. A Governor was concerned that a RIDDOR was not reported in time, CL advised the staff member was distracted by the severity of the issue however recognised this was an omission. Members discussed the union request for a health and safety committee, PS noted this was currently a very Canterbury centred proposal and agreed that this will be taken forward with the unions as to add value this would need to be across the Group and properly represented. CL advised there is not a Group union representative and Canterbury College union reps are invited to this meeting.</p> <p>A Governor asked who is managing health and safety across the Group from a management and Governance perspective; Alison Gray as Head of Student and Community Affairs leads on this from a management perspective but every College Principal and Business Unit Director have the responsibility at local level. It</p>	

		was agreed that it would be of benefit for the committee to have an understanding of the management of the risk in relation to Health and Safety post-merger; TP as previous Health and Safety Lead volunteered to meet with Alison Gray and report back to the next meeting.	TP
10	Update on the Internal Audit Plan 2017/2018	<p>Members discussed the remaining internal audit plan and agreed that given the concerns flagged from the financial controls review a follow up visit should be done in June with a draft report coming outside of the meeting cycle with a formal review in September. CL noted the management response regarding stock control and the Yarrow would be updated to reflect the discussions of this meeting. The Committee felt an opinion of Corporation Tax for the Yarrow and the follow up review for Wilkins Kennedy took priority over a marketing review. CL suggested that Buzzacott could be engaged to give an opinion on Corporation Tax for the Committee to consider and this was agreed. The Chair clarified the scope for a marketing review in terms of the responsibility of audit and CL advised this would be linked to the risk around student recruitment. Members considered an internal review using Governor expertise relating to marketing may be an option and suggested the next strategy session as an opportunity. Members sought clarity on the definition of marketing for the purpose of this Committee and CL confirmed this would be 16-19 recruitment.</p> <p>Technology is still considered a key piece of work and members discussed if 10 days was enough to look at the capacity and capability to drive the technology strategy forward. It was agreed this would be a reasonable starting point.</p> <p style="text-align: center;">APPROVED – Members approved the changes to the Internal Audit Plan 2017/2018</p>	
11	Risk Management Report	<p>The Risk, Audit and Compliance Committee next meet later this week and will review the draft risk registers for Local Colleges, capturing their own interpretation of the Group risks and, as an addendum to the register, risks at a local level.</p> <p>The risks relating to high needs funding have been captured in risk 2 (failure to provide exceptional learning opportunities) and risk 4 (financial health of the Group) and PS gave an update on the current high needs position to members. Members discussed the ongoing concerns in this regard; Governors are keen to strengthen their support where necessary and appropriate.</p> <p>PS noted that movement map has been generated and this will start to show movement over the coming months, it will follow a similar reporting style to the College Performance Indicators.</p> <p>Given the significance of GDPR it was agreed that this will be a standing agenda item for the next academic</p>	Clerk - Agenda

		year in the first instance.	
12	Policy Reviews	<p>CL presented the financial regulations with updates to names and job titles in the new EKC Group branding. There are no material changes proposed to the financial regulations at this juncture. A Governor noted a typographical error and this will be updated prior to presenting to the Full Governing Body next week. Members were happy to recommend the proposed changes to the full board.</p> <p>PS detailed the minor changes to job titles and responsibilities in the Procurement Policy noting the addition of the information regarding EU procurement thresholds. Members were happy to recommend the proposed changes to the full board.</p> <p style="text-align: center;">APPROVED - The Audit Committee reviewed the Procurement Policy and Financial Regulations and recommend the changes to the Full Governing Body for approval</p>	CL
13	Draft agenda for next meeting	<p>The draft agenda for the June meeting was discussed and the external items will reflect the updated internal audit plan from 2017/2018, including Corporation Tax opinion from Buzzacott, Technology Review and the updated report from Sue Bzikot regarding the Nursery Review.</p> <p>The Business Continuity Plan will be brought to the Audit Committee prior to the full board in July.</p> <p>Members agreed that an early meeting next academic year would be of benefit and the Clerk will include this additional September meeting in the calendar cycle for 2018/2019.</p>	
14	Any other business	<p>With some of the Yarrow initial assumptions highlighted at the meeting; for example cash, stock control and corporation tax; it was agreed to recommend a task and finish group be set up to review these assumptions including members of the EKC Group Board and volunteers are welcomed.</p> <p style="text-align: center;">AGREED - The Audit Committee invite volunteers (from the FGB) to form a task and finish group to review the initial assumptions of the Yarrow</p>	



		The Clerk discussed training for the Audit Committee and it was agreed that Buzzacott be asked to present something in advance of the November meeting. Members discussed the tendering process for external auditors and agreed that other mid-tier firms should be considered, CL will bring a paper to the September meeting.	Clerk CL - Agenda
15	Date and Time of Next Meeting	9.00am, Tuesday 19th June 2018, Room 2.119, Innovation House, Discovery Park	

There being no further business the meeting closed at 11.32am

Signed: Print: Date: