

## Governing Body Minutes

<b>Meeting</b>	Audit Committee	<b>Date</b>	22 <sup>nd</sup> November 2016
<b>Location</b>	Boardroom, Yarrow Executive Suite, Broadstairs	<b>Time</b>	9.35am
<b>Membership</b>	Tim Kent (Chair), Tom Price (Vice-Chair), Charles Buchanan and Gail Clarke (via teleconference)		
<b>In Attendance</b>	Chris Legg (Officer) Paul Sayers (Officer) Steve Margetts - Head of Finance (Item 5) Debbie Tilson - Buzzacott (Items 11-12)  Tara Ashman (Clerk) Lara Gill (Observer)		

	ITEM	COMMENTS	ACTION POINT REQUIRED
1	<b>Welcome and Apologies for Absence</b>	<p>The Chair welcomed members to the meeting and thanked Paul Sayers for the development session on the risk management process. The Chair welcomed Lara as an Observer, Lara will be working with the Clerk and Paul Sayers in her role as executive Officer. It was noted that Patrick Finucane is no longer a member of the Audit Committee for this year and Tom Price has agreed to be Vice-Chair for this academic year.</p> <p>It was noted that Tracey Pearcey as a co-opted member was not in attendance.</p>	
2	<b>Declarations of Interest</b>	There were no additional declarations of interest to those previously declared.	
3	<b>Minutes of meeting held on 6 June 2016</b>	The Chair asked that the minutes regarding Carver Review (pg 2) read 'The Chair was clear that during this period of collaboration, East Kent College Governance remains separate and the Audit Committee was mindful of this.' Subject to this change, the minutes of meeting held on 6 <sup>th</sup> July 2016 were approved and signed as an accurate record of the meeting.	Clerk

4	<b>Matters Arising</b>	<p><b>Yarrow Timeline</b> - members discussed how the position with regards to the Yarrow not being a separate company was reached and agreed to review whether this needs to be considered again in a year's time.</p> <p><b>Carver Model against the Curriculum</b> - Members discussed whether the Local Advisory Boards would provide the additional assurance and comfort that Education is being considered in enough detail by the full Governing Body. Members discussed how the Committee could review the assurance of the Local Advisory Boards, with two of the Audit Committee members Chairing the boards it was agreed that the minutes be reviewed periodically and the main summary reports be provided to the main board. CL felt the opportunity to deliver local based education committees was a powerful one and PS agreed that the CPIs are a great tool to discuss education, with both red and green statistics remaining a focus.</p>	<b>Agenda</b>
5	<b>Internal Audit Review</b>	<p>CL led members through the internal audit plan for 2016-2017 and which reports would be received at meetings 2 and 3 of the year. At the March meeting the Committee will receive reports from:</p> <p><b>Wilkins Kennedy</b> - they are in College this week working on the key financial controls and financial regulations.</p> <p><b>Apprenticeship readiness</b> - CL showed members slides from the recent AoC annual conference highlighting the 7 steps to consider in regards to apprenticeships, these being: 1. Finance, 2. Funding rules and compliance, 3. Curriculum, 4. Marketing, 5. Organisational strategy, 6. Contracts and 7. Systems and data. PS advised the College will be setting up an internal task and finish group to consider all these areas and will include both himself, CL, Jane Hughes and representation from the data team.</p> <p><b>Yarrow</b> - Peter Jones has recently revisited the Yarrow as a mystery shopper and will report on the review of the business plan post opening and additionally as a mystery shopper.</p> <p>CL asked if there was anything additional members would like to include, the Chair advised this would be revisited following the risk management report later in the meeting.</p> <p>[Steve Margetts joined the meeting at 10.06am]</p> <p>The Chair invited SM to report on the recent compliance inspection visit from HMRC and asked whether the College agreed with the findings and if there was systems failure that this wasn't picked up by the College. CL interjected that although in hindsight some practises have been happening for a number of years this is more down to interpretation of the regulations as opposed to wilful negligence. There was one recognised error in regards to Pay In Lieu of Notice (PILON) which has been rectified. A Governor asked the overall cost in repayment for the Star Awards, Governors Dinner and Long Service and SM estimates approximately</p>	

		<p>£14,000 - £16,000 over the last 6 years in total, tax would be a percentage of this figure. SM advised that the representatives from HMRC acknowledged at the meeting it was unlikely interest would be charged for the last 6 years however they reserve the right.</p> <p>Members discussed other external events as to whether this could be considered benefit in kind and it was felt some of the examples cited were more gifts and hospitality or indeed, on occasion, subsistence.</p> <p>Members were happy for SM to report back to HMRC along the lines of the discussion.</p> <p>[Steve Margetts left the meeting at 10.20am]</p>	
6	<b>Risk, Audit and Compliance Committee Report</b>	<p>CL presented the previous minutes of the Risk, Audit and Compliance Committee and invited questions. CL noted that, following the earlier development session this meeting is the forum for management to agree and responses to the identified risks, controls and assurance.</p> <p>CL discussed the outstanding action points from the internal audit report 2015-2016 and noted:</p> <ul style="list-style-type: none"> <li>• The impact on the student experience post Folkestone and Dover merger (partly completed). This is directly in relation to IT performance.</li> <li>• Fraud management and reporting (completed). The nursery now has a safe installed.</li> <li>• ILR - a number of things have been cleared from the list with 2 outstanding items.</li> <li>• ESF - This work is ongoing with follow up audit work planned for later this year.</li> </ul> <p>The Chair raised concern over the HR function, in particular relating to absence management. The minutes reflect the detailed review of long term sickness and its impact and the policy committee will also be reviewing the sickness policy later this year. The Chair felt the concerns over the HR function should be highlighted to the board and members agreed.</p>	Chair
7	<b>Risk Management Report</b>	<p>PS asked members to consider whether the report produced was the right framework to manage risks. Governors agreed that following the recent task and finish group and the detailed development session earlier that this provides sufficient assurance at strategic level and support for the daily management of risks as a functional document.</p> <p>A Governor asked if all the College Performance Indicators (CPI) were attached to a risk and if they weren't questioned the need for the CPI. CL looked through the report and identified CPI 26, Governor membership</p>	

		<p>was not attributed to a risk; members agreed that this could sit under failure to succession plan and PS will make the adjustment.</p> <p>The Chair asked whether there was anything identified on the risk register that needed consideration as part of the Internal Audit Plan. A Governor was concerned that the work by Peter Jones regarding the Yarrow would not provide the operational assurance that could sit beneath the headline news. The Chair felt the key was the management response following the report and thought this should provide the necessary assurance, members agreed this was more reputational than a financial risk which can often be harder to quantify. The Chair suggested the Chair of the Local Advisory Board for Broadstairs could challenge the Campus Principal on how the interface between the curriculum and the hotel was working.</p> <p>No specific additional items were thought necessary to the internal audit plan at this point.</p>	PS
8	Membership and Terms of Reference	<p>Members discussed the terms of reference and agreed to include an item in quoracy to reflect 'virtual' attendance via telephone or video conferencing. The membership of the Committee was discussed earlier in the meeting.</p> <p style="text-align: center;"><b>APPROVED - Members approved the terms of reference for 2016-2017</b></p>	Clerk
9	Annual Audit Report by the Chair	<p>The Audit Committee has responsibility to advise the Full Governing Body of the Committees activities for the academic year and this report has been drafted in accordance with this. The Clerk drafted the report on behalf of the Chair and members were happy to recommend the report to the Full Governing Body. The Chair advised that Buzzacott were last reappointed in August 2013 for a 3 year period and suggested that they be reappointed for an additional year, CL advised that should the merger go ahead there would still be the need for external audit into the next financial year. Members were minded to approve the recommendation to the Full Governing Body.</p> <p style="text-align: center;"><b>AGREED - Members agreed to present the annual audit report for information to the Full Governing Body</b></p> <p style="text-align: center;"><b>AGREED - Members agreed to recommend to the Full Governing body the reappointment of Buzzacott for a further 12 months</b></p>	

10	Policy Reviews	<p>CL led members through the circumstances in which the major change to the policy was brought about in as much as the College is now eligible to reclaim any legal fees should the College go to court. Aside from minor changes the policy was brought for approval.</p> <p>A Governor noted that the last tracked change did not make sense, members considered that although the tracked changes made it clear to see what had been amended it was not always clear to read as a finished document. Members agreed to recommend the updated Fees Policy to the Full Governing Body for approval.</p> <p style="text-align: center;"><b>AGREED - Members agreed to recommend that the Fees Policy be approved by the Full Governing Body</b></p>	
11	Financial Statements and Management Reports to 31 July 2016	Due to train delays Debbie Tilson was unable to attend the meeting, a conference call for all attendees has been scheduled for Thursday 24 <sup>th</sup> November 2016 at 2.00pm. PS noted his apologies to this. The Chair will circulate the dial in instructions in advance of the meeting.	
12	Draft Post Audit Management Letter	This will be discussed at the newly scheduled conference meeting on Thursday 24 <sup>th</sup> November 2016 at 2.00pm.	
13	Draft agenda for the next meeting	The items of the agenda were approved for the next meeting. The Chair asked if the meeting could be brought forward to earlier in the month and members agreed to change the meeting time and date to Monday 6 <sup>th</sup> March 2017 at the Discovery Park offices.	
14	Any Other Business	There was no other business at the meeting.	
15	Date of Future Meeting	Monday 6 <sup>th</sup> March 2017 at 2.00pm, Room 2.119, Innovation House, Discovery Park	

There being no further business the meeting closed at 11.18am

Signed: ..... Position: ..... Date: .....