

**CITY OF WOLVERHAMPTON COLLEGE**

**Minutes of the meeting of the Audit Committee of the Board of Governors held on  
Monday 16<sup>th</sup> December 2019 at 4.30pm in the Boardroom at Aldersley Leisure  
Village**

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**PRESENT**

Ms Alison Shannon (Chair)                      Mr Colin Horwath (Via teleconferencing)  
Mr Mike Hastings                                      Mr Trevor Dutton

**IN ATTENDANCE**

Mrs Elizabeth Ball (Clerk to the Board of Governors)  
Mr Peter Merry (Vice Principal Business Success)

**25/19 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

There were no apologies.

There were no declarations of interest

**26/19 MINUTES OF THE PREVIOUS MEETING – 9 JULY 2019**

**Resolved:**

That the minutes of the previous meeting held on 9 July be approved as a correct record.

**27/19 NOTES OF THE MEETING HELD ON 4 DECEMBER 2019**

The Committee received the notes of the meeting held on 4 December 2019.

**28/19 MATTERS ARISING**

**20/19 Post 16 Audit Code of Practice**

It was noted that a report on arrangements for the prevention of and management of fraud, irregularity, theft, bribery and corruption would be considered as part of the meeting.

**22/19 Internal Audit Service**

It was noted that a report on the tendering of the Internal Audit Service would be considered as part of the meeting.

**29/19 CORRESPONDENCE**

The Clerk reported that there was no correspondence to be considered by the Audit Committee.

### **30/19 FINANCIAL STATEMENTS AUDITORS' AUDIT FINDINGS REPORT 2018/19**

The Committee noted the report and that only one minor audit matter had been raised by the Financial Statements Auditor.

The Vice Principal Business Success updated the Committee on the position in relation to Going Concern and advised that the intention was for the Board of Governors to approve the financial statements on the basis that Barclays Bank will be providing a letter of support.

The Committee noted the letters of representation.

#### **Recommendation to the Board of Governors:**

- **That the Financial Statements Auditors' Audit Findings Report 2018/19 be approved.**
- **That the Letters of Representation be approved.**

### **31/19 DRAFT ANNUAL ACCOUNTS 2018/19 AND REGULARITY SELF ASSESSMENT QUESTIONNAIRE**

The members of the Committee considered the notes of the meeting held on 4 December 2019. It was noted that the Financial Statements would be presented for approval at the Board of Governors meeting following the meeting of the Audit Committee.

The Vice Principal Business Success advised that the Financial Statements had been updated to include the pay multiple of the Principal in the Statement from the Remuneration Committee.

The Committee noted the Self-Assessment Questionnaire and that this provided a checklist for compliance with the funding body requirements. It was reported that the intention is to undertake regular reviews of compliance with the questionnaire and identify any necessary additional actions.

#### **Recommendation to the Board of Governors**

- **That the Board of Governors approve the Financial Statements 2018/19.**
- **That the Regularity Self Assessment Questionnaire be approved.**

#### **It was resolved that:**

- **Regular reviews of compliance with the Self-Assessment Questionnaire take place and any necessary actions identified.**

### **32/19 INTERNAL AUDIT REPORTS**

The Chair reported that the Internal Audit reports had not been received in a timely manner and at the meeting on 4 December 2019 it was agreed that

those relating to Curriculum Planning and Staff Utilisation would be deferred to the next meeting of the Audit Committee in March 2020.

The Committee noted the Internal Audit Follow Up report and the Internal Audit Progress Report.

#### Internal Audit Annual Report

The Committee noted the opinion of the Internal Auditor that the College has in place an appropriate framework for identifying evaluating and managing the significant risks faced by the College.

The Vice Principal Business Success advised however that the Annual Report had also been late in arriving and that he had only been advised on the day of the meeting that the Audit Partner would not be able to attend.

The Audit Committee asked whether the Vice Principal Business Success was content that sufficient audit work had taken place. He responded that the plan had been completed but when reviewing the provision of Internal Audit services for 2020/21 a different approach may be taken to enable some reviews to be carried out by experts in the field or by peer review.

#### **Recommendation to the Board of Governors:**

- **That the Annual Report from the Internal Auditors be approved**

#### **It was resolved:**

- **That the Internal Audit reports relating to Staff Utilisation and Curriculum Planning be deferred for consideration at the meeting of the Audit Committee in March 2020.**

### **33/19 ANNUAL REPORT ON RISK MANAGEMENT AND ASSESSMENT OF ADEQUACY OF RISK MANAGEMENT FRAMEWORK**

The Committee noted the discussion that had taken place at the meeting on 4 December 2019 and that the Risk Policy had been updated and included the role of the Board of Governors in overseeing the College's risk appetite framework.

The Clerk confirmed that the report would be appended to the Annual Report from the Audit Committee.

#### **Recommendation to the Board of Governors:**

- **That the Annual Report on Risk Management and Assessment of Adequacy of the Risk Management Framework be approved.**
- **That the updated Risk Management Policy be approved.**

### **34/19 ANNUAL REPORT FROM THE AUDIT COMMITTEE**

The Committee considered the Annual Report and noted that this supports the Corporate Governance Statement in the Financial Statements.

**It was resolved:**

- **That the Audit Committee Annual Report 2018/19 be approved.**

**Recommendation to the Board of Governors:**

- **That the Audit Committee's opinion is that the College's audit arrangements, its framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets are adequate and effective**
- **The Audit Committee's opinion is that the audit framework in place at the College provides assurances that the financial monitoring governance and risk management framework supports the strategic objectives and medium term financial security at the College**

### **35/19 REPORT OF THE INVESTIGATION INTO BOURNVILLE COLLEGE**

The Committee noted the management responses to each of the recommendations made in the report.

The Vice Principal Business Success reminded members that the responses to the Self Assessment Regularity Questionnaire also provided a checklist for compliance with funding body requirements and that the intention was to carry out a full review to identify if any additional action is required.

The Committee asked if the College was required to confirm compliance with the Self-Assessment Questionnaire and were advised that there is a relevant section in the financial statements.

It was also noted that the Self-Assessment Questionnaire is meant to be used by the Financial Statement Auditors to direct their audit work.

**It was resolved:**

- **That the report be noted.**

### **36/19 ANNUAL REPORT ON FRAUD AND WHISTLEBLOWING**

The Committee noted the report and the incident of fraud which had taken place at the College.

The Vice Principal Business Success reported that in this instance there had been an override of controls but that arrangements have now been put in place to ensure that reports of any override are generated.

It was also reported that the Internal Auditors had been requested to review these arrangements as part of their follow up report.

The Committee asked whether the College had the correct level of fraud awareness training for staff. They were advised that no training is provided

on a College wide basis, but that regular updates are received and circulated to appropriate staff.

The Committee were also advised that there has been testing of awareness by sending 'spam' emails to staff.

The Clerk advised that the College does have relevant policies in place relating to fraud and bribery, but that the intention is for these to be reviewed and reported for consideration by the Committee at its meeting in March 2020.

It was also noted that a report on current practice assessed against the ESFA Anti-Fraud Checklist would be presented at the meeting of the Committee in March 2020.

**It was resolved that:**

- **The report be noted**
- **That the Anti-Fraud Policy and Anti-Bribery Policy be reviewed and presented for approval at the meeting of the Committee in March 2020.**
- **That a report on current practice assessed against the ESFA Anti-Fraud checklist be presented at the meeting of the committee in March 2020.**

**37/19 CONFIDENTIALITY**

**It was agreed that the confidential annexe to the Annual Report on Fraud and Whistleblowing, the confidential notes of the meeting held on 4 December 2019 and the minutes relating to the Tender of Internal Audit remain confidential.**

**38/19 TENDER FOR INTERNAL AUDIT (Confidential minute)**

**39/19 ANY OTHER BUSINESS**

There was no other business raised at the meeting.

**40/19 DATE AND TIME OF NEXT MEETING**

**11 March 2020 at 5pm**

