

HERTFORD REGIONAL COLLEGE
AUDIT COMMITTEE
8th March 2017.

Present: Ken Ayling (Chair)
Jan Wing
Ricky Irons
Kyle Broad

In Attendance
Dan Harris (RSM)
Andrew Clare (Deputy Principal Finance & Resources)
John Fowl (Clerk to the Corporation)

614. To Receive Apologies For Absence.

There were no apologies.

615. Declaration of Interests.

None.

616. To Meet Auditors Without Officers Present.

Dan Harris confirmed that there was nothing the Internal Auditor (IAS) needed to raise with the Governors under this item.

617. To Approve the Notes of the Inquorate Meeting Held on 9th November 2016.

The Notes were approved.

618. Matters Arising.

597(c) The College has been in discussions with a company with regard to the employment and payment of Hourly paid staff. Legal advice has been taken and this process has resulted in a delay so that any new system will not now be implemented until January 2017. The SLT are considering when the best time will be to move the hourly paid staff across to the new company.

619. Internal Audit Reports

a) Outstanding Audit Recommendations.

The Committee was informed that the follow up audit will take place in June 2017. It was intended that the template produced will be used for future reports on outstanding/past audit recommendations from both internal and external audit firms.

b) Governance of Subsidiary Companies.

This was given Amber-Green Reasonable assurance by the auditor with two low level and three medium level recommendations being made. A number of recommendations were being implemented at the time of the audit but had not at that time been completed.

It was confirmed that the HERTVEC Joint Venture agreement was now just waiting for signature by Hertford Regional College and this will be completed at the Board meeting on 15th March. Andrew Clare stated that he had managed to make a number of amendments to the agreement whereby the risk was more evenly shared between the partners.

In reviewing the Governance of CK Assessment it was confirmed that the recommendation for job role descriptions to be produced was now in the process of being done. The auditor had noted that the Budget had not been approved by the CK Board although it had been reported to the HRC Board. It was confirmed that the CK Budget will be submitted to the CK Board for approval in July 2017 and this will be properly minuted.

c) Key Financial Controls.

This audit had resulted in an Amber Green Reasonable Assurance opinion.

Governors were told that the recommendation for how to treat aged debts was intended to ensure that the College is aware of the date of the original invoice. Debts older than 3 months were seen as a risk to the College.

It was noted that on occasion debts may be written off and the timescale for such action varies according to the nature of the debt and the organisation concerned. All such write offs above a certain value as set out in the Financial Regulations are reported to the Board.

The process for updating supplier bank details has been tightened up as a result of the auditor's recommendation.

d) Internal Audit Progress Report.

Members were told that the audit plan was progressing well with no significant issues found.

The Committee was informed that the SFA required an audit of sub-contractors used by colleges to be carried out where the value exceeded £100,000.

Andrew Clare was aware of this as it had been first muted in 2015 but colleges were still waiting for the SFA to issue guidance on this, although the audit firms were expected to provide the necessary assurance by May 2017.

HRC is considering having this review undertaken in place of the planned audit time for Risk Management and to move the Risk Management audit to next year's audit plan.

Dan Harris drew attention to the RSM summary of recommendations made within the colleges audited by them which identified the areas that colleges needed to guard against.

The Committee was informed of the need for all employers, where numbers exceed 250 relevant staff, to implement Gender Pay gap reporting from 1st April 2017. It was confirmed that the College HR department was aware of this.

It was **Resolved** that the Internal Auditor Reports be Received.

620. To Receive the Risk Management Report and Risk Register Update.

Members received the Strategic Risk Register for information. Andrew Clare outlined the risks and the steps in place to mitigate against them. The key Risks were identified for the benefit of the Governors. The Committee was informed that the SLT have been reviewing the register format with the intention of making it easier to implement and to improve the ownership of risks amongst the staff.

Governors were made aware of the scoring system used which included RAG rating.

It is intended that the Risk Register will be presented at every meeting of the Audit Committee with those risks Red rated being reported to the full Board.

Members were supportive of the proposal that each Committee reviewing the risks associated with the work of the Committee.

It was suggested that given recent occurrences that the risk of Traveller incursion should be added to the Register.

It was **Resolved** that the Report be Received

621. Any Other Business.

There was no other business..

622. Date of the next Meeting.

The next scheduled meeting will take place on 14th June 2017.

Signed.....
(Chair)

Date.....