



Audit Committee Meeting

To be held on Tuesday 21 November 2017 at 5.30pm

In Room 02.03, Osprey House, Redditch

AGENDA

Item:	Page:	Lead:
12.1 Apologies		CC
12.2 Declarations of Interest		Ch
i) Members are asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item		
12.3 Audit Committee Concerns		Ch
i) Members are invited to raise any issues which they wish to discuss in the absence of College Management and Auditors		
<i>The auditors will join the meeting at this point</i>		
12.4 Auditor Concerns		Ch
i) Auditors are invited to raise any issues which they wish to discuss in the absence of College Management		
<i>Members of the College Executive will join the meeting at this point</i>		
12.5 Minutes of the Previous Meeting	6	Ch
i) To approve the Minutes and Confidential Minutes 1 of 2 of the meeting held on 12 June 2017		
12.6 Matters Arising	17	Ch/ CC
i) To monitor action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings		
12.7 Determination of any other Urgent Business		Ch
12.8 Audit Committee Performance Review	19	CC
i) To monitor the effectiveness of the Audit Committee in 2016/17		
ii) To review the Terms of Reference for the Audit Committee and recommend changes to the Corporation for approval where appropriate		
12.9 2016 – 17 Financial Statements	33	DoF
i) Regularity Assurance Review and Regularity Self Assessment Questionnaire	35	
To review the findings of the audit and the Regularity Self Assessment Questionnaire, which supports the Corporation in		

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	<p>drafting the statement on regularity, propriety and compliance To recommend that the college accounting officer and Corporation Chair sign the Regularity Self Assessment Questionnaire</p>		
ii)	<p>Financial Statement Auditors Audit Findings Report and Letter of Representation,</p> <ul style="list-style-type: none"> • To review the findings of the audit with the external auditor. This shall normally include but not be limited to, the following: <ul style="list-style-type: none"> • a discussion of any major issues which arose during the audit • any accounting and audit judgements • levels of errors identified during the audit • the effectiveness of the audit • To advise the Corporation on control issues included in the Financial Statements Auditors Audit Findings Report in respect of the accounts of Heart of Worcestershire College for the year ended 31 July 2017 and on management's response to these and recommend the Financial Statements Auditors Audit Findings Report to the Corporation for approval • To receive confirmation from College Management that the contents and representations in the Letter of Representation are appropriate, that risk management and internal controls have operated effectively in their areas of responsibility throughout 2016/17 and that that the College has complied with the Financial Memorandum • To review the Letters of Representation for the year ended 31 July 2017 and to recommend them to the Corporation for approval 	49	GT
iii)	<p>Going Concern Review</p> <ul style="list-style-type: none"> • To receive confirmation from College Management that the going concern basis remains appropriate • To receive the cashflow forecast for the period to 31 July 2019 	78 80	DoF
iv)	<p>Financial Statements</p> <ul style="list-style-type: none"> • To monitor the integrity of the annual financial statements, reviewing significant financial reporting issues and judgements which they contain; In particular reviewing and challenging where necessary: <ul style="list-style-type: none"> • the consistency of, and any changes to, accounting policies • the methods used to account for significant or unusual transactions where different approaches are possible • whether the college has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor • the clarity of disclosure in the company's financial reports and the context in which statements are made; 	83	DoF

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<p>all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management)</p> <ul style="list-style-type: none"> To review the statements to be included in the annual report concerning internal controls and risk management 		
<p>v) Financial Statements Recommendation To recommend the Heart of Worcestershire College financial statements for the year ended 31 July 2017 to the Corporation for approval</p>		Ch
<p>vi) Teachers Pension Statement</p> <ul style="list-style-type: none"> To note the Engagement Letter with Grant Thornton To note that the Teachers' Pension Statement will be presented to the Corporation meeting on 5 December 2017 	141	DoF
<p>vii) Subsidiary Company Accounts To note the Molinna Ltd and NEWCEL Accounts</p>	159 & 167	DoF
<p>12.10 Internal Audit Annual Report 2016/17</p> <p>i) To advise the Corporation on the Internal Auditor's Annual Report for the year ended 31 July 2017 and recommend the Internal Audit Annual Report for Corporation approval</p>	174	RSM
<p>12.11 Audit Committee Annual Report</p> <p>i) <ul style="list-style-type: none"> To produce the Audit Committee's Annual Report to the Corporation for the year ended 31 July 2017 To delegate authority to the Audit Committee Chair to approve the final version for submission to the Corporation </p>	184 185	CC
<p>12.12 Risk Register and Assurance Framework</p> <p>i) To consider the Effective Board briefing on Committees and Risk from Independent Audit</p>	195 196	Chair
<p>ii) Risk Management 2016/17 Report To review the Risk Management Report and recommend it to the Corporation for approval</p>	202	VPCR
<p>iii) Risk Management Plan for 2017/18</p> <ul style="list-style-type: none"> To review the revised Risk Register and consider action proposed to address assurance gaps in 2017/18 To consider the Audit Committee's approach to monitoring the Risk Register in 2017/18 	207 220	VPCR
<p>12.13 Annual Procurement Report</p> <p>i) To review the Procurement Report for 2016/17 and recommend it to the Corporation for monitoring</p>	232	DoF
<p>12.14 Internal Audit Reports To advise the Corporation on the Progress Report from RSM and to review planned days</p>	239	RSM RSM

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12.15 Students Union Accounts		265	
i)	To recommend the Students' Union Accounts for the year ended 31 July 2017 to the Corporation for approval	266	
12.16 Disaster Management		267	VPCR
i)	To note that the Emergency Plan and Business Continuity Plan contact lists have been brought up to date and to recommend changes to Appendix 10 (The Prince's Trust Crisis Plan) to the Corporation for approval	268	
	<i>The Auditors will leave the meeting at this point</i>		
		Conf Pack	
12.17 Minutes of the Previous Meeting		6	Ch
i)	To approve Restricted Confidential Minutes 2 of 2 of the meeting held on 12 June 2017		
12.18 Matters Arising		8	Ch/ CC
i)	To monitor action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings		
12.19 Review of Performance of External Auditors			DoF
i)	To consider the performance of Grant Thornton for 2016/17		
12.20 Audit Tenders		12	DoF
i)	<ul style="list-style-type: none"> • To consider the process for tenders for Internal and Financial statements Auditors • To note the role of the Audit Committee 		
12.21 Subcontracting Control Audit 2017/18		15	DoF
i)	To consider submissions from auditors and if appropriate recommend an appointment to the Corporation meeting on 5 December 2017		
12.22 Any Other Urgent Business			Ch
12.23 Date and Time of Next Meeting			Ch
i)	Tuesday 13 March 2018, 5pm, The Source, All Saints Building, Worcester		

Sue Frost
Clerk to the Corporation
10 October 2017