



Audit Committee Meeting

To be held on Tuesday 20 November 2018 at 5.30pm

In The Source, All Saints' Building, Worcester

AGENDA

Item:		Page:	Lead:
15.1	Apologies		CC
15.2	Declarations of Interest		Chair
i)	Members are asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item		
15.3	Audit Committee Concerns		Chair
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>		
15.4	Auditor Concerns		Chair
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>		
15.5	Minutes of the Previous Meeting	6	Chair
i)	To approve the Minutes of the meeting held on 12 June 2018		
15.6	Matters Arising	13	Chair/ CC
i)	To monitor action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings		
15.7	Determination of any other Urgent Business		Chair
15.8	Audit Committee Performance Review	15	CC
i)	To monitor the effectiveness of the Audit Committee in 2017/18	16	
ii)	To review the Terms of Reference for the Audit Committee and recommend changes to the Corporation for approval where appropriate		
15.9	2017 – 18 Financial Statements		
i)	Engagement Letter	30	KPMG
	To advise the Corporation on the Engagement Letter with KPMG and to recommend it to the Corporation for approval	31	
ii)	Regularity Self Assessment Questionnaire	44	DF

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	<ul style="list-style-type: none"> • To review the Regularity Self Assessment Questionnaire • To recommend that the college accounting officer and Corporation Chair sign the Regularity Self Assessment Questionnaire 	45	
iii)	<p>External Audit Report to the Audit Committee</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 External Auditors Report to the Audit Committee in respect of the accounts of Heart of Worcestershire College for the year ended 31 July 2018 and on management's response to these and recommend the External Auditors Report to the Audit Committee to the Corporation for approval 	61	KPMG
iv)	<p>Letter of Representation</p> <ul style="list-style-type: none"> • 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 2017/18 and that that the College has complied with the Financial Memorandum • To review the Letter of Representation for the year ended 31 July 2018 and to recommend it to the Corporation for approval 	98	DF
v)	<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 2020 	106	DF
		110	
vi)	<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; 	112	DF/ VPDCE /P

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	<ul style="list-style-type: none"> all material information presented with the financial statements, such as the Statement of Corporate Governance and Internal Control (insofar as it relates to the audit and risk management) To review the statements to be included in the annual report concerning internal controls and risk management To recommend the Heart of Worcestershire College financial statements for the year ended 31 July 2018 to the Corporation for approval 		
vii)	Teachers Pension Statement		DF
	<ul style="list-style-type: none"> To note the Engagement Letter with KPMG To receive the Teachers' Pension Statement 	172 203	
viii)	Subsidiary Company Accounts	205	DF
	To note the Molinna Ltd and NEWCEL Accounts		
15.10	Internal Audit Annual Report 2017/18	221	RSM
i)	To advise the Corporation on the Internal Auditor's Annual Report for the year ended 31 July 2018 and recommend the Internal Audit Annual Report for Corporation approval		
15.11	Audit Committee Annual Report	233	CC
i)	<ul style="list-style-type: none"> To produce the Audit Committee's Annual Report to the Corporation for the year ended 31 July 2018 To delegate authority to the Audit Committee Chair to approve the final version for submission to the Corporation 		
15.12	Risk Register and Assurance Framework		
i)	Risk Management 2017/18 Report	243	VPDCE
	To review the Risk Management Report and recommend it to the Corporation for approval	244	
ii)	Risk Management Plan for 2018/19	248	VPDCE
	<ul style="list-style-type: none"> To consider the Audit Committee's approach to monitoring Risk in 2018/19 		
iii)	Strategic Risk Register – Autumn Term 2018	261	VPDCE
	<ul style="list-style-type: none"> To monitor the College Risk Register and to recommend it to the Corporation for approval 		
15.13	Annual Procurement Report	To	DF
i)	To review the Procurement Report for 2017/18 and recommend it to the Corporation for monitoring	Follow	
15.14	Internal Audit Reports		RSM
	To advise the Corporation on the Internal Audit Reports from RSM and management's responses to these		
i)	Apprenticeships – Framework Review	274	
ii)	Follow Up	290	
15.15	Students Union Accounts	302	DF

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i) To recommend the Students' Union Accounts for the year ended 31 July 2018 to the Corporation for approval	303	
15.16 Whistleblowing Procedure	-	CC
i) To note progress towards a revised Whistleblowing Procedure		
15.17 Any Other Urgent Business		Chair
15.18 Date and Time of Next Meeting		Chair
i) Tuesday 5 March 2019, 5pm for 5.30pm, O2.03, Osprey House, Redditch		

CONFIDENTIAL ITEMS

15.19 See separate Agenda and Papers

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15.21

The Auditors will leave the meeting at this point

RESTRICTED CONFIDENTIAL ITEMS

15.22 See separate Agenda and Papers

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15.23

Sue Frost

Clerk to the Corporation

2 October 2018

Last update: 13 November 2018