



Audit Committee Meeting

To be held on Tuesday 19 November 2019 at 5.30pm

In The Source, All Saints' Building, Worcester

AGENDA

Item:	Page:	Lead:
18.1 T-Levels and Associated Risks To receive a presentation from the Vice Principal Vocational and Technical Education and Lesley Baker, Director – Hair & Beauty, Health & Social Care and Early Years <i>Members of the College Executive and the auditors will leave the meeting at this point</i>		VPVTE
18.2 Audit Committee Concerns 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>	-	Chair
18.3 Auditor Concerns 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>	-	Chair
18.4 Apologies	-	CC
18.5 Declarations of Interest i) Members are asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item	-	Chair
18.6 Minutes of the Previous Meeting i) To approve the Minutes of the meeting held on 25 June 2019	7	Chair
18.7 Matters Arising i) To monitor action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings	17	Chair/ CC
18.8 Determination of any other Urgent Business	-	Chair
18.9 Audit Committee Performance Review i) To monitor the effectiveness of the Audit Committee in 2018/19	20	CC

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ii)	To review the Terms of Reference for the Audit Committee and recommend changes to the Corporation for approval where appropriate		
18.10	2018 – 19 Financial Statements		
i)	Engagement Letter To note that the Engagement Letter with KPMG for 2017/18 remains in place	-	KPMG
ii)	Regularity Self Assessment Questionnaire <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 	37	DF/CC
iii)	External Audit Report to the Audit Committee <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 2019 and on management's response to these and recommend the External Auditors Report to the Audit Committee to the Corporation for approval 	57	KPMG
iv)	Letter of Representation <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 2018/19 and that that the College has complied with the Financial Memorandum To review the Letter of Representation for the year ended 31 July 2019 and to recommend it to the Corporation for approval 	85	DF
v)	Going Concern Review <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 2021 	94	DF
vi)	Financial Statements <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: 	99	DF/ VPDCEO /P

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	<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; 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 2019 to the Corporation for approval 		
vii)	Teachers' Pension Statement	157	KPMG
	<ul style="list-style-type: none"> To note the Engagement Letter with KPMG To receive the Teachers' Pension Statement 	188	
viii)	Subsidiary Company Accounts	190	DF
	To note the Molinna Ltd and NEWCEL Accounts		
18.11	Internal Audit Annual Report 2018/19	206	RSM
i)	To advise the Corporation on the Internal Auditor's Annual Report for the year ended 31 July 2019 and recommend the Internal Audit Annual Report for Corporation approval		
18.12	Audit Committee Annual Report	218	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 2019 To delegate authority to the Audit Committee Chair to approve the final version for submission to the Corporation 		
18.13	Risk Register and Assurance Framework	229	VPDCEO
i)	Risk Management 2018/19 Report		VPDCEO
	To review the Risk Management Report and recommend it to the Corporation for approval		
ii)	Risk Management Plan for 2019/20	To follow	VPDCEO
	<ul style="list-style-type: none"> To consider the Audit Committee's approach to monitoring Risk in 2019/20 To receive a brief summary of assurances in key areas 		
iii)	Strategic Risk Register – Autumn Term 2019	To follow	VPDCEO
	<ul style="list-style-type: none"> To monitor the College Risk Register and to recommend it to the Corporation for approval 		
18.14	Local Government Pension Scheme (LGPS)	234	DF

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i) To consider pension accounting as requested at the Corporation meeting on 8 October 2019		
ii) To receive an update on the LGPS triennial valuation as at 31 March 2019	236	
18.15 Bournville College Investigation	249	CC/DF
i) To receive the letter from Eileen Milner, Chief Executive, Education and Skills Funding Agency, circulated by email 18 July 2019	251	
ii) To receive the Education and Skills Funding Agency's Investigation Report on Bournville College	254	
iii) To review an analysis of observations/recommendations against the Heart of Worcestershire College position and consider action required	278	
18.16 Subcontracting Assurance		P
i) To receive the letter from Eileen Milner, Chief Executive, Education and Skills Funding Agency, to the Chair and Principal dated 3 October 2019	287	
ii) To receive the Principal's response		
iii) To receive the annual external audit subcontracting audit report from ICCA	295	
18.17 Annual Procurement Report		DF
i) To review the Procurement Report for 2018/19 and recommend it to the Corporation for monitoring	To follow	
18.18 Whistleblowing Procedure	306	CC
i) To consider the revised Whistleblowing Procedure and to recommend it to the Corporation for approval, subject to comments from the Staff Forum		
18.19 Department for Education (DfE) Governance Guide - Follow Up	317	
i) UK Corporate Governance Code To consider the extent of College compliance with the UK Corporate Governance Code		CC
18.20 Students Union Accounts	334	DF
i) To recommend the Students' Union Accounts for the year ended 31 July 2019 to the Corporation for approval		
18.21 Internal Audit	336	RSM
i) To receive the Progress Report		
18.22 Any Other Urgent Business	-	Chair
18.23 Date and Time of Next Meeting	-	Chair
i) Tuesday 10 March 2020, 5pm for 5.30pm, The Source, All Saints' Building, Worcester		

The Auditors will leave the meeting at this point

RESTRICTED CONFIDENTIAL ITEMS

Item:
18.24 See separate Agenda and Papers
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18.26

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Sue Frost
Clerk to the Corporation
18 October 2019
Last update: 12 November 2019