

CARDINAL NEWMAN COLLEGE

BOARD OF GOVERNORS - AUDIT COMMITTEE

A meeting of the above Committee was held at **4.00 p.m.** on **Wednesday 21st October 2015** in the **Conference Room** at the College.

Present:

Officers in attendance

Peter Halpin (Chair)

Bob Deed

John Calvert (Vice-Chair)

Denise Kennedy

Len Hampson

Father Tim Sullivan

Peter Towers

Joe McNamara(Clerk to the Governing Body)

Audit Representatives:

Gareth Hitchmough (External Audit)

The meeting commenced with a prayer

MINUTES

1. MINUTES OF LAST MEETING

The minutes of the meeting of the Committee held on Wednesday 10th June 2015 were accepted as a correct record and signed by the Chair (file copy entered).

2. SECTION 'A' ITEMS

There were no items included in this section of the agenda.

3. SECTION 'B' ITEMS

1/B/AC(10.15) MATTERS ARISING FROM THE MINUTES

- (i) **Explanation of recommendations not accepted following the Data Protection Review**

Received: DOCUMENT 1/B(i)/AC(10.15) (file copy entered) and oral report from the Director of Corporate Resources (B.D.).

Members considered the Document which included the Audit Review recommendations and the College response to those recommendations where they had not been accepted.

It was noted that most of the recommendations had already been implemented or were under current review;

(ii) Proposed Programme of Risk Reviews

Received: DOCUMENT 1/B(ii)/AC(10.15) (file copy entered) and oral report from the Director of Corporate Resources (B.D.).

Agreed: to implement the proposed Programme of Risk Reviews.

Action: Director of Corporate Resources
Clerk to the Governing Body

2/B/AC(10.15) RISK REVIEWS

Members received a presentation from the Director of Corporate Resources (B.D.) related to the Risk Review process (file copy entered).

Members were aware that the purpose of the presentation was to test a possible format for future presentations by risk owners to Committees.

Members considered the Key Risks identified in the presentation document and the methodology of dealing with those risks. Particular attention was given to the process of identifying Gross risks and the actions taken to arrive at the Net Risks.

Questions were raised about the extent to which risk management actions affected the likelihood and the impact of risks to arrive at the Net Risk. It was felt that the effect on likelihood scores was more clearly identified than the effect on impact scores. The suggestion that risk owners should be made aware of the potential value of preventative controls was also considered.

In answer to specific queries raised by Governors the following points were recorded:

- that the identified Lead Committees for the various risks would receive a presentation similar to that received today by the Audit Committee;

- that appropriate external specialists would be contracted to give presentations to the Audit and other Governing Body Committees about the Risk Process relating to Key Risks identified in the Risk Register;
- That the Audit committee would also receive internal presentations from risk owners as appropriate.

Action: Director of Corporate Resources (B.D.)

3/B/AC(10.15) ROLLING AUDIT ACTION PLAN REVIEW

Received: DOCUMENT 3/B/AC(10.15) (file copy entered).

Members considered the Report, noted the recommendations contained therein, and the actions being taken to address the recommendations.

4/B/AC(10.15) RISK MANAGEMENT: TERMLY UPDATE REPORT

Received: DOCUMENT 4/B/AC(10.15) (file copy entered) and oral report from the Director of Corporate Resources. (B.D.).

Members received details related to the top risks that the College was facing.

Members then considered the Risk Register in detail and noted that the net risk scores were mainly in line with those recorded in the Risk Register Report submitted to the Committee in June.

However, members noted an additional risk that had been added to the Register relating to the possibility that the College might face a reduction in the cash value of the National Funding Rate for 16-19 year olds, with, for example, a 10% funding reduction over three years.

In answer to a Governor query relating to a possible reduction in funding due to the demographic dip in the current numbers of 16-18 students, members were advised that although the dip was clearly identified it appeared to have had no impact on the increased numbers of students seeking admission to Cardinal Newman College.

In answer to an identified further risk related to the retirement at the end of the year of the long-serving Clerk to the Governing Body, members were advised that an advertisement and Person Specification had been prepared. Short listing, interviewing and a recommendation to the Board of Governors on replacement would be dealt with by the Search Committee.

5/B/AC(10.15)

**BOARD ASSURANCE FRAMEWORK: UPDATE REPORT:
DETERMINATION OF REVIEW PRIORITIES**

Received: **DOCUMENT 5/B/AC(10.15)** (file copy entered), and an oral report from the Director of Corporate Resources. (B.D.).

Members noted the draft Assurance Plan, proposed reviews and potential changes in the year.

Agreed:

- to accept the proposed Assurance Plan for 2015/16;
- that Safeguarding and Finance (including fraud risks) should be the subject of assurance reviews;
- that the Assurance Plan should be revisited mid-year in the light of of the Area Based Review process and other emerging risks.

Actions: **Director of Corporate Resources (B.D.)**
Clerk to the Governing Body

6/B/AC(10.15) **DISASTER RECOVERY PLAN: UPDATE REPORT**

Received: **DOCUMENT 6/B/AC(10.15)** (file copy entered) and oral report from the Director of Corporate Resources (B.D.).

The Document related to a Business Continuity Plan Test that took place on 2nd June 2015. The test was prepared and implemented by Andrew Deas, Director, Risk Source Limited.

Members considered in particular the Executive Summary and the recommendations contained in the test report.

Members noted that the Report was to be considered by the Senior Management Team following which an Action Plan would be drawn up related to the Report's recommendations.

Agreed: that an update report on this item should be prepared for consideration at the Spring Term meetings of the Audit and Finance and Premises Committees.

Action: **Director of Corporate Resources (B.D.)**
Clerk to the Governing Body

7/B/AC(10.15) 2014/15 FINANCIAL ACCOUNTS

- (i) Audit Completion Report**
- (ii) Group Draft Report and Financial Statements**
- (iii) Newman Business Draft Report and Financial Statements**

Received: (DOCUMENTS 7/B(i)-(iii)/AC(10.15) attached).

Members received a very full Report from the External Audit representative related to the Audit Completion Report.

At the conclusion of the Report, members were pleased to note the opinion of the External Audit Service that subject to the satisfactory conclusion of the remaining audit work, they anticipated issuing an unqualified opinion, without modification.

Members then considered the Report and Financial Statements for the College and for Newman Business Ltd.

Members were aware that the Reports and Financial Statements would be considered in detail at the meeting of the Finance and Premises Committee scheduled to take place on 18th November 2015. A recommendation from that Committee would be received at the meeting of the Board of Governors scheduled to take place on Wednesday 9th December 2015.

8/B/AC(10.15) REVIEW OF VALUE FOR MONEY ACTIVITIES: 2014/15

Received: DOCUMENT 8/B/AC(10.15) (file copy entered).

Members received the Annual Review of VFM activities and the Value for Money Policy. Members noted the Objectives contained in the Annual Review and the Actions that had been taken related to those objectives. Members offered congratulations on the quality and success of the actions taken and the value for money that had been achieved throughout the year.

9/B/AC(10.15) ASSOCIATION OF COLLEGES NW CONFERENCE: 15.5.15: REPORT FOR AUDIT COMMITTEES

Received: DOCUMENT 9/B/AC(10.15) (file copy entered) and oral report from the Committee Chair who had attended the Conference.

A key item for discussion was the new Joint Audit Code of Practice. Members considered the requirements of the Code, what it is used

for, reporting in relation to its requirements and assurance needs, and how institutions can meet them.

The External Audit representative left the meeting prior to consideration of the next agenda item;

10/B/AC(10.15) PERFORMANCE INDICATORS FOR EXTERNAL AUDIT SERVICE

Received: **DOCUMENT 10/B/AC(10.15)** (file copy entered).
Members considered the indicators for 2014/15 and how these had been satisfactorily met.

Agreed: **to accept the same approach as was utilised in the last financial year for the 2015/16 financial year.**

11/B/AC(10.15) ANNUAL REPORT FROM THE AUDIT COMMITTEE TO THE BOARD OF GOVERNORS

Received: **DOCUMENT 11/B/AC(10.15)** file copy entered).

The External Audit representative advised members of the specific requirement for the Annual Report related to advising the Board of Governors of the effectiveness of the work of the Committee over the year.

Agreed: **to accept the report for submission to the Board of Governors at its meeting scheduled to be held on Wednesday 9th December 2015.**

Prior to the formal end of the meeting, and following the withdrawal of College Officers, the External Audit representative reported that there were no confidential issues that required reporting to members of the Audit Committee.

4. DATE AND TIME OF NEXT MEETING

The next ordinary meeting of the Committee is scheduled to be held at **4.00 p.m.** on **Wednesday 24th February 2016** in the **Conference Room at the College.**