

MINUTES



AUDIT COMMITTEE MEETING

Date: Wednesday 20th March 2019
Time: 3.00pm
Venue: Boardroom

Present:

Andrew Fawcett (Chair)
Gulnaz Brennan
Stephanie Nixon

In Attendance:

Bill Webster (Principal)
Garry Westwater (Director of Finance)
Sarah Massel (RSM)
Tim Openshaw (University of Bolton)
Fatema Hussein (Clerk to the Board)

1. SECTION A - BUSINESS MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE

1.1 Welcome to Members/Officers

Members were welcome and introduced to the Committee.

The Chairperson explained that Tim Openshaw was attending the meeting as the Executive Director on behalf of the University of Bolton with responsibility for considering risk at a group level.

1.2 Apologies for absence

There were no apologies to receive

1.3 Declarations of Interest

There were no declarations of interest.

1.4 Request for an item to be unstarred

No requests were made.

1.5 *Minutes of the previous meeting held on 27th November 2018

Agreed that: the minutes are approved as a correct record and authorised for publication.

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1.6 Matters arising from the previous minutes and Action Progress Log

It was confirmed that there were two outstanding actions from the previous meeting, and both had been included on the agenda for discussion.

2. SECTION B - COLLEGE MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE

2.1 Internal Audit Plan

RSM presented the plan and proposals for the key areas of focus during 2018/19.

Governor Questions

- The timetable was very tight and would require a quick turnaround. Could the timescales be met?
RSM stated they were confident that the planned audits would be completed within the proposed timescales
- Were the revised processes introduced for student debt having an impact?
The Director of Finance advised that:
 - Actions that had been put in place were working well so far
 - The intention was for the Heads of Area to engage with students on this aspect as well
 - A credit reference agency was to be appointed to follow up on outstanding debt
 - The new Fees policy for 2019/20 also included measures to keep debt under control
- What was the percentage write off of debt?
It was approximately 6%. Bad debt provision had been reduced from £175,000 in 2017/18 to £80,000 for 2018/19 - and this was positive

It was noted that a review of business continuity planning was being undertaken as part of the wider collaboration with the University.

RESOLVED:

The Committee endorsed the Internal Audit Plan and recommended it to the Board for approval.

ACTION:

Clerk / Board Agenda

2.2 Outstanding Audit Recommendations Monitoring Schedule

The Director of Finance reported that management had responded to the five outstanding actions and these were to be included in the planned audits for this year.

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The Committee agreed that the audit plan for 2019/20 was presented and discussed at the next meeting

ACTION:

Clerk / June Audit Agenda

2.3 Risk Register

The following update was provided by Tim Openshaw:

- Work was being undertaken on developing a risk management policy and individual risk registers were also being reviewed
- The intention was to have a group level risk register in addition to individual ones
- Proposals had been put forward on to how to keep the University's Audit Committee aware of key College risks and vice versa
- A single summary page of key risks and their movement was to be drawn up for both institutions in order to keep the Committee and the Board apprised of the risks
- Both institutions were using their own individual risk registers but a hybrid version was in the process of being developed

The Chairperson suggested that it was important to ensure that the register was a live dynamic document and that it would be useful for the Committee to be able to see the movement of risks and using some form of colour coding system may help with this.

3. SECTION C - UNIVERSITY GROUP MATTERS - FOR CONSIDERATION UNLESS INDICATED OTHERWISE

3.1 PWC Group Governance Advisory Review

The Principal reported that:

- PWC had undertaken some work on governance arrangements and structures following the merger
- The report was to be discussed as part of the review meeting with the ESFA on Monday
- All recommendations within the report were being addressed
- An executive Group Governance working group comprised of senior staff at the College and University had been set up to focus on the governance of the new group structure
- The ESFA had indicated that the F.E Commissioner's office may wish to undertake a review post-merger and College had a detailed record of all actions that had been implemented
- It was important to recognise that whilst there may be some similarities, the College and University were two distinct institutions and some governance processes would have to operate differently in each institution

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Governor Questions

Governor training was an area that required further development and did this need also need to be reviewed?

The Clerk advised that:

- All Board members had been requested to complete a skills audit the results of which would be used to identify any skills gaps and training needs
- Arrangements had been made for Board members to be updated on the current F.E. landscape / key issues and the College Insolvency regime at the strategic review meeting on 3rd April
- Board members from the University were to undertake a visit to the College to further increase their understanding of College operations

The Committee reviewed the report and the following points were raised:

Governor Questions

- Did College have decision making Committees prior to the merger?
Yes it did, but the Committees were advisory post-merger
- What criteria would the University use to refuse the appointment of a Board member?
The Principal stated that an appointment would not be unreasonably refused
- When would a decision be made on the future expansion of the group and should consideration be given to establish the proposed model in anticipation of future growth?
The Principal advised that this was a decision that the University would have to take and it may not be in that position yet

ACTION:

Clerk to check the merger document / SLA and clarify the appointment process

A Governor commented that it was important to ensure that decision making processes and timescales were not compromised as a result of this revised model.

The Principal advised that the key driver for moving away from the Carver model had been the College Executive as it had not been sustainable. Should the current model not work as planned, this could then be reviewed.

RESOLVED:

Following a discussion, the Committee agreed that:

- Membership of the Audit Committee was discussed at the next Board meeting
- It would be appropriate to have an independent member from the University Audit Committee on College Audit

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- The balance of skills on each Committee should be reviewed
- The Governor link programme needed to be developed further
- There was a need to ensure that governance responsibilities were shared equally by all Board members

Clerk / Board agenda

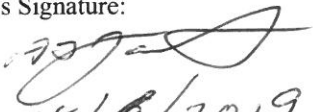
4. SECTION D - ANY OTHER BUSINESS

There was no other business to discuss.

5. SECTION E - FUTURE MEETINGS

Wednesday 12th June 2019 at 3.00pm

There being no further business to discuss, the meeting closed at 4.20pm

Chair's Signature:

Date: 18/6/2019

