



**JOINT AUDIT COMMITTEE REIGATE LEARNING ALLIANCE &
COULSDON COLLEGE
MINUTES OF THE MEETING HELD 28 NOVEMBER 2017**

Present:	Mr Stephen Hewes (Chair)	
	Mr Ciaran McSharry	
In Attendance:	Ms Kim Saw	- Director of Finance
	Mr Jon Allen	- Clerk
	Ms Zoe Longstaff-Tyrrel	- RSM (Financial Auditor) – part of meeting
	Mr Sagar Patel	- Curriculum Director
	Mr Chris Whelan	- Chief Executive, Reigate LA
	Mr Steve Gooch	- Principal Coulsdon College

The meeting commenced at 1800.

WELCOME, APOLOGIES & DECLARATIONS OF INTEREST

1. Apologies were received from Ms Sharmin Joarder and Mr Richard Beales. The Clerk confirmed the meeting was quorate. There were no declared interests against any of the agenda items.
2. The Chair welcomed Ciaran McSharry to his first meeting.
3. The Chair welcomed the auditor from RSM.
4. The Chair explained that the Committee would consider audit committee matters for Reigate College as part of the Reigate Learning Alliance Trust, and Coulsdon College, that remains a stand-alone institution, but with plans to join the Trust. The minutes of this meeting would be issued to the RLA Trust Board and the Board of Coulsdon College. Members would act in the best interests of both Reigate College and Coulsdon College.

DECLARATION OF INTERESTS

5. Mr Ciaran McSharry declared his interest in being a Governor of Coulsdon College.

REIGATE COLLEGE

6. Reigate College dissolved on 01 September 2017 and transferred its assets and liabilities to the Reigate Learning Alliance (RLA). The RLA has the responsibility of approving the financial statements for the dissolved college, and the requirement remains for the Audit Committee to produce an annual report on Reigate College, which is submitted to the RLA Trust Board prior to the statement of corporate governance and internal control being signed.

The Audit Committee is responsible for providing insight to the Trust Board on the adequacy and effectiveness of Reigate College's assurance framework. The Audit Committee, in forming an annual opinion in their annual report, will take into account the audit opinions from the internal auditor and the financial statement and regularity auditor for Reigate College.

REIGATE INTERNAL AUDIT REPORT 2016-17

7. The '*Internal Audit Annual Report 2016/17*'. The report was the same report presented to the June 2017 Audit Committee meeting and was being presented as the annual report from the internal audit service for 2016-17. As reported at the June meeting, the following audit opinions and the number of audit recommendations were noted:

Audit	Audit Opinion	Low	Med	High
Attendance Systems and Monitoring	Full Assurance	0	0	0
Board Assurance Framework and Impact	Substantial Assurance	2	1	0
Risk Management	Substantial Assurance	2	1	0
Staff Performance Management	Satisfactory Assurance	3	3	0
Student Surveys and Learner Voice	Substantial Assurance	1	0	0
	Total	8	5	0

8. In terms of the assurance assessment, it was agreed to give a 'Green' assessment on the assurances provided by the internal audit service. It was **RESOLVED** to note the '*Internal Audit Report 2016-17*.'

SCOPE OF THE INTERNAL AUDIT WORK 2017/18 REIGATE LEARNING ALLIANCE

9. Following a thorough review of the possible areas to be subject to audit, it was agreed for the scope of the internal audit for 2017-18 to cover the following:

- Success rates - data quality and curriculum
- Learner support - to review the College's learner support arrangements over and above learner support for High Needs learners

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017 REIGATE COLLEGE

10. As required by the Joint Audit Code of Practice, a copy of the College's draft '*Financial Statement and Annual Report 2016/17*' was made available along with the

'Audit Findings Report Year ended 31 July 2017' and the *'Letter of Representation'* (copies attached to the signed minutes).

11. The agreed process for reviewing and approving the Financial Statements requires the Finance & Resources Committee, in the first instance, to review the financial information and commentary in the year-end accounts and, once reviewed, to inform the Audit Committee of the outcomes of their review. The Audit Committee will then consider the outcomes of the review conducted by the Finance & Resources Committee, and to consider all audit and assurance opinions received, on the adequacy of the operation of financial and other controls before making any final approval recommendations to the Trust Board regarding the accounts.

12. The Clerk confirmed that the Finance & Resources Committee carried out a review of the commentary and financial information at its meeting, held on 21 November 2017, and no issues of concern were to be brought to the attention of the Audit Committee.

13. The Chair noted a number of amendments required to the Report and Accounts, which the Director of Finance has in hand.

14. The Financial Statement Auditor is required to issue two audit opinions, either 'unqualified' (good); or 'qualified' (not good)

- An opinion on the financial statements
- An opinion on the regularity of financial transactions.

15. The financial statement auditor indicated they will issue an unqualified opinion on the 2016/17 accounts.

16. The report confirmed an unqualified regularity audit opinion for 2016/17.

17. The *'Audit Findings Report'* raised no internal control issues regarding the financial statements, and no issues on the regularity of financial transactions.

18. In terms of the assurance assessment, it was agreed to give a 'Green' assessment on the assurances provided by the financial statement and regularity audit service. It was **RESOLVED** to recommend that the Corporation, at its meeting on 12 December 2017, approves the *'Financial Statements Year Ended 31 July 2017'*; and approves both the *Audit Findings Report Year ended 31 July 2017'* and the *'Letter of Representation'* issued by the Financial Statement Auditor.

CONFIDENTIAL SESSION

19. Prior to considering the Annual Report from the Audit Committee, the Clerk asked all parties as to whether there was a need to go into a confidential session. The auditor in attendance confirmed that they had no reason to go into a confidential session and the Audit Committee also confirmed there was no need to go into a confidential session without College officers being present.

AUDIT COMMITTEE'S ANNUAL REPORT 2016/17 ON REIGATE COLLEGE

20. The *'Annual Report 2016/17 from the Audit Committee on Reigate College'* was received (copy attached to the signed minutes). There is a requirement in the Joint Audit Code of Practice stating that the annual report of the Audit Committee is to be written for both the Board and the Chief Executive as the accounting officer of

the College. The annual report should be used as a summary document explaining the work of the Committee during the course of the year.

21. The Annual Report must offer an opinion from the Audit Committee to both the Board and Chief Executive. The Audit Committee agreed the following opinion:

The Audit Committee, through review of auditors' reports and discussion with auditors and college managers, has arrived at the opinion that Reigate College had adequate and effective assurance frameworks, framework of governance, risk management and control processes for the effective use of resources, solvency of the institution and the safeguarding of its assets.

The Audit Committee recommends the Trust Board approves the Annual Report and Financial Statements for the period ended 31 August 2017 for Reigate College and to authorise the Chief Accounting officer/Chief Executive and the Chair of the Trust Board to sign the Financial Statements.

22. Following review, it was **RESOLVED** to recommend that the Trust Board, at its meeting on 12 December 2017, approves the 'Annual Report from the Audit Committee 2016/17' on Reigate College'

COULSDON COLLEGE

INTERNAL AUDIT

23. It was confirmed there was no internal audit work undertaken during 2016-17. Instead, the Audit Committee referred to the Board Assurance Framework as the source of opinion and assurances, along with the funding audit that had been conducted in 2015-16.

24. For 2017-18, it was **AGREED** to appoint MacIntyre Hudson to be the internal audit service for Coulsdon College.

25. It was **AGREED** that the scope of the internal audit work would be on course viability and utilisation.

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017 COULSON COLLEGE

26. As required by the Joint Audit Code of Practice, a copy of the College's draft 'Financial Statement and Annual Report 2016/17' was made available along with the 'Audit Findings Report Year ended 31 July 2017' and the 'Letter of Representation' (copies attached to the signed minutes).

27. The Financial Statements were presented, in draft format, pending discussions with the Transactions Unit regarding funding and going concern. As these discussions have yet to be concluded and, as the College cannot currently confirm that it is a going concern, no audit opinion has yet been given. Therefore, the Financial Statements cannot be recommended to the Coulsdon Corporation for approval.

28. As a result, it was **AGREED** to defer the review of the Financial Statements, the Audit Findings Report, and the Letter of Representation to a later meeting of the Audit Committee.

29. As additional work is required, it was agreed to give a low level of assurance (Red) on the Financial Statements. In making this assessment, the Committee placed on record that this is not a negative reflection on the work of the finance team. Instead, it reflects awaiting the Transactions Unit to address the financial solvency of the College.

AUDIT COMMITTEE'S ANNUAL REPORT 2016/17 ON COULSDON COLLEGE

30. It was noted that the Audit Committee Annual Report for Coulsdon College will be made available for the Audit Committee to review, on receipt of the audit opinion from the financial auditor, and when the Financial Statements can be presented to Coulsdon Corporation for approval.

BOARD ASSURANCE AND RISK MANAGEMENT 2017/18

31. It was confirmed that, during the last academic year, the two Colleges have been working towards a single approach to Board Assurance and Risk Management. The Risk Champion for both Colleges has led this process.

32. Board assurance and risk management have been subject to audit at both Colleges and the board assurance and risk management documentation, presented to the Committee, reflects best practice and incorporated the recommendations that had been highlighted in these reports.

33. The documentation presented to the Committee has only recently been sent, for review, to the senior leaders at both Colleges and for them to ensure that terminology used is appropriate to both academy and non-academy governance structures, and look also at the job titles which are different across the College.

34. The Chair referred to the findings of the Internal Audit report which had concluded that the aspects of embedding the new documentation were still in progress. As this is still work in progress, it was agreed to give a medium level of assurance, 'Amber', given a further report will be required at the next meeting.

35. It was **AGREED** to:

- Receive a report at the next meeting, indicating the level of assurance provided by all committee papers considered in the autumn term, in order that the progress with embedding can be reviewed, together with factors about which the Audit Committee should be aware.
- Use the spring meeting of the Committee each year to review, in detail, the board assurance and risk management documents.

36. In terms of initial feedback to the Risk Champion, the following points were noted:

- Add 'Prevent' to the Risk Register for Reigate College (It is included in the Risk Register for Coulsdon College)
- Add, as a risk for both Colleges, as to the need to be compliant for General Data Protection Regulation (GDPR).

- Risk #3 – it was discussed that, rather than the board oversight being provided by internal audit activity, the Finance Committee would review the funding applications agreement

ANY OTHER BUSINESS

37. There was no other business.

DATE OF NEXT MEETING

38. Tuesday 13 March 2018 @ 1800.

The meeting closed at 19.40

Signed: _____ Date: _____
(Chair)

SUMMARY ACTION LIST

MIN	DETAILS	REVIEW
28	To defer the review of the Financial Statements, the Audit Findings Report, and the Letter of Representation to a later meeting of the Audit Committee.	13/03/18
30	The Audit Committee Annual Report for Coulsdon College will be made available for the Audit Committee to review, on receipt of the audit opinion from the financial auditor, and when the Financial Statements can be presented to Coulsdon Corporation for approval.	
35	It was AGREED to: <ul style="list-style-type: none"> • Receive a report at the next meeting indicating the level of assurance provided by all committee papers considered in the autumn term so that the progress with embedding can be reviewed together with any factors about which the Audit Committee should be aware • Use the spring meeting of the Committee each year to review, in detail, the board assurance and risk management documents for that year. 	13/03/18
36	In terms of initial feedback to the Risk Champion, the following points were noted: <ul style="list-style-type: none"> • Add 'Prevent' to the Risk Register for Reigate College (It is included in the Risk Register for Coulsdon College) 	13/03/18

	<ul style="list-style-type: none">• Add, as a risk for both Colleges, the need to be compliant for General Data Protection Regulation• Risk #3 – it was discussed that, rather than the board oversight being provided by internal audit activity, the Finance Committee would review the funding applications agreement.	
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