

**AUDIT COMMITTEE MEETING
MINUTES PART 1**

Date: Wednesday 08 November 2017
Venue: Tower Hamlets Campus – G20
Time: 8:30am

Chair	Sue Williams
Corporation Members	Babu Bhattacharjee, Gareth Wall
Co-opted Member	Richard Ward, Paul Winrow
Auditors	Internal & External Financial Statements Auditors (TIAA/KPMG)
Officers	Gerry McDonald: Group Principal & CEO Roger Cottam: Deputy CEO
Clerk to the Corporation	Judith Nelson

Item No	Item of business
1.	Chair's Welcome & Opening Remarks The Chair welcomed members. The official resignation of the Jackie Moylan was noted since the last meeting of the Audit Committee of 20 July 2017.
2.	Apologies For Absence <ul style="list-style-type: none"> ▪ Paul Winrow
3.	Declaration of Interests None received.
4.	Minutes of the Last Meeting Held on 20 June 2017 The minutes were signed as a true and accurate recording of the meeting.
5.	Matters Arising and Action Points from the Meeting No outstanding items were reported.

PRELIMINARY PROCEDURAL MATTERS
Members & Auditors Only – Officers are asked to Leave For this Part of The Meeting

6.	Notification of Any Other Business The Chair took the opportunity to speak openly with the Auditors. The concerns were around the end of year reporting, with standardised reporting and the difficulties at Redbridge with the high key staff turnover in the Finance team, in-turn bridging the knowledge gap. It was noted the Group Finance Director was in post and this should alleviate any delays going forward.
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ITEMS FOR DISCUSSION, DECISION OR ACTION

7.	<p>YEAR END 2016-17</p> <p>a. Internal Audit Assignment Report The Deputy CEO highlighted the final report from TIAA for their work of 2016-17 was the IT Road Map. The recommendation provided by internal audit is very helpful and demonstrates how the road map will now need to be developed into an IT strategy. The timeline for completion of a coherent IT strategy is summer 2018.</p> <p>The Chair raised concerns of not having oversight of an IT disaster recovery plan, having had first-hand experience of an IT disaster at Redbridge in the past. The Deputy CEO explained that the disaster recovery was high on the agenda and being looked at on a site specific basis. SMT are currently in talks regarding the business continuity as a group rather than standalone. The intention is to have a group business continuity plan by April 2018.</p> <p>ACTION: Deputy CEO to give a progress update the Business Continuity Plan at each Audit Committee meeting</p>
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Item No	Item of business
	<p><i>ACTION: Deputy CEO to present individual disaster management plan to the June 2018 Audit Committee</i></p> <p>b. Internal Audit Annual Report TIAA is satisfied that the areas reviewed during the year that New City College has reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the College's achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.</p> <p>There were three assurance reviews and the focus of the undertaken by TIAA in the year was in supporting the review of the processes in View Training. In total TIAA delivered 89 days against the planned 71 days, the overrun being due to the work on View Training.</p> <p>c. Financial Statements and External Audit Management Letter The Deputy CEO updated members as follows: It was noted Redbridge College (RBC) was required to produce financial statements to 31 March 2017 (the date of merger) which the ESFA wanted audited. NCC would produce consolidated accounts including THC and HCC and the subsidiaries for the full year and the result of RBC from 1 April.</p> <p>The RBC accounts to March were substantially completed in the summer but no audit work took place until August and the work was not completed before the accountant at RBC left as planned.</p> <p>KMPG highlighted the following:</p> <p>KPMG are not in a position yet to issue a management letter, but have confirmed that there were no significant control issues arising from the work to date and no significant concerns about the numbers in the accounts, subject to the position at RBC. KPMG have further work to undertake and require further information to complete their work.</p> <p>Governors noted the end of year accounts were incomplete and it is anticipated this will be complete in readiness for the 27 November F&GP meeting. No major changes are expected and the Deputy CEO is working very closely with newly appointed Group Finance Director.</p> <p><i>ACTION: Clerk to set up a teleconference between the Audit Committee Chair and KPMG to discuss and finalise the end of year accounts</i></p> <p>d. Audit Committee Annual Report The audit opinion was missing from the Audit Committee Annual Report. <i>RESOLVED: Governors endorsed their approval subject to the satisfactory audit opinion</i></p> <p>e. Annual Risk Management Report Governors noted the Redbridge risk management had not been amalgamated into the group risk reporting. It was also noted that Property Development had its own risk register, which would state the project is currently on hold. <i>RESOLVED: Governors endorsed their approval subject to satisfactory conclusion of the financial statements audit</i></p> <p>Part 1 of the meeting concluded at 9:20am</p>
Internal & External Financial Statements Auditors (TIAA/KPMG) are asked to leave for this part of the Audit Committee Meeting	