

PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY

AUDIT COMMITTEE

17 MARCH 2016

Present: Theo Steel (Chair)
Peter McKee

In Attendance: Helen Degrove Financial Controller
Robin Jones Clerk to the Corporation
Neil Warren Chief Operating Officer

1 QUORUM

Members and others present recognised that the quorum for meetings of the Audit Committee is at least 3 Members and, therefore, with only two present this meeting was not quorate.

Given the contents of the Agenda it was agreed that it would be useful to progress with a consideration of the items as no immediate decisions as such were required. This would then enable the Board to be briefed on the current and emerging issues on 4 May 2016.

2 MEMBERSHIP OF THE AUDIT COMMITTEE

The Clerk reminded those present that it was possible to request the Board to increase the present membership of the Committee bearing in mind that Jackie Northedge resigned from membership of the Board and, therefore, the Audit Committee some time ago.

The Board will be alerted to the membership position of the Audit Committee on 4 May 2016.

3 APOLOGIES FOR ABSENCE

The Committee received and noted the apologies for absence submitted by Rachel Richards and Gerry Levelle who were unable to attend on this occasion due to other commitments.

4 DECLARATIONS OF INTERESTS

The Members and others present confirmed that there were no declarations of interest relative to the business to be considered.

5 MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 23 NOVEMBER 2015

The minutes of the meeting of the Committee held on 23 November 2015 had been presented to the Board on 9 December 2015.

Whilst Members agreed that the Minutes were a correct record, the Clerk will arrange for them to be included on the Agenda for the next meeting which it was hoped would be quorate

6 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 23 NOVEMBER 2015

The Committee agreed that there were no issues arising from the minutes of the last meeting which were not covered by the published agenda.

7 FINANCIAL STATEMENTS AUDITORS

The Members and others present discussed the experience of producing the first Financial Statements post incorporation and the contribution of MHA MacIntyre, the College's Auditors.

It was agreed that, given the forthcoming Area Review for Essex (currently scheduled to start in November 2016), there would be merit in having available earlier than would normally be expected the audited Financial Statements for 2015/16. The timeline for the preparation of the Financial Statements would be a major agenda item on 21 June 2016 when representatives of the Auditors would be present and an early planning meeting would be arranged between the College (Chief Operating Officer and Financial Controller) and the Auditors.

The current year would see a number of disposals and also some potential developments which would be reflected in the Financial Statements. Members also acknowledged the presentation to the Board of a more informative commentary to the Management Accounts which was about to be extended further by the addition of a long term cash flow forecast spreadsheet.

Finally, it was agreed that the Clerk would make it known to MHA MacIntyre that it was the expectation of Members that the Partner would be involved in the audit programme including the presentation of the Management Letter to the Committee on a date to be agreed in the Autumn.

8 AUDIT COMMITTEE TERMS OF REFERENCE

The Clerk explained the opportunity to review the current Terms of Reference in the light of experience since incorporation and also the adoption of the new national JACOP.

The issue of risk was one that needed to be addressed and also bribery although that was linked to the planned further review of the Financial Regulations currently scheduled for the meeting of the Board in July 2016.

Following discussion and in recognition that not all Members were present it was agreed that the Clerk should make contact with Rachel Richards and Gerry Levelle to invite comments and then prepares an updated version of the Terms of Reference for review by the Committee on 21 June prior to presentation to the Board in July.

9 RISK REGISTER

The Members received and discussed the report prepared by the Chief Operating Officer which included the Risk Policy, Risk Register and Assurance Map.

It was recognised that there were opportunities to update the Risk Register in the light of experience and developments such as the withdrawal from the Southend Airport site. The changes would in turn have an impact on the current Assurance Map. These would be addressed by the Chief Operating Officer and reflected in the updated versions to be presented to the Board.

The Risk Policy as approved by the Board was thought to be a concise and appropriate statement including the fact that the Risk Register only focuses on the main strategic risks and not all of those that the College has to bear in mind and address.

The opportunity was taken to update Members on health & safety – following the appointment of the new Health & Safety Manager various issues had been identified where it was possible to improve on the level of compliance although it was stressed that these did not impact on the risks for students on a day to day basis. A more detailed position statement would be presented to the Board on 4 May 2016.

10 INTERNAL AUDIT

The Members received and discussed the report of the Chief Operating Officer on the opportunities to provide the Board and the Executive with greater assurance on key issues.

It was explained that it was not intended to appoint an Internal Audit Service in the current year but rather to focus on two specific areas - internal controls and grant compliance. A number of firms had been identified with expertise in the types of review envisaged and the costs could be met from the approved budget.

The Members agreed to support the proposed approach of the Executive and to look forward to receiving the reports, incorporating any recommendations, following the completion of the reviews.

The longer term approach would be returned to a future meeting of the Committee so that a decision could be taken as to the pros and cons of the engagement of an Internal Audit Service and the carrying out of a range of reviews.

11 CALENDAR OF MEETINGS – 2015/16

The Committee recalled that it had been agreed on 20 April 2015 that the final scheduled meeting for the year would take place on 21 June 2016.

It is anticipated that the meeting will commence at 2.30pm and, subject to ongoing review of start time and location, will take place at the Basildon campus.

Signed: _____ Date: _____