

2.1a 14-16 Provision

Members were advised that the audit had been included in the Plan at the request of College management seeking a post-implementation review of the College's 14 to 16 curriculum provision, which was introduced from the 2014/15 academic year.

Welcoming the overall "substantial" assurance, the conclusions of the review were summarised. Members were advised of the two recommendations made, both of which it was reported were housekeeping in nature and which it was confirmed had been accepted by management.

The report was noted.

2.1b Core Financial Systems: Assets & Inventories

Members were advised that the focus of the review concerned the evaluation of the progress in the development of the fixed asset register the controls covering the College's tangible assets.

Reporting an overall "Adequate" assurance, the conclusions of the review were summarised. Members were advised of five recommendations made, three of which were significant with two that were housekeeping in nature. It was confirmed that all recommendations had been accepted by management.

Discussing with management the recommendations members were advised that while there was now a fixed asset register that supported the balances in the financial statements, it was acknowledged that further work was required to ensure that this was used effectively to ensure all assets exist by carrying out periodic physical checks and reconciling the register to underlying records such as the IT computer database.

The report was noted.

2.1c Management Performance

Members were advised that in the context of the additional work arising from the implementation of the strategic plan, including mergers, no assurance level had been provided but that the report contained a commentary on how senior managers were continuing to manage the day-to-day operations of the College alongside the various developments.

The findings of the report were summarised, noting the three recommendations, one of which was significant, confirming the need to continue to monitor performance and workload.

The report was noted.

2.1d Audit Progress Report

Noting those items discussed elsewhere on the agenda (Minutes 2.1a - 2.1c refer), progress in the implementation of the Audit Plan for 2015/26 was summarised.

It was reported that the timetable had been developed in-year taking into account relative operational pressures within the College, such as merger discussions and had included changes to the Plan replaced the scheduled review of the strategic plan implementation with management performance.

Progress against the plan was noted.

3. ITEMS FOR INFORMATION PURPOSES ONLY

3.1 Risk Management: Progress Report

The Risk Management Progress Reports were presented:

3.1a Risk Register

A report was received summarising the most recent developments to the risk register developed during 2014/15 and aligned to the College strategy 2014-2018 and the underlying strategic priorities.

Members were advised that:

- The risks identified remained broadly unchanged with 7 significant risks and their sources of assurance as outlined previously.
- A separate risk register was being developed to cover merger and collaboration in the coming six months or so, with a view to developing a new risk register covering the restructured college for 2016/17 (Minute 3.1b refers).

The report was noted.

3.1b Merger Risk Register

The first draft of the Merger Risk Register was received.

Acknowledging that it would require further development and review as the merger progressed the Register was reviewed, making:

- A suggestion in respect of Governance and management for the risk concerning the composition of the merged board for the risk to be reworded to reflect *a failure* to agree the composition of the merged board
- The observation concerning the critical nature of maintaining good communication on progress throughout.

Recognising that the merger process was effectively a major project that would require appropriate project management, including the tracking of risks, confirmation was welcomed that a Project Manager would be engaged to ensure appropriate oversight during the transition with regular reporting to the Committee on progress.

The report was noted.

3.2 Implementation of Audit Recommendations: Progress Review

A report was received updating members on progress in the implementation of audit recommendations from the audit services.

After acknowledging those items considered elsewhere on the agenda (Minute 2.1 refers), it was noted that there remained 28 open recommendations from Internal Audit, of which one was high priority, relating to developing a more comprehensive Business Continuity Plan, about which a response was awaited from the College insurers regarding dates for support.

The report was noted.

3.3 Audit service Performance & Appointment Proposals

An oral report was received regarding Audit Service Performance and outlining proposals for appointment.

In the context of performance to date and the merger plans, members were advised that in respect of:

3.3.1 The Internal Audit Service, Mazars, whilst there had been improvement in performance, it was still proposed for market testing with plans for re-tendering to be undertaken.

3.3.2 The external Audit Service, KPMG:

- As the College remained very happy with its performance, the retention of its services was proposed to undertake the financial statements audit for the financial year-end 31 July 2016
- For the merged College, market testing was proposed with plans for re-tendering to take place

Consideration was given to the timescales for the tendering process, endorsing the approach and plans for the process to commence April/May 2016 and a report to the Committee at its June 2016 meeting.

4. OTHER BUSINESS & NEXT MEETING

4.1 Any Other Business

None reported.

4.2 Dates of Next Meetings

Tuesday 16 June 2016 at 8.30am

Confirmed as a correct record

Signed:..... Date:.....