

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

Item No	Item of business
1.	<b>Chair's Welcome &amp; Opening Remarks</b> It was acknowledged by members that Sue Williams was a new appointment as Chair of the committee. The Chair extended a vote of thanks to Catherine Swarbrick, retiring Chair of the Audit Committee and Julia Gallop (noting their resignations) for their commitment as a member of the Audit Committee.
2.	<b>Apologies For Absence</b> <ul style="list-style-type: none"> <li>• Jackie Moylan</li> </ul>
3.	<b>Declaration of Interests</b> Paul Winrow declared that his new employers were RSM Tennon (Internal Audit Company). The Clerk noted Richard's new contact details.
4.	<b>Minutes of the Last Meeting Held on 14 March 2017</b> The minutes were signed as a true record.
5.	<b>Matters Arising and Action Points from the Meeting</b> No outstanding actions were recorded.
<b>PRELIMINARY PROCEDURAL MATTERS</b> <b>CONFIDENTIAL Members &amp; Auditors Only – Officers were asked to leave for this Part of the Meeting</b>	
6.	<b>Notification of Any Other Business</b> It should be noted the Group Principal and Deputy CEO left the meeting at this point.  Internal and External Audit Services had no cause for concern to report to members.  The Group Principal and Deputy CEO re-joined the meeting.
<b>ITEMS FOR DISCUSSION, DECISION OR ACTION</b>	
7.	<b>2016/17 – Internal Audit Service</b> <ol style="list-style-type: none"> <li>a. <b>Internal Audit Reports</b> TIAA presented three internal audit reports, representing the second phase of their work for 2016/17:           <ol style="list-style-type: none"> <li>i. <b>Procurement.</b> Providing reasonable assurance with three recommendations               <ul style="list-style-type: none"> <li>▪ Updating the financial regulations to reflect the merged college group</li> <li>▪ Reviewing the value for money of Tenet, who have acted as procurement advisers at HCC and were retained on merger</li> <li>▪ Standardising the procedures for tendering</li> </ul> </li> <li>ii. <b>Payroll:</b> Providing substantial assurance with recommendation and two operational comments.               <ul style="list-style-type: none"> <li>▪ Reviewing the number of payrolls across the group and what reports are required</li> </ul> </li> </ol> </li> </ol>

Item No	Item of business
	<p>iii. <b>A follow-up report on Sub-contracting:</b> this shows that while progress was made in clearing most of the recommendations made in the previous report, three remained outstanding. One, relating to business continuity, will be addressed by 31 July 2017, the plans for sub-contracting for 2017/18 is in the budget. The other two were addressed immediately after the report by introducing a comprehensive checklist for monitoring partners. This allowed TIAA to issue the necessary assurance statement on sub-contracting. The assurance statement in respect of Redbridge College issued earlier in the year. The internal auditors progress report setting out plans for forthcoming audits.</p> <p>Whilst Members noted the current position with the internal audit reporting, and expressed their satisfaction on receipt of the external assurance on subcontracting Controls Certificate.</p> <p>The Deputy CEO provided Paul Winrow with assurance that there was no cause for concern with related parties for Tenet.</p> <p>b. <b>Internal Audit Progress Report</b> Members noted the internal audit progress report.</p> <p>c. <b>Redbridge College Internal Audit Position 2016-17</b> The final report prepared by the Redbridge College internal auditors, Scrutton Bland, as the final part of their plan for 2016/17. This is a follow up review of previous reports. The outstanding issues will be picked up and added to the recommendations log.</p> <p>Members noted the Redbridge College internal audit position for 2016-17, which will form part of the TIAA progress reporting.</p>
8.	<p><b>2016/17 – External Audit Service</b></p> <p>a. <b>External Audit Plan For Year Ending 31 July 2017</b></p> <p><b>Main Issues:</b> The External Audit Strategy for the audit of the “completion accounts” of RBC for the 8 months to 31 March 2017 and the External Audit Strategy for the year ended 31 July 2017, covering the merged THC, HCC and RBC (from 1 April 2017). Following audit planning meetings held by KPMG with the Deputy CEO and the three Heads of Finance.</p> <p><b>Completion Accounts:</b> Guidance on the exact requirements is limited but having queried the position with the ESFA, the college is required to produce full statutory accounts compliant with the Accounts Direction and SORP, including the adjustments for FRS102. As set out in the KPMG document, there are various steps that will need to be undertaken to deliver this and members should note it may prove difficult to complete the audit by the stated deadline of 31 August. It should be noted the recipients will be</p> <ul style="list-style-type: none"> <li>i. NCC Corporation</li> <li>ii. ESFA</li> </ul> <p>The loans to the RBC bankers have now been cleared. The proposed fee is £20,500 plus VAT which is broadly consistent with prior years.</p> <p><b>Year End Accounts:</b> The accounts will comprise THC and HCC for the full year plus RBC from 1 April 2017. They will also reflect the transfers of the assets and liabilities of HCC and RBC on 1 August 2016 and 1 April 2017. New City College continues to run the separate accounting systems and to some extent processes for the year. KPMG will also require assurance on the balances transfers, particularly for HCC. Those for the subsidiaries are in line with prior years.</p> <p>The Deputy CEO confirmed the negotiation of the pensions had all gone through successfully.</p> <p>It was noted that the Redbridge External Audit Service was present to ensure the smooth handover of the reporting.</p> <p>The Group Principal and CEO for work to be undertaken on the subsidiaries and transferring over of the catering and cleaning contractors.</p> <p><b>RESOLVED: The External Audit Plan is recommended for approval by the Corporation Board.</b></p>

Item No	Item of business
9.	<p><b>Internal Audit Plan 2017-18</b></p> <p>The Chair asked the Deputy CEO if there was a plan for the three sites to have a group IT infrastructure. The Chair expanded the IT infrastructure is required to be robust with the main focus on the business continuity plan. The Chair also noted the Redbridge campus student coursework was undertaken on line, which was one identified risk. TIAA Internal Audit Service are currently looking at a new IT Strategy, reporting back any emerging issues to the Deputy CEO.</p> <p><b>ACTION: Deputy CEO to:</b></p> <ul style="list-style-type: none"> <li><i>i. Email the Chair the IT Strategy</i></li> <li><i>ii. Include the IT infrastructure on the risk management register</i></li> <li><i>iii. Send members the updated Internal Audit Plan 2017-18</i></li> </ul> <p><b>RESOLVED: The External Audit Plan was commended for recommending for approval by the Corporation Board.</b></p>
10.	<p><b>Progress:</b> <b>Audit recommendations log – New City College</b></p> <p>Members noted TIAA to manage the follow up recommendations over the summer period and report back to the November Audit Committee.</p> <p><b>ACTION: An updated New City College follow up audit recommendations to be presented to the November Audit Committee.</b></p>
11.	<p><b>Risk Management Update</b></p> <p>The Deputy CEO presented two separate risk registers i.e:</p> <ul style="list-style-type: none"> <li><i>i. Tower Hamlets and Hackney</i></li> <li><i>ii. Redbridge</i></li> </ul> <p>The Deputy CEO noted there was a requirement to merge as a group report. 4Risk is currently the software used at Redbridge, whereby ownership is cascaded to the accountable management.</p> <p>Members noted the risk management update.</p>
<p><b>Internal &amp; External Financial Statements Auditors (TIAA/KPMG) were asked to leave for this part of the Audit Committee Meeting</b></p>	
<p>Part 1 of the meeting closed at 9:35am</p>	