

PART A: Minutes of the Audit Committee meeting held on 25 September 2018 at 4pm

The Boardroom, University Centre

Present Lucy Ottewell-Key (Staff Governor) Philip Jackson (Acting Chair) Robert Edwards, John White

In Attendance Susan Bailey Clerk to the Corporation, Adrian Clarke Group Director Corporate Services arrived 4.45pm, Don Everitt Group Director Finance, David Hoose Mazaars, Peter Harrison TIAA.

Prior to the meeting at 3.45 pm members of the Audit Committee met with the Internal and External Audit service without management present in order for members and the auditors to give feedback / raise any queries privately (See part B minutes)

1 Appointment of Acting Chair of the Audit Committee

1.1 The Clerk confirmed to the Audit Committee the Corporation's decision to appoint Philip Jackson as acting Chair of the Audit Committee until a suitable and willing candidate had been identified and selected.

1.2 The Clerk also confirmed that a prospective member of the Audit Committee with the necessary skills and experience to join the committee had been interviewed by the Clerk, the Chair of the Corporation and CEO and was now subsequently recommended for appointment as a co-opted member of the Audit Committee.

1.3 RESOLVED the appointment of Philip Jackson as acting Chair of the Audit Committee was endorsed and the Clerk's verbal membership update report noted.

2. Acting Chairs welcome

2.1 Following introductions the Chair welcomed Peter Harrison Audit Manager TIAA and David Hoose, Audit Manager Mazaars to their first meeting of the Audit Committee as the Group's newly appointed audit service providers stating that Management had always had a very good working relationship with audit service providers with a positive start to this year's audit at the planning stage with both Mazaars and TIAA duly noted.

3 Apologies

3.1 There were no apologies for absence.

4 Declarations of Interest

4.1 There were no declarations of interest.

5 Minutes of the Audit Committee Meeting held on 26 June 2018 and any matters arising

5.1 The minutes of the Audit Committee meeting held on 26 June 2018 were accepted as a correct record and signed by the Chair, subject to a minor amendment.

6 Internal / External Audit Service letters of engagement, appointment and remuneration 2018-19.

- 6.1 The Committee reviewed the engagement letters for both Internal (TIAA) and External (Mazaars) Audit agreeing these were appropriate and could be signed by the Chair of the Corporation accordingly. The engagement letters outlined the service agreements, work and requirements of the Group's Audit Service providers in respect of the Groups trading entities.
- 6.2 During discussion the following points were raised and/or agreed / noted:
- Management were satisfied with the number of internal audit days (33) planned at a rate of £350 plus VAT.
 - A key area of external audit focus during 2018-19 would be the LGPS (Local Government Pension Scheme)
 - The Mazaars Engagement letter included details of the Group's loan to Modal Training Ltd and possible implications relating to Corporation tax and charity law. Members noted that Mazaars were to work with management to ensure that assurance could be provided to HM Revenue that the risks associated with Modal were being effectively managed. It was agreed that dialogue on this matter should continue the outcome of which would be reported to the Corporation accordingly.

6.3 RECOMMENDED FOR CORPORATION APPROVAL (retrospective)

- a) that the Engagement Letter 2018-19 for Mazaars be signed by the Chair of the Corporation
b) that the Engagement Letter 2018-19 for TIAA be signed by the Chair of the Corporation

7. Internal Audit Service (IAS) plan 2018-19 / 3 year plan

- 7.1 TIAA submitted the Internal Audit Service three year plan 2018-21 detailing the proposed audit reviews agreed in consultation with the Group Director Finance. In review of the 2018-19 audit plan as advised by the Group Director Finance it was agreed to reschedule the review of Risk Management to 2019-20, as the Group's Risk Management processes were now embedded and were also to be reviewed during this year's regularity audit.

- 7.2 RESOLVED** The Internal Audit Service three year plan 2018-21 was approved.

8 External Audit Service (EAS) Audit Strategy Memorandum for the year ended 31 July 2019.

- 8.1 Mazaars submitted the External Audit Service Memorandum for the year ended 31 July 2019 summarising the audit approach to be taken, significant risks and areas for key judgements which the Audit Committee agreed was appropriate.

- 8.2 RESOLVED** External Audit Service Memorandum for the year ended 31 July 2019 was approved.

9 Risk Management Progress Report and Risk Register 2018-19

- 9.1 The Group Director Finance submitted the Risk Register which members noted included the the Corporation's appetite for risk in relation to Finance, Strategy, Reputation, Operational and Compliance. Members noted the following:

- The risk relating to Modal Training Ltd had reduced slightly in view of the action plan implemented during the year and a break event position envisaged by year five. It was agreed that the Audit Committee and Corporation be provided with further detail about the tax risk to Modal at future meetings.

9.2 RESOLVED The Group's Risk Management Progress Report and Risk Register 2018-19 were noted.

10 Board Assurance Framework 2018-19

10.1 The Group Director Finance provided a verbal update on the current status of the Group's Board Assurance Framework 2018-19, proposing the following:

- that a new Board Assurance Framework (BAF) including the top 10 risks to the Group be devised and adopted by March 2019, which would then inform the Internal Audit plan 2019-20.
- that management consider engaging the services of an external audit firm to undertake the work to devise the BAF.
- that the BAF includes details of all forms of assurance the Audit Committee and Corporation receives in order to fulfil governors responsibilities.
- that the BAF links back to the Risk Register to ensure the correct level of scrutiny in key areas.

10.2 Following discussion members agreed that the proposed approach to Board Assurance was appropriate.

10.3 RESOLVED the Board Assurance Framework update report was noted with agreement that a further update be provided for the next meeting (December 2018) and approval of a finalised BAF given in March 2019.

11 Group Data Protection Policy and GDPR update

11.1 The Group Director Corporate Services presented the Group's revised and updated Data Protection Policy revised in order to reflect the introduction of the General Data Protection Regulations (GDPR) and the new Data Protection Act 2018 (DPA) .

11.2 Members noted the work undertaken to ensure compliance with GDPR was comprehensive and ongoing.

11.3 RECOMMENDED FOR CORPORATION APPROVAL

That the Group Data Protection Policy and GDPR update be approved.

12 Group Freedom of Information policy update

12.1 The Group Director Corporate Services presented the Group's updated Freedom of Information Policy which included minor amendments in respect of reference to brands and subsidiary companies owned by GIFHE. The proposal to review the policy every 2 years rather than annually was agreed, subject to Corporation approval.

12.2 RECOMMENDED FOR CORPORATION APPROVAL

That the Group Freedom of Information Policy be approved.

13 Public Interest Disclosure Policy (Whistleblowing Policy) review

13.1 The Clerk submitted the Group Public Interest Disclosure Policy (Whistleblowing Policy) for review, proposing a number of amendments in line with advice from the Group Director HR and the Group Director Corporate Services. It was agreed that the proposed amendments

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were appropriate. The Clerk advised a further review of the policy be carried out after clarification as to who should write / own the policy had been ascertained.

- 13.3 **RECOMMENDED FOR CORPORATION APPROVAL:** The Public Interest Disclosure Policy (Whistleblowing Policy) was recommended for Corporation approval.

14 Policy Review cycle 2018-19

- 14.1 The Committee considered a report by the Executive Director Quality detailing the Group's work to ensure all policies adopted and adhered to were regularly reviewed on a timely basis to ensure compliance with all necessary legislation. Included within the report was a complete list (Policy Catalogue) of the Group's policies and status within the review process. The Clerk assured members that a continual review process was ongoing to enable staff to endeavour to streamline policies wherever possible. The Clerk stated that a number of Governance policies were also to be streamlined significantly during the year for inclusion within the Corporation's Standing Orders, subject to Corporation approval.

15 Funds Fraudulently obtained report (verbal report)

- 15.1 The GD Finance confirmed there had been no instances for funds fraudulently obtained since the last meeting of the Audit Committee.

RESOLVED The report was noted.

16 Review of Audit Committee Performance 2018-19 using CIPFA Self-Evaluation Tool.

- 16.1 The Committee agreed that the CIPFA Audit Committee Self- Evaluation questionnaire previously circulated to members should be reissued to members with fact based questions completed by the clerk and opinion based questions completed by governors and sent back for the Clerk to collate.
- 16.2 It was agreed that the results of the returned questionnaires be collated by the Clerk and considered at the next meeting of the Audit Committee prior consideration of the Annual Report of the Audit Committee 2018-19.

- 16.3 **RESOLVED** that the Self-Assessment questionnaire of the Audit Committee 2017-18 be recirculated to members for completion and return to the Clerk.

17 Any other business

- 17.1 Mazaars provided a brief 'emerging issues' update relating to the Office for Students (OFS) Accounts Directive requirements from 2020 onwards. It was noted that in line with the OFS HE Audit Code of Practice, submission of financial statements would be required a month earlier from 2020 onwards (deadline of 30 November as opposed to the current deadline 31 December) and that meetings schedules would most likely require rescheduling accordingly.

18 Date and time of next meeting

- 18.1 **RESOLVED** Tuesday 5 December 2017 4pm – The Boardroom, University Centre

The meeting closed at 5.45 pm

Chair of the Audit Committee

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Signed _____

Date _____

Action Schedule

No	Minute Title	Action by	Action required
1	Appointment of Acting Chair of the Corporation	Clerk	Report to Audit Committee re membership update
6	Internal / External Audit Service letters of engagement, appointment and remuneration 2018-19.	GD Finance Clerk All	Chair of Corporation to sign letters Retrospective Corporation approval Continuing dialogue re tax implications for Modal
7	Internal Audit Service (IAS) plan 2018-19 / 3 year plan	GD Finance	Defer IAS review of Risk Management to 2019-20
10	Board Assurance Framework (BAF) 2018-19	GD Finance	Update report to next meeting (5 Dec) Finalised BAF submitted in March 2019
12	Public Interest Disclosure Policy	Clerk	Further review of policy during 2018-19
14	Policy Review Cycle	Clerk	Governance policies incorporated into Standing Orders by March 2019.
16	Review of Audit Committee performance 2016-17 questionnaire	Clerk	Reissue questionnaire to members via email collate results and submit to next meeting Dec 2018.