



**MINUTES OF A MEETING OF THE JOINT AUDIT AND RISK AND FINANCE AND RESOURCES COMMITTEES HELD ON MONDAY 26 NOVEMBER 2018**

**Present**

Audit & Risk Committee

Paul Grinell	Governor
Madeleine Keyworth	Governor
Mathew Lynds	Governor
Paul Senior	Governor

Finance & Resources Committee

Pete Adams	Governor
Angela Briggs	Governor
Paul Pascoe	Governor
Louise Sharp	Governor
Mark Swales	Governor
Anne Tyrrell	Governor

**In attendance**

Peter Doherty	Chief Operating Officer
Jo Garrison	Clerk to the Corporation
Richard Lewis	RSM (External Audit)
Chris Williams	RSM (Internal Audit)

The meeting was held at North Lindsey College and commenced 5.30 pm.

Item	Minute	Action
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**1 Apologies**

Apologies for absence had been received from Harold Osborne, Greg Clarke, Ruth Brook and Abid Khan.

**2 Declarations of Interest**

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

**3 Financial Statements and Regularity Assurance Report 2018/19**

**3.i Annual Report and Financial Statements:**

DN Colleges Group

R Lewis discussed the annual report and financial statements for the DN Colleges Group, advising the documents were still subject to a final review. Members were informed that he was providing an unqualified opinion on the financial statements.

It was pointed out that English and Maths achievement figures on Page 4 of the report would require updating by P Doherty. COO

R Lewis gave an overview of the balance sheet and confirmed this was a very positive cash position but noted the potential pension risk in future funding years.

DC Teach Limited

R Lewis advised Members it was an unqualified opinion and the delivery service of DC

Audit Committee

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	<p>Teach had performed well during 2017/18 academic year. It was also positive to see DC Teach Limited extend its delivery service to North Lindsey College.</p> <p>Kingsway Consulting Ltd R Lewis advised Members it was an unqualified opinion that Kingsway Consulting Ltd have achieved a small surplus through the rental of the property and conference facilities.</p> <p>Optime Support Limited R Lewis advised Members it was an unqualified opinion that Optime Support Limited has been very successful and increased its services and shown savings for the College by providing these services in-house.</p> <p>P Doherty informed Members that the Annual General Meetings of the subsidiary companies had taken place on Friday 23 November. Members approved the annual report and financial statements with recommendations to submit for Board approval.</p>	
	<p>3.ii Regularity Assurance Report</p> <p>R Lewis presented the regularity assurance report for 2017/18, there being no matters to report by exception.</p>	
	<p>3.iii Final Audit Findings Report</p> <p>R Lewis gave an overview of the final audit findings report and advised he had no concerns at this time. The next stage was for the audit findings and ESFA management letters to be reviewed for the final ESFA return by the end of November 2018.</p> <p>R Lewis highlighted point 8 around the Subcontracting issues and advised these fell outside the scope of the regulatory requirements and caused no concern for the financial statements.</p> <p>The financial statements would be signed off by 31 December 2018 but uncertainty remains around the cost pressures around pensions remained. Members were advised that the profit made from the subsidiary companies would be Gift Aided to the DN Colleges Group. RSM made two recommendations in section B of the report (Gift Aid distributions and recharged staff costs) that are to be followed up by the COO.</p>	COO
	<p>3.iv Letters of Representation</p> <p>R Lewis advised Members that any potential fraud over the value of £10k should be notified to the Accounting Officer. It was confirmed no such fraud had taken place. The Letters of Representation had been signed off and were not to be submitted to the Agency just to RSM.</p>	
	<p>3.v Regularity Self-Assessment Questionnaire</p> <p>R Lewis confirmed the Regulatory Self-Assessment Questionnaire was accepted in principle and advised Members to raise awareness of the sector consolidation and insolvency regime. The consultation outcomes will be launched in February, providing guidance on governance and Members were advised to review this guidance and action once available.</p> <p>Members gave approval for all financial statements and annual reports to be approved and submitted to the Corporation Board on 12 December 2018</p>	
	<p><b>Resolution:</b> Members approved the financial statements and annual reports to be submitted to the Corporation Board.</p>	

Item	Minute	Action
	Members of the Finance & Resources Committee left the meeting at 6.28 pm.	
<b>4</b>	<b>Nomination of Committee Vice Chair</b>	
	Members unanimously agreed that M Keyworth would be the new Vice Chair to the Committee.	
	<b>Resolution:</b> M Keyworth nominated as Vice Chair to the Committee.	
<b>5</b>	<b>Minutes of the Audit &amp; Risk Committee meeting held on 10 October 2018 and any Matters Arising</b>	
	The minutes were agreed as a true and correct record and signed by the Chair.	
	<b>Matters Arising:</b>	
	Agenda item 9 (19.03.18) – Further discussion on the format of Local Stakeholder Boards was to take place at the Governor Strategic Development Event.	
	Agenda item 11 (20.06.18) – Compliance evidence for the funding control framework had been shared with Members.	
	Agenda item 5 (10.10.18) – The Audit & Risk Committee work plan had been aligned to the Post 16 Audit Code of Practice. A copy of the revised work plan was tabled and members approved the changes.	
	Agenda item 6 – (10.10.18) – The Committee Terms of Reference had been revised to include GDPR responsibilities and aligned to the Post 16 Audit Code of Practice. Members approved the revisions.	
	Agenda item 7 (10.10.18) – the Subcontracting action plan was presented to the Corporation Board on 15 October.	
	Agenda item 11 (10.10.18) – Risk registers would be discussed under agenda item 8.	
	Agenda item 13 (10.10.18) - the Internal Audit Strategy was approved at the Board meeting on 15 October.	
	Agenda item 14 (10.10.18) – The draft Committee annual report 2017/18 was to be discussed at agenda item 6.	
<b>6</b>	<b>Annual Report of the Audit &amp; Risk Committee</b>	
	P Doherty informed Members the Annual Report is a requirement of the Post-16 Audit Code of Practice. The draft report had been reviewed at the 10 October 2018 Audit & Risk Committee meeting but Members' attention was drawn to an amendment on section 2.7 of the report, relating to the inclusion of the review of the Committee's effectiveness.	
	It was pointed out that the date in Section 5.4 should be 2017/18 not 2016/17; this would be amended.	COO
	<b>RESOLUTION:</b> Members approved the report for submission to the Corporation Board.	
<b>7</b>	<b>Internal Audit – Progress Report</b>	
	C Williams (RSM) presented the progress report for the internal audits being conducted. Members approved the plan on 10 October 2018 and were informed that field work has now	

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	<p>been commenced and planning sheets issued. The progress report will become a cumulative report throughout the academic year and the data will increase during that timeframe.</p>	
<b>8</b>	<p><b>Risk Assurance</b></p> <p>P Doherty shared the individual risk registers for Doncaster College and North Lindsey College. A bottom-up approach to risk identification had been adopted by the Group. The first stages of the process involve the consolidation of departmental risks leading to the formation of the college specific risk registers. Work was in progress to align the registers to create a DN Colleges Group risk register.</p> <p>P Grinell informed members that the Curriculum, Quality and Performance Committee has raised the current issues of the MIS reports and sought assurance from the Audit &amp; Risk Committee that this was recorded on the register. P Doherty confirmed the problems with MIS reports were recorded on the registers and work was in progress to resolve the issues.</p>	
<b>9</b>	<p><b>Draft Funding Assurance Review Report 2017-18</b></p> <p>The ESFA selected Doncaster College for a Data and Funding Audit of its 2017/18 provisions, based on its ILR return. An internal report was presented to the Committee on 10 October 2018. A draft report from Pricewaterhouse Coopers LLP was received on 20 November 2018.</p> <p>P Doherty informed Members that the draft report corresponds with the position as previously reported to the Committee. A minor total funding adjustment of £140 has been reported.</p> <p>A question was raised around the use of logos and P Doherty confirmed to Members this is an ESFA funding requirement.</p>	
<b>10</b>	<p><b>Personal Data Breach Report</b></p> <p>The Clerk informed Members there had been a recent data breach whereby information relating to students had been sent to the wrong parent/guardian.</p> <p>The issue was raised by the parent of a student at North Lindsey College and further investigation revealed one other student's details had also been emailed incorrectly.</p> <p>The ICO was informed of the breach and an incident number provided. The outcomes of the investigation will be reported once the ICO respond. Members were assured this was an isolated breach and the changes to the ESFA funding rules no longer require parental signature to the Apprenticeship commitment statement.</p>	
<b>11</b>	<p><b>Any Other Business</b></p> <p>None.</p>	
<b>12</b>	<p><b>Date and Time of Next Meeting</b></p> <p>Wednesday 13 March 2019, 5.30 pm, Doncaster College.</p>	

The meeting closed at 7.15pm

**Jo Garrison**  
**Clerk to the Corporation**

Signed: ..... (Chair)

Date: .....

<b>TABLE OF ACTIONS</b>			
<b>Date</b>	<b>Minute</b>	<b>Action</b>	<b>Responsibility</b>
26.11.18	3i	It was pointed out that English and Maths achievement figures on Page 4 of the report would require updating by P Doherty	COO
	3iii	The financial statements would be signed off by 31 December 2018 but uncertainty remains around the cost pressures around pensions remained. Members were advised that the profit made from the subsidiary companies would be Gift Aided to the DN Colleges Group. RSM made two recommendations in section B of the report (Gift Aid distributions and recharged staff costs) that are to be followed up by the COO.	COO
	6	It was pointed out that the date in Section 5.4 should be 2017/18 not 2016/17; this would be amended.	COO