



## **NORTH SHROPSHIRE COLLEGE**

**MINUTES OF THE SPECIAL MEETING OF THE  
AUDIT & RISK MANAGEMENT COMMITTEE  
held on MONDAY 2 OCTOBER 2017  
in the Board Room  
at the OSWESTRY CAMPUS**

<b>Present:</b>	<b>Mr G Casson</b>	<b>GBC</b>	<b>Chair</b>
	<b>Mrs V Cox</b>	<b>HVC</b>	
	<b>Mr R Hargreaves</b>	<b>RH</b>	<b>Co-optee</b>
	<b>Ms E McQueen</b>	<b>EMcQ</b>	
	<b>Mr J Nicholls</b>	<b>JN</b>	

*Attendance: 83.3%*

<b>In attendance:</b>	<b>Ms L Randall</b>	<b>LR</b>	<b>RSM UK</b>
	<b>Mr A Reid</b>	<b>AR</b>	<b>Grant Thornton</b>
	<b>Mr P Nangle</b>	<b>PN</b>	<b>Deputy Principal</b>
	<b>Mr B Deed</b>	<b>BD</b>	<b>Interim Finance Director</b>
	<b>Mrs C Thompson</b>	<b>CDT</b>	<b>Governance Advisor</b>

*The meeting opened at 4.35 pm*

<b>Item</b>	<b>Action</b>
<b>1. Apologies for absence</b> Mr A Clarke. Mr B Devitt from Grant Thornton could not be in attendance.	
<b>2. Declarations of interest</b> Graham Casson was the Chair of Holy Trinity Primary School.	

### 3. **Internal audit plan 2017/18**

As agreed at the June meeting, a plan had been put together between RSM and management, now for the full-year as the planned merger with Reaseheath College was not going ahead.

To have an annual opinion, it was necessary to have a range of audits. The proposed plan would provide this, and covered four main topics, plus a follow up to ensure controls were being maintained. The topics were:

Sub-contracting controls: if the value was over £100k the College would need a certificate signed off by the internal auditors. It was a high risk area, using a third party.

Key financial controls: to check there were controls in place and that they were followed. This was a key area of risk given the changes in management over the previous months.

General Data Protection Regulations (GDPR): proposed to include a stocktake to ensure the College was prepared for March 2018.

Learner numbers: a key aspect to verify.

The risk register was due for review and once completed could raise further issues that needed to be audited. Members asked how much notice would be needed to accommodate a new topic: this could be achieved within two weeks. In response to a question from members, the interim Finance Director said the revised register would be ready before the next meeting. It needed a major overhaul owing to the collapse of the intended merger.

Members noted that a significant amount of work might be needed to meet the GDPR and suggested carrying out the work sooner than scheduled. The interim Finance Director said he was aware of work that needed to be done and wanted to address this before the auditors came, to make best use of the audit.

Members noted that with another potential merger being sought, NSC's data would be scrutinised in detail, and questioned whether, if the GDPR work was delayed and the risk register would not be ready until the end of November, there would be sufficient time to deal with any issues that arose. The interim Finance Director said that management were aware of the issues and were dealing with them.

The interim Finance Director said that providing information for the previous financial due diligence had been difficult as data had not been available in the format needed, but this was now in place and the

situation was more stable than previously. Student data was not good and a key issue was to improve this.

Members agreed that the risk register was an important risk control document for the Committee and it needed to see it. Members asked what was the status of Learner Number Systems. The interim Finance Director said that management did not have the information it needed in a timely fashion. The lack of a full-time Director of MIS had repercussions. Members asked if this was being addressed: having timely and accurate information was critical to decision making. This was the aim, but in the short term, intensive assistance would be sought. Investment in IT was needed to enable data to be mined effectively. Members asked about the expected Local Enterprise Partnership (LEP) funding for IT. The Principal was actively following up as the investment was critical for learners.

Members questioned whether IT systems should be included in the internal audit plan but noted it had been covered recently and reassurance had been provided.

The Committee agreed to recommend the plan to the Board.

**BD**

**4. Presentation – Grant Thornton**

Mr Reid gave a presentation on the role of the external auditors and the guidance and rules under which they operated. A view would be taken on going concern.

**5. Any Other Business**

There were no items under Any Other Business.

**6. Date of next meeting**

The next meeting would be held on Monday 27 November 2017 at 6.00pm at the Oswestry Campus

*The meeting closed at 5.30pm.*

**Chair** ..... **Date** .....