



**Minutes of the Audit Committee meeting held on Friday 8 February 2019 at  
11.00am in the Board Room, Ruskin College**

<b>Present</b>	<b>In attendance</b>
Kevin Flanagan (Chair) Mike Parker Andrew Lantry - via Speaker Phone Paul Di Felice (Principal)	Ashok Patel (Interim Finance Director) Heather Cross (Retiring Clerk) John Kirk (Interim Clerk)

<b>1.</b>	The meeting was declared quorate. John Kirk was welcomed as Interim Clerk. The procedure to appoint a permanent replacement was in process. Kevin Flanagan was appointed as Chair for the meeting. Mike Parker expressed an interest in becoming the chair of the committee in future if Kevin did not wish to continue.	<b>Action</b>
<b>2.</b>	<b>Apologies for Absence</b> Apologies were received from Sarah Mason (RSMUK) as there were no external audit agenda items.	
<b>3.</b>	<b>Declarations of Interest</b> There were no declarations of interest.	
<b>ITEMS TO APPROVE</b>		
<b>4.</b>	<b>Risk Register</b> The Committee noted that the main risk remained the financial solvency and liquidity of the College. Progress has been made, and the cash and solvency positions are much improved, with the cash target remaining £450K. This item is still the main interest of the ESFA Intervention Team and the FE Commissioner's Office, and is now amber rather than red. Banking is still a risk, and it was noted that three banks remain interested; Unity, Metro and Santander, from which offers are confidently anticipated. Barclays have declined due to the high debt ratio. The business review has not been implemented due to other reasons, but the position is still very close to break-even. Student debt was discussed at length, with some older debt to be written off pending a report from the debt recovery	

	<p>agency. A more business-like approach to recruitment and fees is required in future to prevent this issue recurring.</p> <p>HE learner numbers are still a risk though it was noted that applications are at 40, 15 ahead of the same point last year, with a target of 50 new learners. HE Recruitment is not a quick fix and requires expenditure.</p> <p>Discussions are under way with another provider to use some of their funding allocation, up to £100k, so this year's outcome should be protected, though the risk from under recruitment for next year remains. The College is constantly pursuing more enrolments in Social Work, it's area of real strength.</p> <p>Governance issues were discussed, with the priority of strengthening the board, and the need to complete the skills audit. Two prospective governors have been invited to the next Board meeting as observers.</p> <p>It was noted that a response had been finally been received from the Charity Commission regarding the change of Articles, but this had been misunderstood as a narrowing rather than broadening of objectives. Clerk to pursue this.</p> <p>The matter of Quality was discussed, and it was agreed to recommend to the Board that the work of the Quality Group be incorporated into the Audit Committee.</p> <p>The risk on student success was widely discussed, the FEC report shows sustained our high performance with 98% success rate over all and long courses at 88/89%, which is outstanding performance and we are punching above our weight. The FEC reports no concerns on quality issues and recognises these success rates. The Student Survey is 96% positive and Student Experience score is slightly down though improvements are in place.</p> <p>Overall it was noted that the key risks are recruitment of HE and getting a new bank on board.</p> <p>The chair thanked the Interim Finance Director for this report, which was approved by the Committee.</p>	JK
<b>5.</b>	<b>Internal Audit Tendering</b>	
	<p>The circulated document was discussed.</p> <p>The scope, cost and benefits were all debated, and particularly in view of the FEC report, this was approved, and the Committee agreed to reintroduce the Internal Audit function.</p>	AP
	<b>ITEMS TO RECEIVE</b>	
<b>6.</b>	<b>Minutes of the joint meeting of Finance and Audit Committees held 9 November 2018</b>	
	The Minutes were received	
<b>7.</b>	<b>Matters Arising</b>	
	There were no matters arising	

<b>8.</b>	<b>FE Commissioner's Stock Take Report</b>	
	<p>Subsequent to the summary report A0802/4, the Final Report had now been received and will be circulated to all Board members.</p> <p>The summary report makes positive comments on the quality and journey travelled so far, and notes that finance systems are working properly and providing data.</p> <p>However, concern is expressed over banking arrangements and HE numbers.</p> <p>Concerns were also raised over the lack of a permanent finance manager and other staff appointments. Given the size of the College and affordability, options are restricted, although posts are advertised, and every effort is being made to fill these posts before the May FEC visit.</p> <p>The Committee received the report.</p>	
<b>9.</b>	<b>DoE Guidance to Governors on FE Insolvency January 2019.</b>	
	<p>This report was received. It was noted that it contained some excellent reading and should be circulated to all Board members to receive. The committee agreed it would make a good topic to be discussed in more detail at a future away day and an action plan produced in response.</p> <p>It was noted that FEC are keenly interested in staffing and governance development issues.</p>	
<b>10.</b>	<b>Any Other Business</b>	
	There was no other business	
<b>11.</b>	<b>Date of Next Meeting</b>	
	The next meeting will be 24 May 2019	