

<b>Group :</b>	AUDIT COMMITTEE	<b>Date:</b>	17/11/09
<b>Location:</b>	CONFERENCE ROOM, SSFC	<b>Time:</b>	5.30 pm
<b>Attendees:</b>	The Principal Assistant Principal, Resources Assistant Principal, Student Support (part) Assistant Principal, Information Services (part)  Patrick Green – RSM Bentley Jennison Kyla Bellingall – Grant Thornton Clerk to the Corporation	<b>Apologies:</b>	None
<b>Membership:</b>	Chris Fountain, Adrian Bayling, Chris Kalinowski (Co-opted), Geoff Parry, Karen Burgoyne		

## Election of Chair

1. Resolved:

That Chris Fountain be elected Chair for the academic year 2009/10.

CHRIS FOUNTAIN IN THE CHAIR

2. **Declarations of Interests**

There were no declarations of interest.

## Minutes

3. Resolved:

That the Minutes of the meeting of the Audit Committee held on 8 June 2008 be approved as a correct record.

4. **Matters Arising:**

### Risk Management Report (Resolution 30)

With reference to point 1.9 – Risk to Property, the Assistant Principal, Resources advised that Listed Building consent had only recently be granted for fencing work and that a new specification was now required. It was anticipated that the work would be completed before Christmas.

## Internal Audit Reports (Minute 31)

Pursuant to Minute 31, Governors were asked to consider the need to receive the full Internal Audit reports in addition to the Internal Audit Progress report containing summaries.

5. Resolved:

That Audit Committee continue to receive full Internal Audit reports in addition to the Internal Audit Progress report with summaries.

6. **Annual Timetable of Standard Business for the Audit Committee 2009/10** (Appendix 1/09)

The Annual Timetable of Standard Business for the Committee was submitted for information.

## 2008-09 Risk Report and 2009 Top Risks

 (Appendix 2/09)

The Assistant Principal, Student Support submitted a report on the 2008/09 Risk Report and Top 2009/10 risks as at October 2009.

7. Resolved:

- (a) That the Risk Report and actions taken to mitigate identified risks be noted
- (b) That the risk register format be endorsed
- (c) That the impact of public spending cuts and the impact on the methodology of funding be added as a new risk.
- (d) That, in respect of the top risks, the following be noted/amended:

**1.9 Risk to property and people due to inadequate security** – Listed Building consent recently granted for fencing security work –completion of work anticipated by Christmas - risk will reduce

**1.10 NUT strike action on term dates** – On- going discussion with Unions – meeting with ACAS on 25 November – if resolved, risk would be removed.

**1.11 Negative impact of Swine Flu** – One case reported. Will continue to monitor

**11.4 Failure to obtain funding for new build** - College needs to consider whether or not to formally designate the College as a Sixth Form which will impact on the availability of funding.

**11.7 Injury to students and staff outside College Access Points** – Shropshire Council will be holding public consultations regarding the revised traffic system shortly. Improvements to the traffic system will reduce this risk.

8. **Disaster Recovery Plan – Debrief Meeting** (Appendix 3/09)

The Assistant Principal, Information Systems reported for information on the satisfactory outcome of the debrief meeting on the follow up to the disaster recovery plan audit. The three year plan and separation of back up systems ensured that the Plan was more robust.

9. **Internal Audit Annual Report – Year Ended 31 July 2009** (Appendix 4/09)

The Head of Internal Audit submitted the Internal Audit Annual Report for information and stated that the overall performance of the College was excellent in that all areas had been assessed Green (Substantial). Operational Assurances shown in Appendix C indicated that all categories were Good.

**Strategy for Internal Audit – Update for 2009/10** (Appendix 5/09)

The Head of Internal Audit submitted for information the Strategy for Internal Audit which he had previously discussed with the Principal and Assistant Principal, Resources. He reported that he was happy with the balance of audit work selected.

10. **Review of Risk Maturity In Further Education** (Appendix 6/09)

The Head of Internal Audit submitted for information the Review of Risk Maturity in Further Education which showed approaches to risk management across the country and was intended to raise awareness of risk issues.

**Risk Maturity** (Appendix 7/09)

The Head of Internal Audit submitted the Final Risk Maturity Report and stated that only four recommendations had been made and that he was pleased with the outcome of the audit.

11. **Learner Number Systems – Enrolments, Withdrawals, Transfers and Existence Checks** (Appendix 8/09)

The Head of Internal Audit submitted a report for information on Learner Number Systems and reported that three minor recommendations had been made .

12. **Internal Audit Report – Follow-Up** (Appendix 9/09)

The Head of Internal Audit submitted a report for information on the Internal Audit Report Follow-Up and stated that the College had demonstrated reasonable assurance in implementing actions agreed to address internal audit recommendations.

13. **Audit Recommendation Tracking Report** (Appendix 10/09)

The Assistant Principal, Resources submitted for information an updated tracking report for the most recent internal audit recommendations. Particular reference was made to action being taken to ensure withdrawal procedures were revised with students being required to sign off on completion of courses to ensure future College funding for courses was secured.

## **Audit Committee Annual Report 2008/09** (Appendix 11/09)

The Chair submitted his Annual Report to be referred to the Board and the Principal covering the period to 31 July 2009.

The Head of Internal Audit referred to paragraph 3 and advised on adjustments required to properly reflect the audit activity undertaken.

14. Resolved:

That, subject to amendments being made to paragraph 3, as detailed by the Head of Internal Audit, the report of the Chair of Audit Committee be referred to the Board for approval.

## **Report and Financial Statements for the year ended 31 July 2009** (Appendix 12/09)

The External Auditor submitted for information the Report and Financial Statements for the Year ended 31 July 2009 together with the Key Issues Memorandum for the year ended 31 July 2009. She advised that there were no issues of concern to report and that she was waiting for the Final Reconciliation Statement from the LSC which was imminent and that the Letter of Representation could be issued following approval by the Board in December.

15. Resolved:

That the report be agreed and referred to the Board for approval on 14 December 2009.

## **Financial Management and Control Evaluation (FMCE)** (Appendix 13/09)

The Assistant Principal, Resources submitted the updated Financial Management and Control Evaluation (FMCE) .

16. Resolved:

That the report be agreed and referred to the Board for approval on 14 December 2009.

## **Annual Value for Money Report 2008/09** (Appendix 14/09)

The Assistant Principal, Resources submitted a report detailing the value for money actions taken by the college during the last academic year, 2008/09, the action plan for 2009/10, Crescent Purchasing Consortium (CPC) expenditure and a brief summary of the annual expenditure and suppliers.

17. Resolved:

- (a) That the report be noted
- (b) That the updated Value for Money Policy be approved
- (c) That the updated Value for Money Procurement Strategy be approved.

18. **Irregularity and Fraud**

There were no matters of irregularity and fraud to report.

(Note: At this point, the Internal and External auditors left the meeting)

**Performance Indicators for Auditors** (Appendix 15/09)

19. Resolved:

That the Chair and Assistant Principal, Resources, complete and sign the Performance Indicators forms in respect of the Internal and External Auditors.

(Note: This was done at the meeting)

20. **Risk**

New risk noted at 7c re public spending cuts.

21. **Date of Next Meeting** – Tuesday, 9 March 2010 at 5.30 pm.