

Group :	AUDIT COMMITTEE	Date	09/03/2010
Location:	CONFERENCE ROOM, SSFC	Time	5.30 pm
Attendees:	The Principal Assistant Principal, Resources Assistant Principal, Student Support (part) Glen Palethorpe- RSM Tenon Clerk to the Corporation	Apologies	Karen Burgoyne Sandra Welsh – RSM Tenon Patrick Green – RSM Tenon
Membership:	Chris Fountain (Chair), Adrian Bayling, Chris Kalinowski (co-opted), Geoff Parry, Karen Burgoyne		

22. **Declarations of Interest**

There were no declarations of interest

Minutes – 17 November 2009

23. **Resolved:**

That the Minutes of the meeting of the Audit Committee held on 17 November, 2009 be approved as a correct record.

Matters Arising:

24. **2008/09 Risk Report and 2009 Top Risks (Resolution 7 (d))**

(i) **Risk to property and people due to inadequate security** – The Assistant Principal, Resources, advised that the fencing security work had now been completed and that this risk had therefore reduced.

(ii) **NUT strike action on term dates** – the Principal advised that the issue of term dates had now been resolved and that this risk would be removed. He reported that management meetings with ACAS and teaching unions were continuing to discuss future ways of working and these had been conducted in an amicable and positive manner.

Top Risks – February 2010 Update and Risk Policy (Appendix 16/10)

The Assistant Principal, Student Support submitted a report on the February 2010 updated Risk Register together with a draft updated Risk Management Policy.

25. **Resolved:**

(a) That the Risk Register, updated to February 2010, be noted.

(b) That, in respect of the top risks, the following be noted:

- **1.2 - Potential competition from schools opening sixth forms could impact on student numbers** – this was a new top risk and was likely to remain high. The Principal advised that Shropshire Council had indicated that there were no plans to support further sixth form provision at the present time. He commented that, should proposed plans by Meole and Priory schools to jointly provide this be successful, it could reduce learner numbers at the College by up to one third with a consequent loss of funding of £1.8m.

- There were no changes to the top risks as detailed in the report

(c) That the draft Risk Management Policy be not considered at this meeting but that the final policy be submitted to a future meeting.

Audit Recommendation Tracking Report (Appendix 17/10)

The Assistant Principal, Resources, submitted a tracking report on current internal audit recommendations. She advised that the items shaded in grey in the report had now been implemented. The remaining two items relating to student records were on target for implementation.

With reference to verification of recording of course start dates, it was noted that action was being taken to clarify advice given by KPMG that it was permissible to block fill start dates of courses and data used to determine funding levels based on learner numbers.

26. Resolved:

That the updated tracking report for current internal audit recommendations be noted.

Internal Audit Reports (Appendix 18/10)

The Internal Auditor submitted reports as follows:

- (i) **Student Records – Follow Up of the KPMG Funding Assurance Review** – the Internal Auditor referred to the conclusion of the report at 1.2 of the report which showed the College had demonstrated good progress in implementing internal audit recommendations. He reiterated the need for the College to seek clarification from the LSIS on the advice given by KPMG regarding start dates of courses for the purpose of funding.
- (ii) **HR Equality and Diversity** – The Internal Auditor stated that the report was in draft form and for information only. The final report would be submitted to a future meeting. In response to a Governor's query, the Principal advised that Ofsted would expect the College's profile on diversity to reflect the catchment area.
- (iii) **Internal Audit Progress Report** – The Internal Auditor referred to the re-branding of the Auditors and gave assurances that the service and team would remain the same. In relation to the report, he advised that there were no significant issues to highlight and that the College had demonstrated good progress. He circulated for information a Joint Audit Code of Practice.

The co-opted member of the Committee referred to page 4 of the Progress Report and asked for clarification as to whether the item on Equality and Diversity should be under 'Advisory' rather than 'Assurance'. The Internal Auditor undertook to confirm the position to the Clerk of the Corporation.

27. Resolved:

(a) That the following Internal Audit reports be noted:

- Student Records – Follow up of the KPMG Funding Assurance Review
- Draft HR Equality and Diversity
- Internal Audit Progress Report and Joint Audit Code of Practice

(b) That, in relation to the Internal Audit Progress Report, the Internal Auditor be asked to clarify to the Clerk to the Corporation that the item on page 4 relating to Equality and Diversity should be classified as 'advisory' rather than 'assurance'.

28. **Irregularity and Fraud**

There were no matters of irregularity or fraud to report.

(Note: At this point the Internal Auditor left the meeting).

Performance Indicators for Auditors (Appendix 19/10)

29. Resolved:

That the Performance Indicator forms be not completed at this meeting but that they be considered and completed once a year at the November meeting of the Committee.

30. **Risk**

There were no new items of risk.

31. **Date of Next Meeting** – Tuesday, 8 June 2010 at 5.30 pm