

Group :	AUDIT COMMITTEE	Date:	07/06/2011
Location:	CONFERENCE ROOM, SSFC	Time:	5.30 pm
Attendees:	The Principal Assistant Principal – Resources Louise Tweedie– RSM Tenon (Internal Auditor) Kyla Bellingall – Grant Thornton (External Auditors) Clerk to the Corporation	Apologies:	None
Membership:	Chris Fountain (Chair), Adrian Bayling, Chris Kalinowski (co-opted), Geoff Parry, Chris Romberg		

27. **Declarations of Interest**

There were no declarations of interest

28. **Welcome to New Member**

The Chair welcomed Chris Romberg, parent Governor, who had been appointed to the Committee at the Board meeting on 28 March 2011.

Minutes – 8 March 2011

29. **Resolved:**

That the minutes of the meeting of the Audit Committee held on 9 March 2010 be approved as a correct record.

Matters Arising:

30. **Internal Audit Reports (Resolution 23)**

The Assistant Principal, Resources advised that she was having difficulty in formalising contract arrangements in respect of Estate Management with Shropshire Council as recommended by an Internal Audit Report. The co-opted member undertook to make contact with a colleague at Shropshire Council in order to progress this issue.

External Audit Report – Audit Approach Memorandum (Appendix 14/11)

The External Auditor submitted a report setting out the Audit Approach Memorandum for the College for the year ending 31 July 2011. She highlighted key risks identified at the planning stage of the audit as set out on page 3 and 5 of the report.

A member asked for clarification on the increase in fees for the audit detailed on page 6. The External Auditor reported that the increase was as a result of new audit guidelines which had resulted in increased work and time spent on audits in order to satisfy regulators.

31. Resolved:

That the Audit Approach Memorandum be noted.

Internal Audit Reports (Appendix 15/11)

The Internal Auditor submitted reports as follows:

- (i) **Further Education – Benchmarking Report – Shrewsbury Sixth Form College** – Substantial Assurance given.
- (ii) **Organisational Performance Management in Education** – The Internal Auditor referred in particular to the Summary of Key Findings on page 7 of the report which showed that only 69% of further education respondents fully understood how all of the organisation's process interact to deliver overall aims. The importance of effective communication within the further education sector was noted and it was intended to following up the findings with benchmarking which all Colleges would be invited to participate in.
- (iii) **Internal Audit Charter** – The Internal Auditor advised that the Charter illustrated the independence of the Auditors and working relationship with the College. The Chair signed and dated the Charter which had also been signed by the Head of Internal Audit and dated 19 May 2011.
- (iv) **Learner Number Systems – Enrolment, Withdrawals, Transfers and Attendance Registers** – substantial assurance given with 3 recommendations, 1 high relating to the need for earlier signing of learner agreements and 2 low priority.
- (v) **Updated Strategy for Internal Audit 2011/2012** – Substantial assurance given. The Chair queried the wording relating to no formal training be given for Corero which the Internal Auditor undertook to change.
- (vi) **Follow Up of Previous Internal Audit Recommendations** – The Internal Auditor advised that good progress had been made in implementing actions agreed to address internal audit recommendations. A Governor queried whether it would be appropriate to audit the management processes of the recently agreed restructuring proposal and whether they were being driven effectively. The Principal advised that other Committees of the Board would be able to monitor the implementation, in particular the Finance and Estates Committee and that an early indication of the position would be known in September following enrolment when it was anticipated that an additional 50 learners would be enrolled.
- (vii) **Internal Audit Progress** – No areas of concern. Noted that the key areas of the new Bribery Act would be covered in the Financial Regulations. The Internal Auditor also drew attention to the Technology and the use of Cookies as detailed on page 7 of the report. It was advisable that staff were trained in this area to avoid any misuse of technology equipment. The Principal stated that training was in place as appropriate and also reported that work was on-going to introduce a parent portal and the need to ensure the security of any new system introduced.

32. Resolved:

- (a) That the reports of the Internal Auditor be noted.
- (b) That the Strategy for Internal Audit 2011/12 be approved.

Audit Recommendation Tracking Report (Appendix 16/11)

The Assistant Principal, Resources, submitted a report and advised that recommendations in respect of Student Records had been fully implemented and in respect of Equality and Diversity re Recruitment and Selection, was on target for implementation.

33. Resolved:

That the report of the Assistant Principal, Resources, be noted.

34. **Irregularity and Fraud**

There were no matters of irregularity or fraud to report.

Risk Management – Risk Register for 2011/12 and Top Risks (Appendix 17/11)

The Assistant Principal, Resources, submitted the Risk Register for 2011/12 and outlined the highest risks as follows:

- Drop in success rates
- Staff morale and work related stress
- Strike/Industrial action

Particular reference was made to the possibility of strike/industrial action and the Principal advised that the results of the NUT ballot would be known on Friday, 10 June and that, if strike action was agreed, it would be difficult for the College to operate. He confirmed that, should the anticipated 50 extra learners not materialise, then further savings would need to be made.

In response to a Governor query, the Assistant Principal, Resources advised that initial work on the grant funded capital projects was progressing well.

35. Resolved:

That the Risk Register be noted.

36. **Risk**

There were no new areas of risk arising from the meeting

37. **Date of Next Meeting** – Tuesday, 15 November 2011 at 5.30 pm (Provisional)