

# STRATFORD-UPON-AVON COLLEGE CORPORATION

## MINUTES OF AUDIT COMMITTEE MEETING TUESDAY 15 MARCH 2011

<b>Present:</b>	Geoff Thompson	Chair
	Royston Hollyer	Support Staff Governor
	Gillian Roache	Governor
	Garry Rollason	Co-Optee to Audit Committee
<b>In attendance:</b>	Patrick Green	RSM Tenon
	David Jackson	Clerk to the Corporation(items 1-5)
	Norman MacDonald	Vice Principal – Finance
	Alex Patterson	Compliance Officer
	Sue Tyers	PA to Vice Principal Business Development and Clerk to Corporation

### 1. APOLOGIES

Apologies were received from Lyn Anslow and Louise Tweedie.

### 2. DECLARATIONS OF INTEREST

Members were invited to declare any interest in business to be discussed at the meeting.

The Chair ascertained from the Internal Auditors that there were no issues regarding the Vice Principals - Finance or Resources that would warrant their withdrawal from the meeting.

### 3. MINUTES OF THE PREVIOUS MEETING

Following discussion of the draft minutes of the meeting held on 7 December 2010,

It was resolved **THAT:**

The minutes of the meeting held on 7 December 2010 be regarded as correct and signed by the Committee Chair.

### 4. MATTERS ARISING

#### Phasing of Reports

The Chair drew attention to the Minutes and reminded Tenon that, assuming they are reappointed, audits should be undertaken in a timely manner to ensure a more even flow of reports to the Committee, including the November/December meeting. Tenon advised that the programme will be agreed at the beginning of the year.

### 5. INTERNAL AUDIT PROGRESS REPORT

The RSM Tenon Internal Audit Progress Report was presented by Patrick Green for the Committee to review and consider.

There was nothing significant overall. Auditors are on site this week and also in May and there are no substantive changes to plan. The 5 Client briefings were discussed individually. Papers included opportunities regarding HE and whether the College could strategically link with academies. There was nothing to report on Code of Practice. Bribery Act has stalled. Framework for Excellence Performance indicators will remain as they are.

Reclassification of Sixth Form Colleges was discussed and the Vice Principal Finance advised that any risk that the College would lose students to school sixth form was being taken into account in planning and risk analysis.

When asked about the role of FE in HE provision would those Universities who had declared their fees in the higher end work in our favour. The Vice Principal Finance advised the College is considering moving more towards apprenticeships and work-based apprenticeships. The Clerk indicated that this is being kept under review and discussed in Executive Team Meetings and also in Strategic Planning Group.

The Clerk advised that the College is working with Studley in the development of their academy and will work as appropriate with other schools. The Staff Governor advised that students perceive Stratford to be a safe area and brought up a concern he had regarding electronic information security. The Committee advised he bring this to the attention of the Data Protection Officer at the College and that the need for audit in this area be considered when the 2011/12 plan was developed.

It was resolved **THAT:**

The report be noted and Electronic Information Security be considered when the 2011/12 internal audit plan was being developed.

## **6. INTERNAL AUDIT REPORTS**

Patrick Green presented Internal Audit Reports on Governance and Risk Management, Fee Income from Home and Overseas Students and Personnel. These were discussed and the Committee noted that in all cases the importance of keeping records and evidence up to date is important so that in the event of inspection things would be prepared.

Governance and Risk Management – The Vice Principal Finance confirmed that recommendations have been read and the College has implemented immediate ones and will implement the remainder in November notwithstanding Ofsted inspections. Changes between last FMCE and current FMCE have been discussed in Executive Team meetings and no problems are envisaged.

When asked about the additional questions in the Appendix it was confirmed that these questions were answered in the budget papers.

Fee Income from Home and Overseas Students

Recommendations were based around communication, tracking evidence and ensuring everything is 100% particularly in terms of passport and visa documentation. The importance of maintaining the Highly Trusted UKBA status was stressed by the Staff Governor.

The Vice Principal Finance advised, regarding passport check being carried out, he was aware that Vice Principal Business Development has been liaising with the Director of International Academy and this check is being rigorously monitored.

Personnel

Communication links regarding CRB requirements was highlighted. Patrick is happy with the response and how it can be achieved.

Safeguarding. This is included in the Induction Process, but processes will be tightened up to also include it in the HR Induction as well as a leaflet in the Induction Pack.

The Vice Principal Finance confirmed that there is a 6-8 week delay for processing of CRB checks and the College starts applying as soon as the job offer has been made.

It was resolved **THAT:**

The reports be discharged.

## **7. RISK MANAGEMENT REPORT AND ACTION PLAN**

The Committee were invited to consider the Risk Management Report and Action Plan. The Vice Principal Finance advised that the whole form had been refreshed to make information clearer. Significant risks remain in terms of income generation.

The Chair asked why on page 3 reports re SBS were not going to a monitoring committee. The Vice Principal Finance advised that the income targets come through management accounts via Finance Committee.

The Committee sought assurance that the Annual Internal Audit Plan took into consideration items set out in the Risk Register and this was confirmed.

It was resolved **THAT:**

An amendment be made showing who SBS reports to; following which the Risk Management Report and Action Plan be recommended to the Corporation.

**8. KPMG LEARNER NUMBER AUDIT**

The Committee learned that the 7 December report had not yet been received. Vice Principal Finance understood from CIS Manager that all actions have been implemented.

The Chair expressed concern that we did not have the final report but accepted that the College had fulfilled all of its responsibilities regarding the report.

It was resolved **THAT:**

The Report as currently drafted gave no cause for concern. The College be requested to pursue a copy of the final report but acknowledged the College was not the Commissioning Body.

**9. WARWICK UNIVERSITY EXTERNAL VERIFIERS REPORT EAP**

The Committee received this report favourably. It was suggested the report could be put on the College website as it showed an outstanding endorsement of the partnership between Warwick University and the College.

It was resolved **THAT:**

The report be received and College Management be requested to place the content as appropriate on the College website.

**10. ANY OTHER BUSINESS**

10.1 The Chair noted that performance indicators show that the Audit Committee is low regarding attendance at meetings and urged all members to ensure that dates are in diaries and they do their best to get to meetings to improve the attendance figures.

It was resolved **THAT:**

The Committee work towards improving the attendance record.

**11. DATE OF NEXT MEETING**

It was resolved **THAT:**

The Audit Committee meet again on **Tuesday 5 July 2011 at 10.00am.**

Patrick Green of RSM Tenon left the meeting at this point.

**12. LSIS PROJECT – TENDERING FOR INTERNAL AUDIT SERVICES**

The Chair advised the Committee that he and the Vice Principal Finance had participated in a tendering comparison process, which proved a useful exercise. He went on to outline the matters considered when evaluating the tenders and the firms' responses. The Chair and Vice Principal Finance were of the view that RSM Tenon should remain as the College's Internal Auditor for 2011/12.

It was resolved **THAT:**

- a) The Corporation appoint RSM Tenon as Internal Auditors for the College for 2011/12 and thereafter subject to annual re-appointment.
- b) Discussions be held with RSM Tenon regarding improved value for money.