

**Minutes of the Audit Committee Meeting held on Monday 8 February 2010 in
Conference Room 2 at 3.00 pm in the Astral Centre**

Members present:

John Eade: Co-opted Committee Member
Alan Debenham: Corporation Member
Sarah Smith: Corporation Member
Anne Swietlik: Chair/Corporation Member

In attendance:

Ruth Harrison: Assistant Principal
Gwen Parsons: Principal (agenda items 5&7 only)
Dan Harris: RSMTenon (Internal Auditors)
Charles Reynolds: Clerk to the Corporation

The Chair welcomed all present to the meeting.

Apologies for Absence

Apologies for absence had been received from Teresa Miller who was unwell. The Principal would be presenting the relevant agenda items on her behalf. These would be taken as the last items on the agenda.

1. Disclosures of Interest

The Chair informed members that she was a member of the LSC Audit Committee and also a champion for the National Apprenticeship Service.

2. Minutes of the Previous Meeting

The minutes of the Audit Committee meeting held on 7 December 2009 were agreed to be a correct record and were signed by the Chair.

3. Matters Arising from Previous Minutes and not Agenda Items

There were no matters arising that were not covered by the agenda items.

4. Correspondence

There had been no correspondence relevant to the work of the committee

At this point Agenda item 6 was taken.

5. Strategic Risk Register, Risk Management policy update

Presented by the Principal in Teresa Millers absence. It was confirmed that the senior management team had agreed the top level risks and reference was made to the working party that had been held in early January to look at the Strategy Risk Register. The Risk Management Policy was also now due for review and thus was presented to members for this purpose. Specifically members attention was drawn to the removal of the Risk Management Committee, the inclusion of a statement on risk appetite at section 3.2 and the role of Corporation as set out at section 4.1.

Action

Clerk

John Eade requested that in section 4.1 references should be made as appropriate to levels of risk and also that the policy should make it clear who was responsible for maintaining the strategic and operational risk registers.

AP JM

The Principal also advised the committee that the need for an in-depth look at the whole range of risks that were now facing colleges relating for example to the demise of the LSC, had been acknowledged by Corporation.

Dan Harris requested that it would be helpful to have appendices to the document which provided descriptions for the various levels of risk and explained the scoring system used. Members agreed this to be a good idea. John Eade offered examples of this if it were needed.

AP JM

In the absence of any further discussion it was proposed by the Chair and seconded by Alan Debenham that the Risk Management Policy suitability amended as set out above, be recommended to Corporation for approval.

Members voted unanimously in favour.

6. Internal Audit Reports 2009/2010

Presented by Dan Harris

6.1a) The Student Journey

The outcome of this piece of internal audit work was 'Substantial Assurance'. Members were taken through the detail of the report which had resulted in 3 'merits attention' recommendations.

The process followed was explained and had included the use of both staff and student focus groups. Dan Harris advised that he had found it to be a positive piece of audit work which clearly showed that students felt college processes worked well for them. Overall the College performance compared favourably with other colleges where similar audit activity had been carried out.

Members were taken through the action plan and the background to the recommendation made was given.

Members were very pleased to receive such a positive report.

6.1b) Follow-up Report

The Clerk advised this had been put on the agenda in error. This would be an item for the next meeting.

6.1c) Progress Report

Members were advised on the current progress of work with respect to the internal audit plan for the year. The Equality & Diversity report was now in draft and should come to the next meeting. The Train to Gain audit work had been delayed to make sure feedback from a PFA audit could be incorporated.

Dan Harris also advised members to the background behind the merger with Tenon In future this would mean that RSM Tenon could carry out the Learner Numbers review.

Finally members' attention was drawn to the clients briefing section which dealt with Safeguarding.

Members thanked Dan Harris for the report which was noted.

At this point it was agreed to take agenda item 8)

8) Audit Recommendations Update

Ruth Harrison presented this report to the meeting. Before dealing with the content of the report she identified one area of concern to members which related to the recommendations from the HR internal audit report and specifically the carrying out of appraisals. It was now possible to monitor and confirm the progress that had been made by managers in completing the appraisals that had to be done. In some areas this was working well however in some areas there was no movement at all. The concern was that come the next HR internal audit this would again show as a weakness even though considerable effort was being put in to try and address the situation.

At this point the Principal arrived at the meeting.

In discussion it became clear that some managers have a considerable number of appraisals to carry out and it was recognised that the system needed to be reviewed. It was Alan Debenham's view that if it was a manager's responsibility to carry out appraisals and they didn't do it some form of sanction should apply. He also was of the opinion that the maximum number of appraisals that any one manager should be responsible for carrying out was 8-10. Audit committee members recognised that this was an operational matter and that the seminar management team were trying to address it. However it was made clear that Audit Committee were aware of, and concerned about the impact of this issue re the next HR Audit and would provide support if required to ensure the system of appraisals worked effectively.

Having raised this issue on concern Ruth Harrison took members through the detail of the meeting paper and particularly appendix A & B which summarised the progress made to date in delivering against recommendations made.

With specific reference to Appendix B which dealt with the Advisory Audits Ruth Harrison advised that because of changes in the management structure it was not possible to complete by the due date. She did however assure the committee members that staff were working as hard as they could to get up to date. Responding members asked Ruth Harrison to clearly show the priority order by which the recommendations would be addressed as well as a revised completion date. Dan Harris advised that the focus should be first on addressing 'significant' recommendations.

RH

John Eade added that the committee needed to have assurance that the issues raised as recommendations for action had not been lost or more importantly that areas in question were at risk.

In the absence of any further discussion it was agreed that Ruth Harrison would email the prioritised and revised action plan to members to provide assurance that action was being taken and would be completed prior to the next round of internal audits where relevant.

Members thanked Ruth Harrison for her report which was noted.

7. PFA audit reports re non LSC provision

Again presented by the Principal who reviewed xxx reports with members. The first dealt with work based learning. This report and its outcome was being challenged by the college. There was concern about the very small sample size used (sample size £15.000 on a contract in excess of £1 million value).

There was also concern about the outcome as, having undertaken a 100% review, there was no evidence to support the stance taken by the LSC. At this stage the Principal advised that the outcome of the challenge, and therefore the financial risk to the College was unknown.

The second report, which covered Train to Gain did have a 'satisfactory' outcome. The Clerk confirmed this report should have come to Audit Committee in September and its absence had been the subject of discussion at that time.

Responding to the reports the Chair expressed the view that both showed the importance of having robust accurate data systems as these would be essential to securing funding in the future. She also asked if any lessons had been learnt.

Responding the Principal believed that, with respect to work based learning, the need to carry out reviews when apprentices left the scheme she did however believe that College systems were robust. With regard to Train to Gain a lesson was to ensure eligibility checks were carried out.

Members reviewed both reports

9. Any other business

9.1) Risk management training

The clerk confirmed that this training would take place on Wednesday 24th February 2010 at 5:30pm in Conference Room 1. It was being done in conjunction with colleagues from East Norfolk Sixth Form College and Great Yarmouth College. College managers had also been invited to attend.

10. Date and time of next meeting

The next Audit Committee meeting will take place on Monday 26th April 2010 at 3:00pm. The venue will be Conference room 2 in the Astral Centre.