

Minutes of the Audit Committee held on 21 April 2009

Present: Mr N Hainsworth (Chair)
Mrs C Atkinson
Mr M Brannan

In attendance: L Swift (Head of Finance)
J Stott (Clerk)
S Shaw (Deputy Clerk)
Peter Harrison – TIAA (Internal Auditors)

Apologies: Mr P Brown and Mr M A Awan

Meeting commenced: 18.33 pm
Meeting closed: 20.19 pm

01/09 Disclosure of financial and/or personal interest

There was no disclosure of financial and/or personal interest.

02/09 To agree agenda and order of business as circulated

The agenda and order of business was agreed.

03/09 To approve the minutes of the meeting held on 25 November 2008

The minutes were agreed as a true record.

04/09 Matters Arising

- a) 29/08: A discussion took place on the treatment of development costs in respect of the Feasibility Study and the Application in Principle process of the Capital Project. The Head of Finance explained the effects on the budget and that future expenditure would be capitalised if the project proceeded but would have to be treated as revenue if it did not.

05/09 Training Item: To receive a presentation from the Head of Registry on the audit requirements associated with the collection of student data

The Head of Registry & Information Services, Martin Bond, presented a training item on the Learner Record Audit. His presentation covered:

- An overview of the audit activity, including the systems audit undertaken in the summer term and the substantive audit undertaken in the autumn term.
- An overview of the work of the Registry, involving:
 - Course set-up
 - Learners
 - The enrolment form and enrolling learners
 - Registers
 - Examination results
 - The Individualised Learner Record (ILR)
 - PD SAT (audit tool)

The Head of Registry and Information Services answered various questions throughout his presentation.

In answer to one question he explained the importance of ensuring that the courses are completely and accurately set-up and that, if funds allowed, he would put more resources into data investigation and auditing around enrolments and registers and the ILR.

The Chair thanked Martin Bond for his very detailed and informative presentation.

06/09 To receive the Internal Audit Report (Visit Undertaken February 2009)

The Internal Auditor presented the item.

The Committee noted the outcomes of the first Block internal audit report conducted in February 2009 as follows: -

Governance – Conflicts of Interest and Registers:
Outstanding
Risk Management – Risk Review: Outstanding
I.T. Back up and Security Procedures: satisfactory
Health and Safety: Good
Income and Debtors: Good

The Internal Auditor referred the meeting to the Management Action Plan and the responses to the recommendations.

The Clerk explained that Management had agreed under the Governance (Conflicts of Interest, Registers) recommendation (11.1) to introduce a "Hospitality & Gifts Register" as part of the Financial Regulations update in the summer.

The register would be for staff and members to declare any hospitality or gifts (other than incidental stationery items) received or declined in the course of college business.

In respect of recommendations 17.1 and 17.2 relating to Health and Safety testing logs, it was confirmed that the testing logs were in place and that the Health and Safety Officer would monitor completion of the logs.

The Chair thanked the Head of Finance and the College Management for another successful Internal Audit.

The report was received.

07/09 To give initial consideration to the Internal Audit Plan for 2009/10

The Head of Finance introduced the item and explained that the full plan would be presented to the next meeting.

She referred the meeting to the current plan and asked members for any comments regarding the areas to be internally audited in 2009/10.

She explained that systems had been moved from one block to another and from one year to the next. The Internal Auditor confirmed that in-year adjustments are agreed to meet the needs of the College.

In answer to a question regarding "Efficiency" and why in 2010/11 the system was still to be determined, the Internal Auditor clarified that efficiency was considered at most systems audits and those two days were potentially spare.

The Head of Finance told the meeting the two days would be considered when she meets with the Internal auditor to determine the 2009/10 to 2011/12 plan.

08/09 To undertake a review of the key performance indicators for Tenon

The Head of Finance asked the meeting to note that all indicators had been met. College Management were satisfied with the service and approach taken by Tenon to date.

There were no further comments and the report was received.

09/09 To receive a progress report on the operational effectiveness of the Risk Management Plan

The Head of Finance presented the report in detail and explained that the Risk Register and the Risk Management Plan had been reviewed and updated in February 2009. She drew particular attention to the following:

- Achievement of growth

Members noted that the College intended to manage the new "SLN to Learner" ratio in order to secure future funding allocations by maintaining an efficient funding rate.

- It was noted that the current forecast assumes Employer Responsive targets will be exceeded in 2008/09 but that no additional LSC funding will be generated.
- The meeting noted that the forecasts currently assume the removal of expenditure to balance the

loss of the SRIP income. However, alternative funding will be sought to maintain the capacity achieved for the College's Creative and Digital Industries work and its provision based in East Shipley Community Centres. As a result this risk had been increased from "contingency" to "significant".

- The meeting noted the effect of the FRS 17 provision on the College's net assets and therefore the College's ability to raise finance and that the indications from the bank are that College could secure funds if it was able to demonstrate the ability to fulfil the loan repayments. This risk is currently assessed as "significant".
- Members noted the significant downtime due to problems with the recently installed new Storage Area Network (SAN). In early April re-routing and re-synchronisation took place to mitigate against this.

The report was received

10/09 To monitor the progress of the College in implementing recommendations made by Auditors

The Committee received the report from the Assistant Principal (Learners and Learning) which updated the Committee on progress with the audit recommendation from 2007-08 in respect of Additional Learner Support.

The Head of Finance referred the meeting to the progress report on achieving Internal Audit recommendations. Members noted in respect of:

- 13.3 and 13.4 that the Head of Finance will report the outcome of the payroll recommendations to the next meeting
- 13.1 – that the College LAN and Internet Code of Practice was ready for consultation with relevant stakeholders
- 17.4 – that the College Administrator's proposal was that the Disciplinary Procedures meet the needs of

the College in respect of non-appearance, due to ill health, at a disciplinary. This proposal was based on his review of the updated ACAS Code of Practice and the fact that the current Disciplinary Procedures are agreed at a national level between the AoC and the Trade Unions. The Committee agreed the proposal.

- The report was received.

11/09 To consider an update report on Partner Provider Provision

The Head of Finance informed the meeting that the College was currently contracting with Bradford & Airedale Care School (BACS). She reported that, as part of the contractual arrangements, the College had undertaken two audits to ensure the quality of the BACS provision. The meeting noted that at the second audit BACS had been found to have addressed the action points raised by the College at the first audit visit.

The Head of Finance informed the meeting that the future of this relationship would mainly be determined by the level of activity the College was funded for during 2009/10.

The meeting also noted the F&GP Committee's endorsement in February 2009 for the College to enter into an agreement with Elite Top Guards (ETG) to support learners in achieving the level 2 NVQ in Road Passenger Vehicle Driving qualification. However, no further progress has taken place due to the fact that the LSC cannot make further funding available now that the College has exceeded its target for this type of work.

The report was received.

12/09 Any Other Business

- (a) Dates of meetings to December 2009
 - (i) Tuesday 30 June 2009 at 6.00pm
 - (ii) Tuesday 24 November 2009 at 6.30pm

