

**Minutes of the Meeting of the Audit Committee held on Thursday 3<sup>rd</sup> March 2016, 5.00pm, The Conference Room, Prior Pursglove College**

**Present:** Mr J Kay (Chair), Mr B Bird, Mr B Pearce

**In Attendance:** Mrs E Grove (Clerk), Ms J Bailey (Interim Principal), Mrs S Langstaff (Finance Manager), Mr P Urquhart (Wylie + Bisset LLP, Internal Audit)

*Meeting quorate*

*100% attendance*

Mr Kay informed the meeting that Cllr Peter Spencer had died. He had served the college as a governor for many years and it was agreed that he would be a sad loss.

1) **Apologies for Absence**

There were no apologies

2) **Minutes of the Meeting of Thursday 3<sup>rd</sup> December 2015**

The minutes were agreed and signed as a true record.

3) **Matters Arising**

It was noted that all actions arising from the last meeting had been completed.

4) **Internal Audit**

The internal audit reports which had been sent out in advance of the meeting were reviewed.

4.1) **Follow Up Review:** Mr Urquhart took members through the report which had been given an overall conclusion of substantial. The three partially implemented and two recommendations which had been superseded were discussed in detail.

It was noted that an amendment to the Financial Regulations was going to the March meeting of the Resources Committee.

In response to a question asked about the actions taken to remove leavers' access rights to the IT network, it was confirmed that testing had not identified anyone who still had access after they had left the college.

Discussion moved to the documenting of procedures for making changes to supplier bank details. It was considered that the high use of cheques mitigated the risk.

Mrs Langstaff advised that the new college would make more use of BACS. Mr Urquhart offered to provide a template procedure which could be adopted. **Action Wylie + Bisset** After further discussion it was agreed that the Internal Auditors could remove the two superseded recommendations.

4.2) **Safeguarding:** Mr Urquhart took members through the report which had an overall conclusion of strong. There were no recommendations arising from the audit and five areas of good practice had been identified. One observation had been raised which related to staff employed prior to March 2002 who had been in continuous service and therefore were not required to be DBS checked. It was noted that the Shadow Board for the merged college was recommending that all staff be checked.

4.3) **Student Records:** Mr Urquhart took members through the report which had an overall conclusion of strong. It was noted that the audit had focussed on the submission and processing of student results. There were no recommendations arising from the audit and five areas of good practice had been identified. One observation had been raised which related to the Coursework Policy and Procedures document. It was noted that it had not been reviewed since 2008 and consideration should be given to annual review.

It was agreed to recommend the reports and management responses to the Corporation.

**Action Chair**

Mr Urquhart advised the meeting that the audit for the merger review process had been undertaken and he was able to give a verbal report although it was subject to manager's review.

The outcome had been positive and the auditor considered good progress was being made in ensuring that systems and procedures would be in place to ensure a smooth transition. Three recommendations had been made. These were discussed.

The first related to the reliance on the senior leadership team which could be an excessive burden and other staff may feel disempowered through lack of involvement. It was considered that some delegation could be used particularly in respect of more operational matters.

The second related to the two merger action plans which had some overlap and that operational plans were in place but not linked to the above. It was considered that there should be a more explicit link introduced.

The third recommendation related to the scoring of the merger transition in the risk management plan which should probably have a higher score.

Two observations had also been made which related to the fact that approval for the merger was still needed and the Area Review brought its own risks and issues.

The committee asked the senior leadership team to review the findings once the final report had been received. **Action SLT**

5) **Progress on Audit Recommendations**

It was noted that the four recommendations all related to the financial audit. A discussion took place and Mrs Langstaff confirmed that the insurance tender process for the merged college had started. Good progress had been made on the recommendations and two had been completed.

6) **Risk Management**

6.1) **Risk Management Action Plan (RMAP):** The plan was discussed with particular references to the new risks identified and the actions identified to mitigate their impact. The risk En5 concerning failure to plan effectively for the impact of Ofsted Report on potential students was discussed. It was agreed that a recommendation should be made to the Corporation for it to be removed. **Action Chair**

In response to a question asked, Mrs Langstaff confirmed that a key would be added to the plan. **Action Finance Manager.**

The scoring of risks was reviewed and members asked SLT to review them. **Action SLT.**

6.2) **Review of Low Level Risks not on the RMAP:** Each risk was reviewed. It was considered that the scoring was appropriate and procedures were in place to mitigate the impact of the low scoring risks.

6.3) **Risk Focus: Risks Associated with Transition and Merger Implementation:**

This area had been discussed under agenda item 4 above. In response to questions asked, Mrs Langstaff advised that the college's bank had not made a decision about the bank loan by the end of February and Mrs Grove confirmed that the Shadow Board would be reviewing the Register of Interests and Code of Conduct at its March meeting.

7) **Control Issues**

Mrs Langstaff advised that, to the best of her knowledge, there was nothing that needed to be brought to the attention of the meeting.

8) **Date and Time of Next Meeting**

It was noted that the next scheduled meeting, Tuesday 14<sup>th</sup> June 2016, may not be needed if merger plans went to timetable. It was noted that this could be Mr Pearce's last meeting and he was thanked for the input he had made to the committee over the years.

9) **Any Other Business**

Mr Urquhart noted that the college was entering into a redundancy consultation process and advised that any severance packages should be reviewed by the auditors to ensure they did not exceed policies in place. A brief discussion took place and the recommendation was noted.

10) **Publication of Documents**

It was agreed that the minutes and internal audit reports should be published.

Ms Bailey and Mrs Langstaff left the meeting at 6.00pm.

11) **Invitation for Auditors to speak with Committee Members**

Mr Urquhart advised that he was not aware of any issues which needed to be brought to the attention of the committee.

The meeting closed at 6.04pm.