

**Minutes of the Meeting of the Audit Committee held on Monday 2nd June 2014, 5.00pm,
The Conference Room, Prior Pursglove College**

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

In Attendance: Mrs J Burton (Principal), Mrs E Grove (Clerk), Mr M Loftus (Acting Assistant Principal, Finance), Mr J Zoryk (Assistant Principal, Resources), Mr J Gouck (Wylie + Bisset, Internal Auditors)

Meeting quorate

67% attendance

1) **Apologies for Absence**

Cllr P Spencer (Governor), Mr G Gillespie (Wylie+Bisset)

Mr Kay explained that Mr Loftus had resigned from the Corporation following his engagement as Acting Assistant Principal, Finance to cover for Mr Stephenson's continuing absence. The Corporation had appointed Mr Kay as Chair of the Committee and Cllr Spencer as a member. Mr Loftus will be attending meetings in his new capacity. Mr Gouck was asked if he could foresee, from an internal audit perspective, any difficulties with this arrangement. He could not.

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

Mr Gouck informed members that the internal audit reports were still draft as management responses had not yet been received by Wylie+Bisset. A discussion followed and Mrs Grove was asked to follow this up **Action EG**.

Mrs Burton, Mr Loftus and Mr Zoryk joined the meeting at 5.08pm.

3) **Minutes of the Meeting of Monday 17th March 2014**

The minutes were agreed and signed as a true record.

4) **Matters Arising**

Mrs Burton advised that the risk management timetable was back on track and a report will go to the next Standards and Strategy Committee meeting as scheduled.

5) **Internal Audit (Wylie+Bisset)**

5.1) **Draft Internal Audit Reports:** It was agreed to bring forward consideration of the draft IT audit report. Copies were tabled.

5.1.4) **IT Systems:** Mr Zoryk informed members that the responses had not yet been discussed with the Network Manager. They were supportive of the recommendations. Mr Gouck took members through the report. The overall conclusion was strong. There were seven areas of good practice identified. The six recommendations (one medium and five low) were discussed. The benchmark for this area was 4 (one high, one medium and two low). Mr Gouck explained that these audits were now being undertaken by an IT specialist and there was an upward trend in the number of recommendations coming forward. The management responses were discussed and considered reasonable.

Mr Zoryk left the meeting at 5.20pm.

5.1.1) **Personnel and Payroll:** The overall conclusion was strong. Four areas of good practice had been identified. There were two low grade recommendations compared to the benchmark of one medium and one low. The management responses were discussed with particular reference to one employee having no current contract on file. Mr Gouck advised that sampling had been extended and contracts were in place. Mrs Burton advised that she signed all contracts before they were issued to employees. It

was noted that the individual concerned had been issued with a contract but had not returned it. They had now done so.

5.1.2) Purchasing and Payments: The overall conclusion was substantial and four areas of good practice had been identified. There were three medium grade recommendations compared to a benchmark of one high, two medium and two low. Mr Loftus was questioned about the findings and management responses. He was asked to find out the volume of transactions being made with procurement cards **Action ML**. The relatively low level of invoices being paid by BACS was questioned. Mr Loftus was asked to provide information on cheque volume. **Action ML**.

5.1.3) Student Records: The overall conclusion was substantial and three areas of good practice had been identified. Two medium and one low grade recommendation had been made compared to a benchmark of one medium and two low grade recommendations. The recommendations and management responses were discussed.

Mr Gouck advised that once the management responses had been received and reviewed, they would be re-issued as final documents.

It was agreed to report the findings and responses to the Corporation on this basis.

5.2) **Draft Internal Audit Annual Report 2013-14**

The draft report was discussed and it was noted that the final report will be dependent on the review of the outstanding audit reports discussed above. The final report will go to the July meeting of the Corporation if it is received in time.

5.3) **Draft Audit Plan 2014-15**: The draft audit plan including areas to be audited, the number of days and timing of audit visits were discussed in detail. It was noted that five days had been proposed to follow up on the recent Ofsted inspection.

Mr Gouck was reminded that the committee had asked for curriculum systems to be included in next year's audit rather than a general follow up to progress on the Ofsted findings. After further discussion it was agreed that a visit was needed in the autumn term covering quality processes and staff utilisation in terms of value for money. The College wide self-assessment process should be audited in the spring term as well as Corporate Governance.

Discussion moved to the audit of Student Records. It was proposed that, due to the change in non-mainstream academic recording requirements, an audit of the procedures in place to collect and input data should be undertaken to check whether they were sufficient, working in practice and flowed through to the ILR.

The number of audit days needed was discussed further and Mr Gouck was asked to review the need to increase from 17 to 20 days. He was also asked to circulate a revised plan in time for it to be taken to the Corporation meeting on 14th July **Action W+B**

6) **Progress on Audit Recommendations**

The lack of progress on some actions due to staff absence was discussed. Members stressed the need for progress to be made. Mr Gouck advised that progress would be reviewed at the next audit visit.

7) **Control Issues**

There was nothing to report.

8) **FE Code of Governance and The Accountability Annex**

Members were reminded that the committee had been asked by the Corporation to review the impact of adopting the Foundation Code on its work. More information had become available on the timetable for a revised code to be produced and the potential impact on the existing code. A discussion followed and it was agreed that the matter should be put on hold as there seemed to be no benefit in adopting the code for

potentially one year only when there were minimal risks to the college in staying with its current practice and compliance with the FSA Code of Governance.

9) **Next Year's Meeting Dates**

It was noted that members will be advised of the dates before the end of the academic year.

Mr Gouck left the meeting at 6.20pm.

10) **Annual Review of Auditors' Performance**

10.1) **Anderson Barrowcliff, Financial Statements and Regularity Auditors:**

Performance against indicators was discussed and considered to be good. It was noted that the appointment was due for review in 2014-15.

10.2) **Wylie+ Bisset, Internal Audit:** Performance against indicators was discussed and considered to be good. Some disappointment was expressed that they had not taken on board the specific request to audit curriculum processes as part of next year's audit.

10.3) **2014-15 Indicators:** The current indicators were discussed and considered to be adequate.

11) **Any Other Business**

There was no other business.

12) **Publication of Documents**

It was agreed to publish all documents except those in draft. The final reports will be published as soon as they are available.

The meeting closed at 6.26pm.