

Minutes of a meeting of the Audit Committee held on Monday, 16th June 2014 at 1600h in room FO30 of the College

Present: Andrew Oldham (Chair); Norma Boyes; Sarah Graham;

In attendance: Sarah Farquhar

Apologies: Phil Jardine

Also present: Hari Khurmi (Incoming Internal Audit Manager , Icca); Lyn Caroll (Incoming External Audit Partner, Armstrong Watson); Karen Wilson (Deputy Principal Curriculum & Quality); Jane Murray (Clerk)

By tele-conferencing: Lindsay-Anne Straughton (Current Internal Audit Manager)

10/14 Minutes

Agreed – that the minutes of the meeting held on 1st May 2014 be signed as a correct record subject to an amendment at 08/14 to read ‘had its origins in the Tenon organisation’.

11/14 Declarations of Interest

None received.

12/14 Internal Audit Plan 2014-17

The incoming Internal Audit Manager presented the suggested audit strategy and plan for 2014-17, noting that it reflected best practice and statutory guidance, but that years 2 and 3 were fluid given the fast pace of changes to the sector.

Underpinning the plan was a desk-top analysis mapping perceived risks to the College and risks from sector developments. It also took account of an expectation of a PFA Audit and an Ofsted inspection in the not too distant future.

The plan had been drawn up with input from the Audit Committee, from the Chair of Audit and the from the Executive, in addition to the proposals and suggestions made by the internal auditor.

Proposed in year 1, therefore were:

Advisory:

- 1) Curriculum planning and timetabling (in light of work experience requirements)
- 2) Pre-inspection Support: Heat mapping
- 3) Apprenticeship reforms – addressing the impact
- 4) Benchmarking

Assurance:

- 1) Strategic Planning: Growth Strategy
- 2) HR:Sustainability & Succession Planning
- 3) Learner Records and Funding (pre PFA Audit)
- 4) 16-19 study programmes
- 5) Follow up of recommendations

The Committee was happy with the plan, although did question whether safeguarding, equality and diversity and data protection ought not to feature somewhere.

The Committee was reminded that safeguarding had been considered 'outstanding' at the last inspection and that Equality and Diversity had then featured in the audit plan and received substantial assurance. With respect to data protection, some issues had been considered in the IT review the previous year, however it was noted that this could feature in year 2 or 3 given the flexibility required of the plan.

Accepting the need for a follow up of recommendations in the first year of operation, the Chair informed the new auditors that it had been the considered opinion of the previous internal auditor that follow up by the Deputy Principal, Finance and Corporate Services was sufficiently robust over a sustained period that reliance could be placed on her reports.

Agreed – that the plan be recommended to the Board for approval.

13/14 External Auditor

The External Auditor took the occasion to introduce herself, suggesting a plan for carrying out the financial statements audit. This was noted by the Committee who made the External Auditor welcome.

14/14 Audit Tracking Report

In a change to the order of the agenda (to accommodate the current internal auditor who was to participate by phone), the Committee considered the Audit Tracking Report. It was felt that the actions on the IT Firewall should stand until the new firewall was purchased.

Lindsay-Anne Straughton, Baker Tilly, joined the meeting by phone

15/14 Internal Audit: Teaching and Learning Observations

This was a green report, offering substantial assurance, with no recommendations. The Internal Auditor commented that this was a very good process, well planned out and one of the best she had seen.

The Committee congratulated staff on the high standard set.

16/14 Internal Audit: E-Tracker

This was a new system introduced by the College and received an Amber/Red grading, giving some assurance upon the controls in place, but requiring action to ensure risks are managed.

It was felt that clarity of the process should be provided by an overarching policy. Some parts of the process were covered in other policies but an overarching policy, properly cross-referenced, would assist in facilitating a common understanding of the process.

There needed to be a formal mechanism to ensure that data on the two main systems were synchronised.

Meetings to review a student's progress should be tabled at the start of the year to ensure that they were completed and entered in a timely manner.

Action plans should be created and monitored for all high risk students. It was felt that the current guidance was not clear on this and there was a need for consistency.

It was also felt that there needed to be a clearer definition of 'Cause for Concern', which should also be appropriately communicated.

In response, the Deputy Principal noted that she had included the system in the internal audit plan this year as it was anticipated that the introduction of a new system may have issues. Nevertheless, she was disappointed by the number.

A change of staffing structure, to include student mentors, was hoped to have an impact on the process and there was genuine recognition that good student tracking was critical to performance.

The Committee received assurance that the main system for student tracking was up-to-date but that it was the synchronisation of the two systems where there seemed to be a weakness and they looked forward to monitoring the impact of the changes being proposed.

17/14 Internal Audit: Progress Report

The internal audit plan for 2013-14 had been completed on time, with only one report which failed to give substantial assurance. On this basis, the annual internal audit opinion was likely to be of substantial assurance, which was noted by the Committee.

The meeting closed at 1715h