



AUDIT COMMITTEE
MINUTES 7th FEBRUARY 2011 @1630

Members Present: Nigel Betts (Acting Chair)
David Byrne
Dr Christine Couper (Chairman) from Item 23

In Attendance: Danny Ridgeway (Principal)
Martin Peat (Vice Principal Finance & Resources)
Abi Ogunbowale (Macintyre Hudson)

16: To Receive Apologies for Absence

Apologies were received from Mr J Allen and Geoff Hacker.

17: Quoracy & Declarations of Interests

It was confirmed that the meeting was quorate. There were no declared interests against any of the agenda items. In the absence of the Chair, Nigel Betts agreed to take the Chair.

18: To Approve the Minutes of the Meeting held on the 15th November 2010

The minutes were amended to add the Principal as attending and were approved.

19: Matters Arising

There were no matters arising from the minutes.

20: Audit Roll Forward Action Plan

The College report '*Audit Roll Forward Action Plan*' was received and introduced by the Vice Principal (copy attached to the signed minutes). The purpose of the report was to receive for review and approval the roll forward action plan that summarises the actions being taken against all outstanding audit recommendations (Internal Audit, Financial Statement Audit, Regularity Audit, Funding Audit, LSC Audits, PFA, H&S audits and ESF Audits).

The roll forward action plan as of February 2011 listed 11 audit recommendations, of which 8 are now completed but these will remain on the action list until confirmed completed by the Internal Audit Service. One action relating to the Business Development Unit is no longer required. The remaining two actions are in progress and will be subject to review at the second IAS audit visit.

It was confirmed that the recommendations arising from Visit 1, a latter agenda item, will be incorporated within the Roll Forward Action Plan once the recommendations and proposed management responses have been subject to review by the Committee.

It was **RESOLVED** to note the report.

21: 1st Internal Audit Visit Report 2010/11

The Committee received from the College's internal auditors, Macintyre Hudson, their 'Draft 1st Internal Audit Visit Report' (copy attached to the signed minutes). The visit summary confirmed the following outcomes:

Area Reviewed	Audit Opinion	High recommendations	Medium	Low	Total
Human Resources	Grade 2	-	2	1	3
Student Enrolment	Grade 1	-	-	-	-
Data Protection	Grade 2	-	1	2	3
Fee Income	Grade 1	-	-	-	-
Key Financial Controls:					
Bank & Cash	Grade 2	-	-	1	1
Payroll	Grade 2	-	-	1	1
Tendering	Grade 2	-	-	2	2
Total		0	3	7	10

The Committee noted and welcomed the strong opinion given for the two areas of student enrolment and fee income no recommendations arising from the audit conducted by the internal audit service (IAS).

The Committee reviewed each recommendation and proposed management responses. The Committee noted the following management responses that challenged the recommendation being proposed by the IAS.

IAS Recommendation	Management Response
Documented Succession Plan to be in place (Medium)	Due to small flat structure of Bexley College, unsure if it would have resources to make this effective. In addition, the College had a history of recruiting form within the organisation and had not had any issues in respect of succession, however a plan would be written to record the process. The representative from MH noted the rational and explanation provided at the meeting and agreed that this is low risk.

The Finance Manager or Vice Principal should sign and date the monthly petty cash reconciliation as evidence of review	Monthly reconciliation is signed by the Finance Manager as discussed with the auditors after the audit but that this had not been reviewed. The representative from MH noted the rationale and explanation provided at the meeting and agreed to withdraw the recommendation.

It was **RESOLVED** to note the 1st Internal Audit Visit Report 2010/11 and for the agreed recommendations following the review from the Committee to be incorporated within the Roll Forward Action Plan for on-going monitoring until fully implemented.

22: Risk Management Plan

The College report ‘*Risk Management*’ was received (copy attached to the signed minutes).

The Risk Register is maintained on a database. The Committee received for review the additional 6 key risks that have been added to the Risk Register. These were:

- Government withdrawal of EMA for new students from 1/1/11
- Government reduction in entitlement funding
- 16-18 funding cuts, including failure of the College to achieve 2010/11 target
- 19+ finding cuts
- Relocation project costs and contract
- Train to gain and Work Based Learning Contractors fail to achieve targets or the required standards of quality.

The Committee review the controls that are in place for each of these risks and noted progress made to date.

It was confirmed to the Committee that other risks have been updated on the Register but there is no significant movement to report. All controls are regularly reviewed and updated for progress in their mitigation.

It was **RESOLVED** to note the report.

23: Monitoring of College Performance and the Assessment of Risk

(Dr C Couper joined the meeting at this point)

The College report ‘*Monitoring of College Performance & Assessment of Risk*’ was received (copy attached to the signed minutes).

The Corporation has agreed a framework for the monitoring of College performance. The Audit Committee has been identified for being responsible on the monitoring of the area of audit. Assessments are to be carried out at each meeting of the Audit Committee through a standing agenda item ‘Monitoring of College Performance’.

Once the assessments have been agreed, the Committee, in conjunction with College management, will then agree on the overall assessment (Red/High Concern, Amber/Some Concern or Green/No Concern) to be made available to the Corporation for the area of audit.

Following review the Committee agreed that against each of the 9 audit performance indicators, an assessment of 'Green – No Risk' was confirmed.

It was **RESOLVED** to inform the Corporation of the following overall assessment for the area of audit:

Audit	No Risk/No Concerns
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24: Any Other Business

A proposal for a reduction to be made to the number of internal audit days and a corresponding reduction in the cost was put forward by the College. The proposal also included to investigate the potential of peer review/collaborative working with other local College(s) to supplement the days and provide best practice review.

The Committee requested that this be investigated for a formal proposal to be made at the next meeting.

25: Date of the Next Meeting

The next meeting will take place on Monday 18th May 2011 at 1630.

The meeting closed at 18.00.

Signed.....
(Chairman)

Date.....