

The Corporation Board of Accrington and Rossendale College

Minutes of a Meeting of: The Audit Committee

Date: 3rd March 2015

Location: The Conference Room, Broad Oak Centre



Confirmed

Members Present:

Mrs R Andrews	Chair of the Committee and Independent Member
Mrs S Bridgeman	Independent Member
Mrs L Gaskell	Independent Member
Dr M Lee	Independent Member

In Attendance:

Mrs S Collinge	Vice Principal (Business and Innovation)
Mrs J Love	Grant Thornton
Mrs K Musgrave	Baker Tilly
Mrs A Holt	Head of Business Services
Mr A Armiger	Clerk to the Corporation

Apologies were received from:

Draft Minutes Prepared by: AA	Date: 09-03-15
Draft Minutes approved by the Chair: RA	11-03-15
Minutes Approved by the Committee:	09-06-15

.....*Rosemarie Andrews*.....

Chair

The Chair welcomed members to the meeting.

14/15-2.1 Apologies for Absence

There were no apologies

14/15-2.2 Declarations of Interest

There were no declarations of interest

14/15-2.3 Minutes of the Meeting held on 18th November 2014

Resolved

14/15-1.3 To approve the minutes of the meeting held on 18th November 2014 as being a true and accurate record

14/15-2.4 Matters arising not otherwise on the Agenda

Referring to the record of resolutions with actions required the Clerk advised members that all actions required to be have been taken following the meeting on 18th November had been completed

Resolved

14/15-2.4 i) To note the actions taken following the meeting on 18th November 2014

14/15-2.5 Internal Audit Reports

A) Capital Projects

Mrs Musgrave of Baker Tilly presented the Internal Audit review for Capital projects, informing members that the report sought to provide the Board and the College management with assurance that the College's large capital projects are planned, managed and delivered within agreed costs, quality and time requirements. The audit was one of the planned audits directed by the members of the Audit Committee following its meeting in May 2014

Mrs Musgrave advised members that following the audit the Board could take Substantial Assurance that the controls for this area were suitably designed, that they are consistently applied and are effective. Mrs Musgrave advised members that there were two low level recommendations, one being in the area of the selection and appointment of contractors and / or consultants and one being in the area of learning lessons for the delivery of future projects. It was noted that College management had accepted both recommendations and had taken action on them

With regard to the last recommendation The Vice-Principal (Business and Innovation) informed members that the post project evaluation was now underway for the recently completed Sports Hall Project.

Mrs Bridgeman asked if this report could be used to support future capital bids. Both Mrs Musgrave and Mrs Collinge agreed that if there were to be any future capital projects reference to this report could give additional assurance to funding bodies, such as the SFA, that the college's systems to support capital projects are in place and effective.

B) Target Setting and Monitoring

Mrs Musgrave moved on to her second report. She advised members that the report, again directed by the Audit Committee, focused on whether the college:

- has in place a set of KPIs for overall college monitoring and self-assessment at curriculum level which are robust, balanced, coherent and aligned at high level with the Colleges Strategic Aims;
- has in place appropriate systems to monitor, report on and support the achievement of key College targets; and
- that managers at all levels actively use the strategic aims and objectives in target setting and that they understand their role in meeting the overall college KPIs

Mrs Musgrave was happy to advise members that the Board could take Substantial Assurance in the controls set up and used by the college in that they are suitably designed, consistently applied and effective. In all there were only three low level recommendation coming from this substantial five day cross college audit and that they had all been agreed by College management. Mrs Collinge informed members that work was already underway to take action to implement the recommendations.

Members noted that the area of Key Performance Indicators was a complex one and that it was important to get the right mix and balance of those reported to the Board, but it was pleasing to find that the college systems were effective allowing the Board to be assured that reports coming to the Board and committees were accurate. Mrs Collinge also noted that the Vice Principal (Curriculum and Quality) and the Director of Quality and Standards were pleased to have the work they have undertaken over the past year has been vindicated. Members

Resolved

- 14/15-2.5** **i) to note the Internal Audit reports and their findings**
ii) to note the actions being taken by college management to implement the recommendations made

14/15-2.6 Internal Audit Progress Report

Mrs Musgrave informed members of the committee that the internal audit plan approved by the Board in July 2014 was on schedule with two audits remaining to be done; Report 03 - Higher Education Student Records and Report 04 – Significant Partnerships and that there had been no changes to the original plan.

After final discussions members

Resolved

- 14/15-2.6** **to note the report**

The Chair thanked, on behalf of Committee members, Mrs Musgrave for her reports.

14/15-2.7 Audit Findings Monitoring Report 2013/14

The Vice Principal (Business and Innovation) presented her report. Mrs Collinge noted that there were no recommendations from Grant Thornton regarding the Financial Statements and Regularity Audit for the year ending 31st July 2014

Mrs Collinge advised members that work was still ongoing to further resolve issues noted during the Learner Number – Apprenticeship audit carried out in 2013/14 and that this included further restructuring of the apprenticeship provision team. Mrs Collinge noted that actions taken against recommendations made during 2013/14 will be monitored by Baker Tilly as part of their annual follow up report. Mrs Collinge was pleased to report that since the original audit success rates for College apprentices had improved.

Mrs Bridgeman asked if the new apprenticeship structure would incorporate changes to the management of the provision. Mrs Collinge informed members that this would be the case and that changes had already been made in the interim and that further changes to consolidate the structure would be made at a later stage following a curriculum management realignment.

Following further discussion members

Resolved

14/15-2.7 to note the report and the actions taken by College management

14/15-2.8 Risk Management Plan 2014/15 - Updated

The Vice Principal (Business and Innovation) presented the updated plan. Mrs Collinge advised members that she would take members through the report highlighting the work undertaken against Strategic objectives rated as High Risk. She began with the objective and risks related to development of English and Maths provision noting the actions taken to minimise the risk which, amongst others, included specific reports to the Curriculum and Quality Standards Committee, realigning college timetables to allow student access to maths and English provision and linked tutors with curriculum teams.

Moving on Mrs Collinge and members discussed risks relating to relationships and providing curriculum for the college learners, employers and the community again setting out the updated position on actions taken to minimise risks in this area of the colleges work. Mrs Gaskell asked who the college considered to be large employers as the areas was renowned for its Small to Medium Enterprise (SME) employment base rather than having many large employers. Mrs Collinge replied that the college considered that the local councils and those companies associated with the LEP constituted large employers and the college was working to engage these.

Mrs Andrews asked about the work currently being undertaken on A level provision. Mrs Collinge explained the current situation confirming that there will be a small A level provision in 2015/16 and it was hope that this would be built on in following years.

Finally Mrs Collinge guided members through the work being undertaken to minimise the risk of not achieving a balanced financial budget which included a restructure of the employer facing processes and resources, continuous identification of savings that can be made within college and work around ensuring the new Heartwood Centre is completed on time and within Budget.

Members expressed their approval of the report and the detail provided within the format of the extensive actions being taken across the college to minimise identified risks; low medium and high against the college strategic aims and objectives. Mrs Collinge reminded that the plan will be further updated and presented to the Committee at its meeting in June 2015

Resolved

14/15-2.8 i) to note the Updated Risk Management Plan 14/15, the issues presented and the actions being taken by the college to minimise risks identified.

14/15-12.9 Internal Audit Plan 2015/16

The Vice Principal (Business and Innovation) presented her report and began by reminding members that a three year Internal Audit Plan had originally be produced to aid in the Internal Auditor tendering process carried out in March 2013. Changes had been made to the original three year plan and under new flexibilities introduced by the Joint Audit Code of Practice members of the committee had been engaged in directing the changes in the plan to be made for current year 2014/15. . This had allowed the Committee to seek assurance in areas that were more relevant now than had been in March 2013 i.e. an audit of target setting and monitoring and also an audit of current Capital Project processes.

Members were happy with this arrangement as it allowed the committee to have a direct impact on the Internal Audit process and seek assurances where it felt they were required. It was agreed that the Clerk would liaise with Committee chairs to establish which specific areas they would wish to seek assurance on during 2015/16 and that Mr Armiger would organise a meeting in early May to consider, with Mrs Collinge and Mrs Musgrave, the Internal Audit Plan for 2015/16. Following final discussion members

Resolved

**14/15-2.9 i) to note the report; and
ii) that the Clerk will organise a meeting of the Committee members to consider the Draft Internal Audit Plan for 2015/16 in early May 2015
iii) the Clerk will liaise with Chairs of the Board Committees to ascertain areas for consideration for Internal Audit for 2015/16**

14/15/2.10 Procurement Progress Report

The College's Head of Business Services presented her annual report. Mrs Holt began by advising members that a Procurement and Contacts group which is chaired by Mrs Collinge had been established to monitor procurement across the college. Mrs Holt highlighted areas where saving and efficiencies had been made which included £105k of

sponsorship in Construction, Motor Vehicle and Technology and Hair and Beauty curriculum areas and also £64K in efficiencies through retendered contracts. Mrs Holt also advised that savings had been made through tender processes carried out in respect of the College IT network, IT Servers, printing solutions, Energy providers and also the College's Insurance provider.

Mrs Holt moved on to discuss work currently being undertaken with regard to an Intelligent Learner Platform (ILP). Members were informed by the Clerk that they would be receiving a further update on this project from the Principal at the Board meeting to be held on 24th March 2015. Members were advised that the College is currently reviewing its transport fleet to ensure that it meets the need of its learners and college staff and also advised that the college was working to establish a staff and student Bring Your Own Device (BOYD) scheme.

Mrs Gaskell asked Mrs Holt to explain the scheme. Mrs Holt explained that this would allow staff and students to purchase smart tablets or laptops through the college on an instalment plan. She confirmed that the scheme was insured and there was no risk to the college. Mrs Bridgeman asked if the college had contacted Haslingden High where a similar scheme was in place. Mrs Holt said that the college had done that and as a result had contacted the same company to establish the scheme within the college.

Members thanked Mrs Holt for her report and indicated that they were assured, from this report and the internal audit report presented earlier in the meeting, that all steps were being taken to ensure the college procurement processes provide wherever possible savings, efficiencies and value for money for the college and its stakeholders. Members

Resolved

14/15-2.10 to note the report and the actions being taken by the college to ensure savings, efficiencies and value for money

The Chair thanked Mrs Holt for her report.

14/15-1.11 Date and Time of Next Meeting
Tuesday 9th June at 8.30pm

Mrs Andrews thanked members for attending the meeting

The meeting closed at 9.45am