

**The Corporation Board of Accrington and Rossendale College**



**Minutes of a Meeting of: The Audit Committee**

**Date: 11<sup>th</sup> February 2014**

**Location: The Boardroom, Broad Oak Centre**

**Confirmed**

**Members Present:**

Rosemarie Andrews	Chair of the Committee and Independent Member
Prof Ian Smith	Independent Member
Stephanie Bridgeman	Independent Member
Janine Smith	Independent Member

**In Attendance:**

Sue Collinge	Vice Principal (Business and Innovation)
Wendy Higgin	Vice Principal (Curriculum and Quality)
Joanne Love	Grant Thornton
Karen Musgrave	Baker Tilly
Annette Walmsley	Baker Tilly
Andy Armiger	Clerk to the Corporation

**Apologies were received from:**

Draft Minutes Prepared by AA	Date: 17-02-2014
Draft Minutes approved by the Chair: RA	17-02-2014
Minutes Approved by the Committee:	17-06-2014

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

Chair

The Chair began by welcoming everyone present to the meeting. Mrs Andrews then asked that members take a moment to think about Tony Gill, who had been a member of this committee for several years until he had recently passed away He will be sadly missed by all.

The Chair then asked that, for the benefit of Mrs Smith who was attending her first meeting as a member of the Audit Committee, members and those attending introduce themselves.

**AC**

**13/14-2.1 Apologies for Absence**

There were no apologies

**13/14-2.2 Declarations of Interest**

There were no declarations of interest

**13/14-2.3 Minutes of the meeting held on 19<sup>th</sup> November 2013**

**Resolved**

**13/14-2.3 To approve the minutes of the meeting held on 19<sup>th</sup> November 2013 as being a true and accurate record**

**13/14-2.4 Matters arising not otherwise on the Agenda**

The Clerk referred committee members to the Record of Resolutions with Actions Required paper he had prepared who noted that the actions required from the meeting on 19<sup>th</sup> November had been carried out. Members

**Resolved**

**13/14-2.4 To note the actions taken**

**13/14-2.5 Internal Audit Reports**

**a) Additional Learning Support**

Mrs Musgrave of Baker Tilly began her report by saying that the college had yearly commissioned an audit, as part of it internal audit plan, of at one least funding area and this year Baker Tilly had looked at Additional Learning Support. Mrs Musgrave said that she was pleased to report that this audit had received a Reasonable assurance opinion with only one medium and one low risk identified. She also noted that there had been two advisory comments made in the report.

Mrs Musgrave went on to advise members that College management had accepted all recommendations and that those dealing with the low rated risk had already been actioned. The risk rated as medium would be dealt with by September 2014.

Members discussed the report noting that the amounts of money involved did not pose any significant financial risk to the College. Following final discussion members

**Resolved**

**13/14-2.5a To note the report**

## **b) Inspection Support Review**

Mrs Musgrave presented this advisory report on behalf of ICCA Education Training and Skills

The review set out to investigate trends in college success rates and comparisons with national benchmarks and was seen as not so much as an audit of college provision as providing a management tool for the college.

Mrs Musgrave led members through the report highlighting in particular the continuing upward trend for retention and achievement in long qualifications, but also the declining trend in 16 -18 short course success. Following the presentation members questioned Mrs Collinge and Miss Higgin on the report.

Mrs Bridgeman asked how this information was disseminated to staff. Mrs Collinge said that this report would be presented to the senior management team at its next meeting and from there through the curriculum structure, via the Heads of Faculties to curriculum teams.

Mrs Bridgeman went on to ask if there had been any analysis of the downward trend in short course (16-18) success rates. Miss Higgin confirmed that the college had taken a series look at this area and was looking at how these vocationally relevant courses, such as Food Hygiene or Health and Safety could be delivered in shorter spaces of time within larger student programmes. Mrs Collinge advised members that the college was now reviewing the management of short course provision particularly for 16-18 learners.

Mrs Musgrave told members that colleges were continually under pressure with such areas as success rates as national bench marks will inevitably continue to rise. Miss Higgin advised members that the College always set its internal targets higher than national bench marks to take account of this

Following further discussion members

**Resolved**

**13/14-2.5b To note the report**

## **13/14-2.6**

### **Internal Audit Progress Report**

Mrs Musgrave presented the report noting that three reports had now been completed and presented to the committee with two reports to be completed in the year; those being an Apprenticeship report and a Key Financial Controls (Payroll and Personal and general ledger) report which should be ready for presentation at the committee's next meeting. Members

**Resolved**

**13/14-2.6 To note the report**

The Chair thanked Mrs Musgrave for presenting her reports.

**13/14-2.7      Audit Findings Monitoring Report**

The Vice Principal (Business and Innovation) presented members with an update of action taken against audit recommendations made in 2013/14 (there being none outstanding from 2012/13). Mrs Collinge said that she was pleased to report that there were there were only two recommendations to be addressed; one having been completed and the other regarding work towards reporting college KPI still under development.

Mrs Collinge then moved on to dealing with a request from members of the committee to update them on progress made following an Employer Responsive – Learner Records audit carried out in February and May 2013. Mrs Collinge updated the members on actions taken and those yet to be taken to ensure that the college apprenticeship programmes are managed appropriately and actions required are communicated across the college.

Members were glad to see the report of the continuing action being taken to continue to strengthen the work in this area of the college and

**Resolved**

**13/14-2.7      to note the report and actions being taken**

**13/14-2.8      Risk Management Action Plan 2013 /14 - Monitoring**

The Vice Principal (Business and Innovation) presented the current Risk Management Action plan to members. Mrs Collinge highlighted key areas of risk for the college in the document and identified what action was being taken to monitor and control the highest risks.

Mrs Collinge reminded members that this process filtered down through SMT, who were responsible for identifying and monitoring risks, to college teams who were responsible for ensuring actions are carried out to minimise the risks involved.

Mrs Collinge told members that this document was dynamic and would be updated with progress made and represented to this committee at its next meeting for monitoring. Following discussion members

**Resolved**

**13/14-2.8      to note the report and actions being taken against risks identified**

**13/14-2.9      Audit Plan 2014/15**

Members were presented with the colleges current 3 year Internal Audit plan which had been approved by the Corporation Board following recommendation by this committee.

The Clerk began the discussion by reminding members that under the Joint Audit Code of Practice part 2, which had been revised and introduced in August 2013, the Audit Committee had much more flexibility in terms of what work it could ask to be carried

out to ensure that it was able to advise the corporation on the comprehensiveness and effectiveness of the college's assurance framework.

Mr Armiger went on to say that when this this had been discussed at previous committee meetings it had been agreed that it would be of use to consider what areas this committee may wish to see audited at his time of year i.e. February / March for the following years Internal Audit plan as it would give time for the Vice Principal (Business and Innovation) and Mrs Musgrave from Baker Tilly to build the Audit Committees requests into the plan, before presentation at the June meeting.

Mrs Musgrave confirmed that such areas as governance, where previous yearly audits had always provided Substantial assurance, could be audited every two years rather than annually as was previously required, and the time used to look at other areas where the committee may wish to have the audit resource used. Mrs Musgrave went on to say that the College has a mature risk management process and that this could be used to indicate to the committee which areas may be considered for audit.

Ms Love from Grant Thornton advised members that it would be useful to use the College's risk register, as set out in the Risk Management Plan, as a tool to provide a basis to start this work. Members agreed and asked that the Clerk arrange a meeting of committee members in early May 2014 to consider the matter. Mrs Musgrave said that she would be happy to attend this meeting to assist in the task at hand.

The Chair noted that she felt that this would enable the committee and its members to have more impact on the audit process and also to make sure that the opportunity to achieve value for money would be an additional outcome which will be of benefit to the college. Following final discussion members

**Resolved**

**13/14-2.9 that the Clerk will arrange a meeting of the committee to consider work to be undertaken in the 2014/15 Internal Audit Plan**

**13/14-2.10 Procurement Progress Report**

This report was presented by the College's Head of Business Services. Mrs Holt advised members that the college continues with its efforts to improve efficiency and achieve best value and to this end had used the Crescent Purchasing Consortium to assist with tendering processes.

Mrs Holt went on to say that £175k of savings had been achieved in the year prior to this report which has been able to be re-invested in the college. She noted that the college continues to work with other North West colleges in the procurement of PCs and has carried out successful tendering processes to ensure best value for a new telephony system, careers software and Internal and External Audit services.

Mrs Holt said that worked was currently underway with tendering for college insurances, energy providers, providers of print strategies and mobile telephone contracts.

Mrs Holt noted that the task of achieving financial savings is becoming progressively difficult therefore the achievement of "best value for money" is increasingly the target being aimed for.

Members asked how the Construction curriculum team were able to make such good savings. Mrs Holt advised them that the team were able to benefit from sponsorship, usually of materials, from major manufacturers and many of the materials provided, such as paints, adhesives or tools, were being tested by students prior to the products being sold to the public. This has had an additional benefit to the students that they were working with “state of the art” materials and had up to date product knowledge. Following further discussion members thanked Mrs Holt for her report and

**Resolved**

**13/14-2.10 to note the report and the work of the College in achieving financial savings and efficiency**

**13/14-2.11 Dates and Times of Next Meeting:  
8.15am on Tuesday, 17th June 2014**