



Accrington and Rossendale College
Minutes of the Meeting of the Audit Committee
held on Tuesday 8th February 2011 at 8.15am
in the Conference Room, Broad Oak Centre

Confirmed

Present:

Mrs R Andrews (Chair)
Mr T Gill
Dr A-M Coyne
Mr S Sugarman
Mr S Ireland
Professor Ian Smith

In attendance: Mrs Karen Musgrave: RSM Tenon
Mrs S Collinge: Vice Principal (Corporate Services)
Mrs A Holt: Finance and Systems Improvement Manager
Mr A Armiger: Clerk to the Corporation - minuting

57.1 Apologies for absence

Apologies were received from Mrs L Higham

57.2 Declarations of Interest

There were no declarations of interest from the members

57.3 Minutes of the previous meeting

**338 Resolved To approve the minutes of the meetings held on 16th November 2010
and December 7th 2010 as being true and accurate records**

57.4 Matters arising (not on the agenda)

The Clerk referred members to the Record of Resolutions with Actions required paper and it was noted that all actions required from the meeting on the 16th November 2010 had been carried out. There were no actions required from the meeting on the 7th December 2010. There were no further matters arising from the minutes

57.5 Internal Audit Reports

Mrs Musgrave of RSM Tenon Group reported on the first four internal audit reports for 2010/11:

(a) 01 Risk Management

Mrs Musgrave began by noting that this report was one that was required annually under the audit code of practice and was designed to consider if the college's risk management

arrangements are effective and are consistent with targets in its strategic ambitions. Mrs Musgrave was able to advise members that this area was given Substantial Assurance as there had been no risks identified and no suggestions offered and the review highlighted that there is a robust risk management framework in place across all areas of the college. Members

339 Resolved to note the report

(b) 02 Governance – Safeguarding Young People

Mrs Musgrave again began by noting that this report, with regard to Governance, was one that was required annually under the audit code of practice. The audit was undertaken to provide assurance that there were effective systems to comply with the Safeguarding Vulnerable Groups act 2006 and other key statutory requirements. Mrs Musgrave was able to advise members that that this area was given Reasonable Assurance as there had been 3 medium and 4 low risks identified. Discussion followed in which members were assured by senior post holders and the Clerk that all the recommendations had been accepted and that action had or would soon be taken to alleviate the risks noted. Members also asked that Mr Tallon arrange a specific safeguarding event for governors. Mr Tallon agreed and said he would arrange a suitable date with the Clerk. Members

340 Resolved

- i) to note the report**
- ii) that Mr Tallon would arrange, with the Clerk, a suitable date for Corporation Board members to attend a safeguarding information and training event**

(c) 03 Target Setting and Support Mechanisms

Mrs Musgrave noted that this audit had been undertaken at the request of the college as part of the audit plan for 2010/ 11 and was designed to review the systems and processes in place at the college to set targets and also review the support mechanisms in place to track and monitor performance against the set targets. Mrs Musgrave was able to advise members that this area was given Substantial Assurance as only one low risk had been identified and that this had been accepted by the senior postholders responsible. Mrs Musgrave commented that the audit had been very smooth and clean audit and had been seen more as a consultation resulting in three suggestions to improve the systems, all of which had been accepted. Members discussed the report and questioned senior post holders with regard to the value that the process added to the college. Mr Tallon replied that it allowed value to be added to learner achievement but not necessarily to the college itself. Members

341 Resolved to note the report

(d) 04 Learner Record Systems – Draft Report

Mrs Musgrave noted that this was a draft report as her team were still awaiting responses from the college's management team on one or two of the risks identified. Mrs Musgrave was able to advise the committee that the overall opinion would be that of Substantial

Assurance as there had only been three risks identified; one at medium and two at low risk. Mrs Musgrave was pleased to be able to comment that this area had significantly improved since the 2009/10 audit of this function, when it has been given the opinion of Inadequate. There was some discussion with regard to recommendation 2.1 of the report as it was felt by members and senior post holders to be unnecessary given that the process will be undertaken in the near future, but beyond that members were pleased to receive this much improved audit report. Members

342 Resolved to note the report

57.6 Internal Audit Progress Report

Mrs Musgrave concluded her reports by presenting the Internal Audit Progress Report. She noted that there were two audits remaining in the year; Report 05 Key Financial controls, which would be looking at the use of the college's financial software, and Report 06 which would audit the financial planning, budget setting, monitoring and forecasting functions of the college. Mrs Musgrave commented that all audits would be completed by June and that she would be able to bring the reports, along with the completed Report 04- Learner Record Systems, to the next Audit Committee. Members thanked Mrs Musgrave for her reports and

343 Resolved to note the report

57.7 Audit Findings Monitoring Report

Mrs Collinge stated that she was pleased to report that there were no outstanding high or medium risks still to be actioned from audits carried out during 2009/10 as all recommendations during this period had been implemented. Mrs Collinge commented that progress against current audits in 2010/11 would be reported at the next meeting in June. Members

344 Resolved to note the report

57.8 Risk Management Plan – Monitoring Report

Mrs Collinge began her report by saying that the report was produced to give members assurances that risks identified against the colleges strategic ambitions were being recognized and appropriately managed. She added that this was a dynamic report and new actions had been reported in red so that members could see the developing report.

Mrs Collinge then went on to specifically highlight the new risk identified under 1.1 and 3.1 "Failure of provider collaborations and shared service initiatives to maintain high level success rates and funding stability". She wished to point out to members the considerable risk applicable to the college with this type of work. Members noted her comments but agreed that this type of work was necessary in light of the current economic climate

Mr Gill asked if there was an acknowledged risk of hostile takeover by another institution. Mrs Collinge said that she would consult with other members of the senior post holder team to decide if it should be included.

Mr Sugarman asked if the current collaboration were more about “back room” partnerships. Mrs Collinge replied that this was currently the case, but that more work would be done with regard to collaborative work with smaller training providers in light of recent changes in skills funding agency contracts. Following further discussion members

345 Resolved to note the report

57.9 Procurement Progress Report

Mrs Holt presented her report which highlighted the college’s efforts and achievements in improving efficiency through its procurement function. She was pleased to be able to note a range of savings, since she last reported to the committee in February 2011, to the college from a variety of collaborations with other institutions, one of which resulted in an Association of Colleges Award for Smarter Procurement. Mrs Holt went on further to describe the current work, which included the ongoing work with The AoC Northwest Procurement Team on exam fee collaboration, which is a major cost to all FE institutions.

Whilst reporting to members on future work to be undertaken members were particularly interested in proposed action to be taken with regard to transport. Mrs Holt informed members that there was to be a college wide review of transport requirements and, in particular, a college group would be established to investigate the effects of the removal of Educational Maintenance Award on transport requirements. Members

346 Resolved to note the report

57.10 Declaration of any Confidential item

There were no items deemed to be confidential.

57.11 Date and time of next meeting:

Tuesday 14th June 2011 at 8.15am

The meeting closed at 9.15am