

CHELMSFORD COLLEGE
AUDIT COMMITTEE MINUTES
15th June 2015

PRESENT: Jonathan Swan
Ray Joy
Susan Hughes
Heather Clarke

IN ATTENDANCE: Paul Goddard (Scrutton Bland)
Bill Lumsden (KPMG)
Stephanie Beavis (KPMG)
Andy Sparks (Principal)
Peter Moore (Deputy Director of Finance)
Debs Hurst (Director of Finance)
John Fowl (Clerk to the Corporation)

471. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Marie Kemp. Jonathan Swan had been delayed and in his absence Susan Hughes was asked to Chair the meeting until he arrived.

472. TO RECEIVE DECLARATIONS OF INTEREST AND TO NOTIFY ANY CONFIDENTIAL ITEMS

There were no declarations made or confidential items notified

473. TO MEET WITH AUDITORS WITHOUT OFFICERS PRESENT

There was nothing to discuss under this item

474. TO APPROVE THE MINUTES OF THE MEETING HELD ON 2nd March 2015

The minutes were approved

475. MATTERS ARISING

- (i) Further to the Health & Safety report to this committee a second inspection has taken place and progress is being made to implement the recommendations made by the auditor.
- (ii) Marketing Manager – work is underway to appoint a Marketing Executive and the recruitment to this position is imminent.
- (iii) Beacon House - Work is underway to vacate part of the building in readiness for sale.
- (iv) All staff will be trained in the 'Prevent' actions and the Prevent policy is being produced and will be presented in time to the Board for approval. Safeguarding signage now includes a comment about 'Prevent'.

(Jonathan Swan arrived at this point and took over as Chair for the meeting.)

476. TO RECEIVE AUDITOR REPORT ON RISK

Members received the Risk Register, The Assurance Map/Dartboard and the outstanding recommendations made by the auditor.

The Committee was informed of the current thoughts of the SLT in respect of Campus security. It was noted that it was difficult to implement the safeguarding criteria in an establishment with multiple entrances/exits but pointed out that in the student surveys students state that they feel safe in the college.

A discussion took place as to how the 'Confidence Factor' linked with each risk was calculated and that this will be further refined once it became evident how effective the various control actions had been.

The college is experiencing a high level of staff turnover which may have an adverse impact on student achievement. In view of this 'Staff Turnover' has been added to the Risk Register.

Health & Safety walks have highlighted issues that have not been addressed that could lead to injury to staff and/or students.

The Risk Register will be presented to the full Board on 10th July 2015.

Governors received the latest assurance map and noted the updates that had taken place. It was agreed that the Quality & Learners Committee should be encouraged to have oversight of the risks associated with their area of responsibility.

Jonathan Swan sought clarification of how the assurance map is used and the Principal confirmed that it allows the college to prioritise the risks and associated actions in order that the Board gain the assurance they require.

The Clerk explained that as part of the Committee self-assessment process the Quality & Learners Committee will in future look at the risks associated with the curriculum areas and programme offer. In time the Assurance Map will be linked to the Risk Register.

The outstanding actions for the recommendations made by MacIntyre Hudson have been reviewed by Scrutton Bland and of the 13 recommendations 8 had been implemented with 2 in the process of being implemented. Two recommendations were now obsolete/superseded and one had not been accepted by the College management.

It was **Resolved** that the report be received

477. INTERNAL AUDIT REPORTS

A report was received that set out the progress to date for the audits undertaken in the 5 areas covered.

- a) Governance
This area had been given a 'Green' (significant) audit opinion with just 3 low level recommendations being made in respect of the skills audit of Governors, the Clerk's job description and Governors performance.
- b) Payroll
This area had been given a 'Green' (significant) audit opinion. The auditor had found that the project management for the introduction of the Ceridian payroll system had been very good with a successful migration from the old system. A schedule of Budget Holder meetings has been set up in response to a recommendation by the auditor. Retrospective spot-checks will be undertaken to ensure the system remains sound.
- c) Financial Shared Services
This area had been given a 'Yellow' (reasonable assurance) audit opinion. The IAS found that Essex Shared Services was being well managed although some aspects are still in the process of being implemented. At present there is a Joint Venture Agreement and Service Level agreements are being developed for each college. These have yet to be seen by the Directors of the Essex Shared Service Company.
- d) Risk Management
This area had been given a 'Green' (significant) audit opinion. The IAS had made a number of recommendations to assist the college in developing the Risk Register. It was noted that the IAS had recommended that the College Strategic Objectives should be linked with the Risk Register. The Principal outlined the work being carried out on this as part of the rewrite of the College Strategic Plan.
- e) Financial Recovery Plan
This area had been given a 'Green' (strong) audit opinion with no recommendations being made. The IAS stated that they had found a rigorous budget setting process in place with relevant staff being involved in setting the Income & Expenditure figures for 2015-16.

It was **Resolved** that the Internal Audit report be received.

478. TO RECEIVE & APPROVE THE FINANCIAL STATEMENTS AUDIT PLAN 2014-15

Bill Lumsden set out the proposed audit plan and the timescale for the work. The Committee was informed of the 'materiality' level & that all errors over £12,000 will be reported to the committee. The manner by which the auditor will assess whether the college is a 'Going Concern' was explained and the areas that will be covered as part of the audit work.

It was **Resolved** that the Financial Statements Audit Plan 2014-15 be approved.

(Bill Lumsden, Stephanie Beavis and Paul Goddard withdrew from the meeting at this point.)

479. TO RECEIVE THE RECOMMENDATION FOR THE APPOINTMENT OF INTERNAL AUDITORS

The Committee was told that a formal tender exercise had been conducted to find Internal Auditors for the College. The selection panel had interviewed the 5 firms (Wyllie Bissett, TIAA, Mazars, Baker Tilly, Scrutton Bland) and it was explained how the scoring of the firms had been carried out under the Procurement Framework. The scoring identified Baker Tilly as the best bid and so they are recommended for appointment at Chelmsford and South Essex Colleges and Essex Shared Services.

It was **Recommended** that the Board appoints Baker Tilly as Internal Auditors for Essex Shared Services & Chelmsford College for an initial 3 year period with annual renewals thereafter subject to satisfactory performance.

480. COMMITTEE SELF-ASSESSMENT & REVIEW OF TERMS OF REFERENCE.

In considering the work of the Committee during the past year the members were of the view that it had been well focussed but that more liaison with the other committees regarding risks would be desirable.

The Committee was very challenging both to SLT members and the audit firms. Members attendance was good and they welcomed the possibility of inviting other staff to present information on a range of issues.

Members were surprised that the Terms of Reference included oversight of Whistleblowing but there had been no incidences of this in past years. It was recommended that staff be made more aware of the policy.

The Committee in the past had arranged some in-house training facilitated by an external specialist but felt they needed to have a better understanding of the College financial systems ('Finance for Governors').

481. ANY OTHER BUSINESS

There was no other business

482. DATE OF NEXT MEETING

The next meeting will be held on Monday 16th November 2015.

Signed

Date