

CHELMSFORD COLLEGE
AUDIT COMMITTEE MINUTES
4th March 2015

PRESENT: Ray Joy (Acting-Chair)
Susan Hughes
Marie Kemp
Heather Clarke

IN ATTENDANCE: Andrew Stickland (Scrutton Bland)
Andy Sparks (Principal)
Caroline Williams (Director of Quality & Learning)
Peter Moore (Deputy Director of Finance)
Debs Hurst (Director of Finance)
John Fowl (Clerk to the Corporation)
Joanne Seward (Minuting Secretary)
Steve Hope (Head of Health & Safety)

The meeting began with a presentation to Governors by Steve Hope, Head of Health & Safety on the work undertaken so far and currently in progress. Further details were included in the various hand outs, including a photographic report on the general health and safety inspection undertaken by Steve and the Principal in November 2014. Areas of concern were identified and a schedule is in place with dates for completion. Union representatives have requested to be part of the next inspection.

461. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Jonathan Swan. In his absence Ray Joy was asked to Chair the meeting.

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

There were no declarations made or confidential items notified

463. TO MEET WITH AUDITORS WITHOUT OFFICERS PRESENT

There was nothing to discuss under this item

464. TO APPROVE THE MINUTES OF THE MEETING HELD ON 17TH NOVEMBER 2014

The minutes were approved

465. MATTERS ARISING

- (i) Further thought is being given, by the SLT, to the potential sale of Beacon House.
- (ii) It was confirmed that approximately £230,000 had been clawed back by SFA due to the retrospective change in the interpretation of funding rules. The claw-back was being achieved on an instalment arrangement.

Despite this the College has recently been advised of its' funding for next year and it is the same as for 2014-15.

- (iii) The Marketing Manager is now leaving the College and a contingency plan is being considered by the SLT.
- (iv) It was confirmed that any outstanding audit recommendations from previous years will now be picked up by Scrutton Bland.

466. TO RECEIVE THE INTERNAL AUDITOR REPORTS 2014/15

Andrew Stickland provided a verbal update of the work undertaken by Scrutton Bland since their recent appointment. He confirmed that the handover of financial services for Chelmsford and South Essex Colleges to the Essex Shared Services Ltd had been problem free.

The Committee was told that there was a high degree of discussion by various agencies, about the number of terms of office that a governor should be able to serve. This will need further consideration by the Board in line with the final version of the new FE Code of Governance which is currently out for consultation.

The recent audit of Governance was conducted in line with the content of the FE Commissioners recent letter to all FE Colleges.

The audit of the Essex Shared Services will start on 16th March 2015 with the emphasis on the internal systems of control with a report to the next Audit Committee meeting.

A funding audit will start in May 2015.

The audit report on the Payroll, Shared Services, Governance and a review of the outstanding recommendations will be presented to the next Audit Committee meeting with the outcome of the Funding Audit being presented to the Full Board of Governors.

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

467. AUDIT & RISK REGISTER UPDATE

Members received the Risk Dartboard and noted the key risks. In view of the recent events involving the death of a College student 'Safeguarding' is shown with the 'Prevent' strategy as a key risk.

The College was expecting to receive a 'Notice to Improve' from the SFA due to the current financial situation but it is hoped that the Financial Recovery Plan already in place and implemented will avoid the College receiving a similar notice from the FE Commissioner. It is expected that the recovery plan will quickly bring the College finances back on track.

Members were told that Maths & English was now seen as a 'limiting grade' by Ofsted.

The Assurance Map as updated was received and seen as a work in progress at this time. The Assurance map is using a Red/Amber/Green system to readily highlight issues of concern. The Governors requested that colour coding should also be used to identify any changes made to the Map either by the SLT or the Audit Committee.

The risk highlighted Red were the areas of Marketing, Communications and Safeguarding. The Members suggested that a risk regarding Maths & English should also be shown as 'Red' (high risk).

It was agreed that a copy of the Risk Dartboard and Assurance Map would be presented to the next full Board meeting. The Committee was informed that the HMRC was undertaking a study of how the payroll is operated for certain categories of staff.

SLT confirmed that they are open to any suggestions from staff to improve the performance of students taking Maths & English.

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

It was recommended that the Chair of the Quality & Learners Committee should provide a report to the Audit Committee on the KPIs for Retention, Attendance, Success Rates, Achievement rates etc: to allow the Audit Committee and the full Board to have the assurance necessary.

Governors requested that revised dates be inserted on the outstanding auditor recommendations but accepted that these dates would possibly be subject to further revision post-General Election.

468. TO RECEIVE THE RECOMMENDATION FOR THE APPOINTMENT OF EXTERNAL AUDITORS

The Committee was told that a formal tender exercise had been conducted to find External Auditors for the College. Just 2 firms had submitted a bid by the deadline with a third submitting their bid after the deadline.

The selection panel had interviewed the 2 firms (KPMG & MacIntyre Hudson) and the Principal explained how the scoring of the firms had been carried out. The scoring was close with KPMG winning the bid and so they are recommended for appointment.

It was **Recommended** that the Board appoints KPMG as External Auditors for Essex Shared Services & Chelmsford College for an initial 3 year period with annual renewals thereafter subject to satisfactory performance. The annual cost excluding VAT will be circa £49, 827.00.

Members were reminded that Scrutton Bland had been appointed for the period to 31st July 2015 after which a tender exercise will be undertaken. It was

suggested that such a tender exercise should be conducted amongst firms drawn from the 'Procurement Framework' and Governors confirmed their satisfaction with using the 'Framework'. Debs Hurst undertook to check that this was acceptable to South Essex College.

469. ANY OTHER BUSINESS

There was no other business

470. DATE OF NEXT MEETING

The next meeting will be held on Monday 15th June 2015.

Signed

Date