

STRATFORD-UPON-AVON COLLEGE CORPORATION

**MINUTES OF AUDIT COMMITTEE MEETING
TUESDAY 5 JULY 2011**

Present:	Lyn Anslow	Governor
	Geoff Thompson	Chair
	Royston Hollyer	Support Staff Governor
	Gillian Roache	Governor
	Garry Rollason	Co-Optee to Audit Committee
In attendance:	David Jackson	Clerk to the Corporation(items 1-5)
	Norman MacDonald	Vice Principal – Finance
	Alex Patterson	Compliance Manager
	Louise Tweedie	RSM Tenon

1. APOLOGIES

There were no apologies.

2. DECLARATIONS OF INTEREST

Members were invited to declare any interest in business to be discussed at the meeting.

The Chair ascertained from the Internal Auditors that there were no issues regarding the Vice Principals - Finance that would warrant his withdrawal from the meeting.

Gill Roache commented that she would have an interest in any matters that affected Stratford District Council.

3. MINUTES OF THE PREVIOUS MEETING

Following discussion of the draft minutes of the meeting held on 15 March 2011

It was resolved **THAT:**

The minutes of the meeting held on 15 March 2011 be regarded as correct and signed by the Committee Chair.

4. MATTERS ARISING

8. KPMG Learner Number Audit

The Clerk to the Corporation reported that the College had made further contact with KPMG requesting a copy of the final report of their audit of learner numbers but to date no copy had been forthcoming. As the College had not commissioned the audit it was thought unlikely that a copy would now be received. After discussion,

It was resolved **THAT:**

The College be requested to write to KPMG recording the Committee's disappointment at the failure to provide a final copy of the KPMG Learner Number Audit.

5. INTERNAL AUDIT PROGRESS REPORT

RSM presented the Internal Audit Progress Report and drew attention to the Follow Up report which has not yet been completed. The Chair ascertained whether there were any issues of concern or whether it was significant that this report remained outstanding. RSM assured the Committee that this was not the case, it was mainly matters of clarification that needed to be resolved. She confirmed that the report would be presented at the next meeting. She went on to say that all of the opinions presented to date this year had been positive and there were no areas giving cause for concern. She highlighted sector information around data protection.

It was resolved **THAT:**

The report be received with the Committee noting the positive comments made by RSM.

6. INTERNAL AUDIT REPORTS

The following reports were considered by the Committee:

Key Financial Controls - NM was congratulated on this report . This was the best level that can be given and all recommendations were low.

Learner Number Systems - Another good report and Louise confirmed that in future the report style would change so that they can make best practice suggestions that would not be recommendations and effect the overall grade.

Quality Assurance System - Whilst this is an amber/green report the committee were pleased at the remarks to the recommendations.

Procurement - The absence of a procurement strategy was noted with surprise and the Committee felt that a review of the tender threshold should take place. The Committee recognised the importance of procurement moving forward and asked the Executive to explore the concept of extending the Procurement Officer hours to add additional value.

The Committee pointed out that whilst the recommendations in all reports had been remarked upon to their satisfaction there were sometimes no implementation dates or names of the person set to carry out the recommendation. In future they would wish all reports to have these items addressed.

It was resolved **THAT:**

- (a) All the internal reports above be discharged.
- (b) College Management give consideration to providing resources to fully implement the recommendations of the Procurement Audit.
- (c) Future audit reports identify implementation dates and the member of staff responsible.

7. ORGANISATIONAL PERFORMANCE MANAGEMENT IN FE

The Clerk to the Corporation drew attention to the report on the Organisational Performance Management which was a sector wide report following audits carried out in a number of Colleges. He indicated that it was the view of the College Executive that the College had taken seriously the comments in relation to Stratford-upon-Avon and the College was well placed in relation to the work it was carrying out regarding Organisational Performance and Management and there was nothing in the overall report that would give rise to concern.

It was resolved **THAT:**

The Committee, having reviewed the report and considered the report of the Executive team, agreed the comments made and discharged the report.

8. BRIBERY ACT 2010

The Committee considered the report before them in relation to actions taken in relation to the Bribery Act 2010 which came into effect on 1 July 2011. The Act had been considered carefully by the College Executive Team who had drawn up a response which they considered to be proportionate to the risks the College was likely to face in relation to bribery. The Committee went on to discuss a number of areas of activity within the College and the possibility of bribery and the measures the College had in place to try and prevent as far as possible, the College being in breach of the Act. After a long discussion,

It was resolved **THAT:**

- a) The draft Anti-Bribery Policy be recommended to the Corporation for approval.
- b) The actions identified within the report were proportionate to the potential risks.
- c) Overseas agents be asked to sign up to an Anti-Bribery policy.

9. RISK MANAGEMENT REPORT AND ACTION PLAN

The Committee worked through the Risk Management Report and Action Plan which had been updated since the last meeting. They noted particularly the inclusion of references to the Bribery Act. The Clerk to the Corporation responded to a number of questions following which,

It was resolved **THAT:**
The Risk Management Report and Action Plan be recommended to the Corporation.

10. INTERNAL AUDIT CHARTER

It was agreed by the committee that this was required going forward as it was over and above the completion of the agreement letter. It is based on Internal Order Standards and is in the Audit code of Practice.

It was resolved **THAT:**
The Internal Audit Charter be signed by the Chair of the Audit Committee.

11. STRATEGY FOR INTERNAL AUDIT 2011/12 – 2013/14

RSM introduced the Strategy for Internal Audit for 2011/12 – 2013/14 which was then worked through with the Committee. Particular attention was given to the question of the audit of IT systems and the nature of the proposed audit. The scope of the various audits was discussed with RSM and the Committee satisfied themselves that the audits to be undertaken in 2011/12 were relevant and necessary, or at least the reasons behind the audits were established, where after the Committee questioned whether or not it would be appropriate to undertake a further Quality Assurance audit this year given that one was undertaken last year. It was pointed out that the systems had been looked at closely in 2010/11 and those issues would be the subject of a Follow Up Audit in 2011/12. In terms of improving the overall success rates of the College the Committee recognised that that was an academic issue and not one for internal audit.

It was resolved **THAT:**
The Audit Committee recommend the Internal Audit Strategy for 2011/12 to 2013/14 to the Corporation for approval.

12. ANNUAL CALENDAR OF BUSINESS

The Committee considered the Annual Calendar of Audit Business, following which,

It was resolved **THAT:**
The Annual Calendar of Audit Business for 2011/12 be agreed.

13. ANNUAL AUDIT REPORTS BY OTHER EXTERNAL AGENCIES

A report from the Stratford –on-Avon District Council Food Safety Inspection for the Academy showed no action to be taken.

It was resolved **THAT:**
The report be noted and the committee asked that the Programme Area Manager be congratulated on this excellent report.

14. BENCHMARKING REPORT – AUDIT ASSIGNMENTS

The committee recognised that overall we had a good outcome and against other FE colleges we were generally in the higher benchmarking reports. Louise confirmed that the outcome was good and the committee should take reassurance from this report.

It was resolved **THAT:**
The report be received and the content reflected in the Annual Report of the Committee.

15. REVIEW WORK AND EFFECTIVENESS OF COMMITTEE

The formal review was discussed by the Committee and the form completed see attached.

It was resolved **THAT:**
The Committee has met its Terms of Reference and been effective in ensuring Audit Reports are auctioned in a timely manner.

16. ANY OTHER BUSINESS

There was no further business.

17. DATE OF NEXT MEETING

It was resolved **THAT:**

The Audit Committee meet again on **Wednesday 21 September 2011 at 10.00am and Tuesday 29 November at 10:00am.**