

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held at Bicton College on Tuesday 24 March 2009**

<b>PRESENT:</b>	Sir John Cave	- Chairman
	Cllr J Berry	
	Mrs C Bourne	
	Mr M Ellingham	
	Mr J Lowe	- Staff Governor
<b>IN ATTENDANCE:</b>	Mr J Kelly	- Interim Director of Finance and Planning
	Mr G R Copper	- Clerk to the Board of Governors
	Mr F Drake	- PricewaterhouseCoopers – Internal Auditors
<b>APOLOGIES:</b>	Mrs L Twigg	- Interim Principal

**SUMMARY OF RECOMMENDATIONS**

- Recommendations reported in Part Two Minutes

**1. MINUTES**

**1.1** The Minutes of the Meeting held on 26 November 2008 were confirmed and signed by the Chairman.

**1.2 Matters Arising**

There were no matters arising from the Minutes.

**2. MATTERS OUTSTANDING FROM PREVIOUS AUDIT REPORTS**

**2.1** The Interim Director of Finance and Planning reported on actions taken to address items raised in previous audit reports. Items noted in particular were that contingency plan testing had been delayed until after the Ofsted inspection but real events including a flooding incident involving a group of students and minibus in France and a recent virus outbreak had been successfully managed. Testing would be undertaken by 31 May 2009. Co-ordination of purchasing had been delayed by staff resignation and was now part of the collaboration proposals with Exeter College. Other outstanding items were reported and deadlines for action were noted.

**2.2** Governors were pleased to note that the list of outstanding items was shorter than in some previous years. Items reported to the meeting as completed would now be deleted from the next report to the Committee.

### **3. INTERNAL AUDIT REPORTS**

Mr Drake presented the reports.

#### **3.1 Catering**

Two medium and five low risk items were reported. The medium risk items were completeness of vending machine income and management had now re-instated a form to check income collected was comparable with expected income. Some invoice processing had not been fully compliant with financial procedures and the audit recommendations had been accepted. The overall assurance rating was moderate assurance.

#### **3.2 Estates Management**

One high risk, three medium risk and three low risk items were reported. The high risk item concerned the control of first aid kits where no list of kits was available and some contents were found to be out of date. Governors noted that the provision of at least an adequate number and placement of first aid kits was not disputed, but questioned whether it was appropriate to categorise the risk as high, particularly as the College had a good record in reacting to accidents and incidents.

The medium risk items were the updating of staff first aider qualifications, provision of a first aider on field trips, and implementation of recommendations arising from the insurers health and safety audit.

One instance had been identified where the relevant first aid certificate had lapsed. Management questioned the level of risk and that as there were 46 staff trained as first aiders and there was no risk to the availability of appropriately trained first aiders.

The audit had found that there was no requirement to include a qualified first aider on field trips, but recognised that these were being provided for higher risk field trips and in some cases specialist training had been provided linked to the activities undertaken. Management required all staff organising field trips to prepare a risk assessment and be aware of the College's emergency procedures, but an additional reminder about first aid and emergency cover would be added to vehicle booking sheets.

The insurer's health and safety audit had made a number of recommendations which had been prioritised. Some actions had not yet been implemented but no action plan or timescale for implementation of recommendations was found. Management considered that the key health and safety actions had been implemented and that a health and safety action plan was produced as part of the self assessment process and the Health and Safety Committee would monitor the action plan as recommended. The overall assurance rating was limited assurance.

### **3.3 Student Recruitment**

One medium risk item was reported concerning the follow up of pending course offers for which no formal process appeared to be in place. Action had now been taken to produce lists of learners who had not responded within two weeks. The list would be pursued at the following career event where interviewing staff would telephone the learner to follow up the offer. Governors noted the action taken but again questioned the appropriateness of the risk level for such a key element of the College's recruitment process. The overall assurance rating was moderate assurance.

## **4. FMCE SELF ASSESSMENT**

**4.1** The Interim Director of Finance presented the FMCE (Financial Management and Control Evaluation) self assessment which formed part of the LSC Framework for Excellence. The Committee discussed the evaluation and evidence provided and agreed that it be approved.

**4.2** The LSC had conducted an audit alongside the Ofsted inspection and the auditor had validated the FMCE and Governance supplement. The Interim Director of Finance reported that the LSC auditor had downgraded all of the assessed grades and reached an overall assessment of inadequate. There were significant concerns that the audit outcomes did not reflect the evidence provided and that the feedback to management and the Ofsted leadership and management inspector during the week had been substantially different. Examples were quoted where the judgements appeared to differ from the evidence. The College had therefore lodged an appeal, with additional evidence, to the LSC which had been turned down at the first stage. A submission for the second stage of the appeal process was now being prepared. The Clerk reported that Governance had been assessed as satisfactory.

## **5. EXTERNAL AUDIT REPORTS**

**5.1** Received the report on Work Based Learning produced by the LSC. An unqualified (satisfactory) opinion had been given on both the use of funds and on the internal control.

## **6. RISK MANAGEMENT**

**6.1** Received an update to the risk register which was unchanged from the previous meeting. The Interim Director of Finance explained the updated action plan to reduce the impact and likelihood of the identified risks in the risk register. Governors would continue to monitor progress in implementing the actions.

## **7. DATE OF NEXT MEETING**

**7.1** The Chairman reported that it was the last meeting which John Kelly would attend and he was thanked for his work as Interim Director of Finance

**7.2** Wednesday 1 July 2009 at 2.00 pm

Signed \_\_\_\_\_ Chairman

Date \_\_\_\_\_

**AUDIT COMMITTEE  
ACTION ITEMS**

<b>MINUTE</b>	<b>ACTION</b>	<b>BY</b>	<b>WHEN</b>
	Action items recorded in Part Two Minutes		