

Minutes of the Audit Committee meeting held on Friday 17 June 2011 at 11.00am
at Unite House, 128 Theobald's Road, London WC1X 8TN

Present : Carole Orgell-Rosen (Chair)
Ray Collins
John Chastney
John Walker

In attendance : Chris Wilkes
Sally Courtney
Chris Mantel (RSM Tenon)
Kevin Lally (Knox Cropper)
Victoria Johansen (minutes)

1.0 Apologies for absence

Apologies were received from Gordon Beesley

2.0 Minutes

Received : Minutes of the meeting held on 25 March 2011

Agreed : Minutes were confirmed as a correct record.

3.0 Matters arising not covered elsewhere on the agenda

None

4.0 External audit

Received : External audit strategy memorandum

Chris Mantel introduced the external memorandum.

3.5 – Materiality

The figure of £100k for 2011 could potentially be adjusted and if so, this would be reported by the external auditors.

5 – Audit risks – Recognition of income

CM stressed the importance of looking at income rather than student numbers. Late adjustments from the SFA may result in an inconsistency in financial statements.

External auditors are familiar with the workings of the SFA and are therefore able to anticipate the need to reconcile outturn of funding received against income received.

FRS17

External auditors will look at the pension arrangement to ensure the correct treatment of the pension valuation and will obtain the latest information from the pension schemes.

Capital Development costs

Costs will continue to be assessed and attention paid as to whether they are capital or

maintenance/refurbishment costs.

Voluntary severance

The provision for voluntary severance would be reviewed and tested against the documented process.

5.0 Internal audit

5.1 Received : Procurement report

Kevin Lally introduced the internal auditor's review of the systems, controls and procedures in place relating to procurement.

The College has good procurement systems and procedures in place and these are well documented. Ethical issues are well thought out.

It was noted that not all orders showed documentary evidence of a matching quotation and this should be rectified.

Whilst observations relating to suppliers were noted as low risk, the importance of supplier control was made. In particular the consolidation of suppliers and efficient purchasing procedures.

It was agreed that the internal auditors' report was helpful and the College had agreed the recommendations.

5.2 Received : Human resources report

The internal auditors believed that the management of human resources was carried out effectively by the College.

Appraisals

It has been agreed by the Management Team that formal appraisals were not necessary for tutors because their performance is assessed in observation of teaching and learning sessions. Appraisals would continue to be carried out for academic-related and support staff.

Staff development strategy

The strategy is good, but it does not appear to be backed up with plans for implementing it. An action plan should be produced with responsibilities and target dates.

John Chastney asked about the peer review system of monitoring academic staff and the external moderation by a senior academic from another institution. Chris Wilkes that this system worked well and that the outside person was the principal of another residential college.

There should be a link between the appraisal and individual development. This has been discussed; processes working and are going to be reviewed.

Recruitment and selection procedures were thought to be in place and working

correctly.

Visiting tutors

Although it was planned to reduce the number of visiting tutors, John Walker made the point that voluntary severance could increase costs initially, as it might be necessary to take on more visiting tutors to replace the tutors who had left. Kevin Lally confirmed that this could be the case in the short term, but long-term costs would fall.

4.3 Follow-up report

Noted that all but one of the recommendations have been implemented.

Kevin Lally had not thought it necessary to produce a report on the capital project. The internal auditors have looked at the Project Manager's reports and the costings are acceptable. The tender came in below budget and, as yet, there are no variations. The internal auditors will produce a report for the next Audit Committee meeting.

6.0 Financial Management and Control Evaluation

Received : letter from the SFA

Chris Wilkes advised the Committee that an Ofsted inspection of the College was anticipated next year and so the full evaluation would be undertaken.

7.0 Annual self-assessment exercise

Received : The self-assessment questionnaire

Kevin Lally suggested that this full self-assessment should be carried out once every three years, with a shorter version every year.

Agreed: that the questionnaire should be completed by each member of the Committee. Results to be collated by the Clerk and reported to the November meeting.

8.0 Meetings in 2011/12

8.1 Dates of meetings in next academic year – all meetings to be on a Friday at 11.00am
11 November 2011 – Oxford
23 March 2012 – venue tba
8 June 2012 – venue tba

8.2 Future format and venue for meetings

It was agreed that in future some meetings could be held by teleconference. Further details will be discussed at the 11 November meeting in Oxford.