

Minutes of the Audit Committee meeting held on Friday 25 March 2011 at 11.00am
at Unite House, 128 Theobald's Road, London WC1X 8TN

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

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

1.0 Apologies for absence

Apologies were received from Ray Collins and Pam Johnson
Carole Orgell-Rosen welcomed John Walker to his first Audit Committee meeting.

2.0 Minutes

Received: Minutes of the meeting held on 5 November 2010

Agreed: Minutes were confirmed as a correct record.

3.0 Matters arising not covered elsewhere on the agenda

Suggested amendments by the Audit Committee to the Annual Report

Chris Wilkes confirmed that these amendments had been made and approved by the Governing Executive.

4.0 Internal audit

4.1 Received: Strategic and financial planning

The internal auditors reported that the College has clear strategic plans in place and has developed a range of strategic and financial KPIs to monitor actual against targets. A comprehensive management accounts pack is produced by the Finance Director which includes information on financial performance and cash flows. They recommended a number of enhancements to this information including additional information on the financial implications of variances against target and improvements to the methodology of calculating forecast assumptions.

In the internal auditors' opinion, there are effective strategic and financial planning processes in place. They made recommendations to enhance internal financial reporting.

John Chastney commented that the report was more about financial planning than strategic planning and concentrated on operational rather than strategic issues. Chris Wilkes reported that the revised strategic plan had been written in the summer of 2010, taken through committees and approved by the Governing Executive in November 2010. Every effort had been made to make the plan

forward-looking but at that time Government policies on HE and the level of the cuts had not been known. The Government not disclosing the details of its further and higher education policies was making long term planning problematical. The strategic plan was due to be reviewed in July 2011. This would be an opportunity to consider any impact on the strategic plan of the Governing Executive's decision on HE tuition fees from 2012/13.

Agreed: that the internal auditors should produce a follow-up report on strategic planning for the November meeting of Audit Committee.

4.2 Student recruitment, records and returns report

Received : Student recruitment, records and returns report

The internal auditors reported that the College has in place student recruitment strategies and the Outreach and Recruitment Committee has specific responsibility for monitoring recruitment. They have recommended that recruitment targets should be incorporated within the strategies and that, in monitoring recruitment data, an analysis should be undertaken setting out the possible reasons for under-recruitment and potential implications. They also recommended that the student number figures produced by Registry should be checked for consistency with the figures used by Finance in updating financial forecasts. The process of student enrolment is operating effectively and their testing of the data held on the registry systems confirmed its accuracy. The returns of student numbers to the SFA and HEFCE also appeared to be accurate although they recommended that the methodology for preparing these returns be documented.

In the internal auditors' opinion, the College has adequate systems and procedures in place for recording, monitoring and reporting on student recruitment. They made recommendations to ensure that recruitment data is fully analysed in a consistent way.

4.3 Capital building works

Received : Capital building works report

The internal auditors reported that Phase 1 is now practically complete and, although there have been a number of instructions affecting the contract, the overall cost is within budget. Phase 2 has been satisfactorily tendered and the cost is significantly below budget. Action had been taken to check on the financial viability of the contractor, particularly as it is in the process of being taken over by a new parent company. Pending finalisation of the full contract, the contractor has been commissioned to undertake initial work so that the project timescale is not affected. The project continues to be well managed with sound financial management.

4.4 Follow-up report

Received : Follow-up report

The auditors reported that there were a total of six outstanding recommendations reported to the November Audit Committee meeting. They had discussed progress with management and reviewed underlying documentation. They confirmed that all recommendations arising from previous internal audit reports had been implemented.

5. Skills Funding Agency Provider Financial Assurance Visit

Received : letter from SFA dated 2 December 2010 confirming that the Skills Funding Agency had received an unqualified audit opinion from the auditors responsible for the College's learner responsive funding assurance audit for the academic year 2009/10.

6. Audit Committee annual schedule of business

Received : new annual schedule of business for the Audit Committee

Agreed : to add an item to the June meeting on self-assessment of the performance of the committee. The internal auditors would provide a checklist which could be used.

7. Date of next meeting

17 June 2011 at 11.00am