

Minutes of the Audit Committee meeting held on Friday 26 March 2010 at 11.00am
at Transport House, 128 Theobald's Road, London WC1X 8TN

Present : Carole Orgell-Rosen (Chair)
John Chastney
Pam Johnson
Louise Livesey

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

1.0 Apologies for absence

Apologies were received from Audrey Mullender, Sally Courtney and Rebecca Cox

ACTION

2.0 Minutes

Confirmed: as a correct record the minutes of the meeting held on 13 November 2009.

3.0 Matters arising not covered elsewhere on the agenda

3.1 Report on debtors

- ◇ Chris Wilkes reported that the situation had improved on the previous year.
- ◇ Most of the debts related to residential and catering fees.
- ◇ Ruskin was using a debt chasing system.
- ◇ Certificates are withheld from students who have not paid their fees.
- ◇ Students who have not paid are not allowed back in residence. However, this could potentially mean that students who elect to stay at the College during the vacations could stay for a whole year without paying fees. John Chastney thought this situation was not acceptable.
- ◇ Starting from September 2010, students will not be given a room key unless the first term's fees are paid in advance.
- ◇ Problems could arise if student funding is delayed. Cases will have to be dealt with on an individual basis.

3.2 Appendix to external auditors' management letter

Received: Appendix to the management letter for the year ended 31 July 2009

Noted :

- ◇ That the Governing Executive had received this appendix at the meeting in November.
- ◇ Page 2 - Staff costs for 2009 were high and should be monitored. Ruskin pays academic staff at HE rates as opposed to FE rates.
- ◇ Wide variance in 2005 – 2009 operating results. This was due to voluntary severance which took place in 2005.

◇ Management Team are looking at ways of reducing staff costs for the next academic year.

Agreed:

◇ The appendix was too general and needed to be more specific to Ruskin.

◇ Tenon should be asked to justify their scoring in relation to the College's financial health and to be invited to the next meeting.

CW

4.0 Internal audit

Received: Internal audit report

4.1 Received : Internal Audit Report - Quality assurance and course development

Noted : Systems operating effectively.

Noted: Library costs within budget, but the Librarian was not aware of the budget. Chris Wilkes stated that this was the situation for this year only when there had been no Cost Centre Manager (Dean) at the start of the year. The situation would be put right for next year. The Librarian would be informed of the budget early in the financial year.

4.2 Received : Internal Audit Report - Governance and risk management

Governance arrangements

Noted : The importance of governors' declaration of interest when an item is taken up for discussion. An item to be put on next agenda of the Governing Executive.

Corporate policies

Noted : Good schedule of policies and well controlled.

Strategic control

Noted : The situation has moved on from original action plan. The strategic plan is to be updated. It was the intention to review the strategic aims and make them less aspirational. The next Governing Executive agenda would be restructured to make the strategic plan clearly linked to each item.

Risk management policies and procedures

Noted : Process in place and improved; Responsibilities are clearly set out; early warning reports are good. Recommendations would be taken up.

Terms of office

Noted : That Search Committee would consider the recommendations about terms of office.

4.3 Received Internal Audit Report - Information systems

Noted :

◇ This was a well-controlled area, but clearer action points needed for ILT strategy and costs over the next two years.

◇ Staff should have training in data protection.

Disaster recovery :

Noted:

◇ IT Manager should detail which hardware will need to be replaced; who will do it and where it is.

◇ It is possible to buy the facility to use hardware from another source (i.e. a nearby university or institution), but this can be expensive.

◇ Would it be possible for Ruskin to set up a consortium with other colleges in preparation for such a need?

- ◇ Software is backed up every day and information kept off-site, so only loss would be to hardware.
- ◇ IT Manager would undertake a cost benefit analysis comparing the cost of 2 or 3 day's delay in acquiring new equipment with the cost of using the facilities of others.

4.4 Received: Internal Audit Report – Capital Project

Noted :

- ◇ Amended planning permission for academic centre still to be confirmed.
- ◇ Funding for project – details of loan offer still to be finalised with The Co-operative Bank.
- ◇ Possible cash flow problem if loan not available by July this year.
- ◇ Governing Executive to consider loan from Co-operative Bank at next Governing Executive meeting in May.
- ◇ Chris Wilkes reported that the College owned two houses in Stoke Place which could be sold if absolutely necessary.

4.5 Received : Internal Audit Report – Follow up report

Noted : the action taken in relation to the recommendation on reviewing the cheque signatory limits. The internal auditors were satisfied that the BACS payment procedures provide adequate control over payments.

5.0 External Audit

Received : Details relating to the merger of RSM Bentley Jennison with Tenon Group Plc

Noted : The General Secretary and the Finance Director would meet with Chris Mantel before the next Audit Committee meeting.

6.0 Date of next meeting

11 June 2010.