Minutes of a Meeting of the Audit Committee

Venue:	Conference Room 1, South Tyneside College
Date:	Wednesday, 4 March 2015
Time:	4.00pm – 5.50pm
Present:	Ray Staward (in the Chair) George Clark Christine Smith
In Attendance:	Arlene Atkinson (KPMG) Steven Bainbridge (KPMG) Helen Beaton (Deputy Chief Executive) Adam Morton (PwC) Nicola Wright (PwC) Lindsey Whiterod (Chief Executive) Neil Longstaff (Clerk)

ITEM NO.	ISSUES	ACTION
1.	**Meeting with Auditors in Absence of Management** Auditors stated that there was nothing to report to the Committee.	
2.	**Apologies for Absence** Lindsey Whiterod (LW) and Helen Beaton (HB) joined the meeting. Apologies for absence received from Nick Whalen-Griffiths and Susan Wear were accepted after first considering their reasons for absence.	
3.	**Declarations of Interest** The Chair reminded members to declare any conflicts of interest as they arose on the agenda.	
4.	**Minutes of the Previous Meeting and Matters Arising** The minutes of the meeting held on 26 November 2014 were approved and signed by the Chair. **Matters arising** It was reported that all actions had been addressed; these being: Internal Audit Reports – Funding Assurance - ILR Substantive and DSAT s The Clerk confirmed that he had, as requested, shown a shared responsibility for the Head of MIS and Head of ICT when adding the risk recommendations to the Tracker. It was also confirmed that this Audit report had been presented to the Professional	

and Vocational Quality Committee for consideration/information.
<u>Year End Accounts</u>

The Board had confirmed the Year End Accounts 2013-14 and the Letter of Representation had been signed by the Chair of the Board and Chief Executive.

HB informed the Committee that she had removed the estimated contract value for the Hebburn site and reworded the sentence in the document accordingly.

<u>Audit Committee Annual Report</u>

The above mentioned report had been presented to the Board for information.

<u>Annual Report on Risk Management 2013-14</u>

The Clerk confirmed that the statement of governance and internal control in December 2014 had been signed by the Chief Executive and Chair as part of the College's annual report.

<u>Policies</u>

It was reported that the following policies had been approved by the Board:
- Security Policy
- Data Protection Policy
- Business Continuity Policy

5.	**Internal Audit Reports**	

<u>Management of outsourcing arrangements</u>

The above mentioned report covered the following areas:
- Introduction and background
- Key findings and recommendations
- Action plan
- Summary of work undertaken and risks reviewed
- Classification of report ratings
- Classification of findings

From the work performed on the management of outsourcing, auditors considered that the system of internal control was 'Good' with only one low risk recommendation

Two areas of good practice were highlighted these being:

- The College agrees KPIs as part of its annual expectations' meeting with Sodexo.
- Regular meetings were held between the College and both outsourced providers to monitor performance against the contracts.

Q. Longer term aim of the contract for the College's contribution to reach nil - how long? This was expected to be 2/3 years but was difficult to give an exact timeframe.

Q. Head of IT capacity to fulfil role? Yes. The roles of the Head of IT and Sodexo General Manager were clarified.

Resolved: That the Committee accepts the report.

Estates and Equipment Management

The system of internal control was rated as 'Good' with only one low risk recommendation.

Two areas of good practice were highlighted these being:
- Weekly meetings were held between the Head of Estates and the Deputy Chief Executive to monitor progress against plans, identify areas of concern and prioritise future maintenance works
- The College had developed a long term property plan which had been reviewed by the Board and specific plans were in place for different aspects of the College's equipment and estates to implement the overall plan.

Q. Action Completed? Yes, the recommendation had now been addressed.

Resolved: That the report is received and accepted.

Curriculum Planning

This report covered the following areas:
- Introduction and background
- Executive Summary
- Key findings –SFA (Skills Funding Agency)
- Key findings –EFA (Education Funding Agency)
- Supporting Analysis

This review considered whether the College had appropriately considered all elements of the funding methodology in its curriculum planning for 2015/16. Auditors had reviewed the College's Individualised Learner Record (ILR) for 2013/14 and 2014/15. They also discussed the 2015/16 curriculum planning process with the College and had reviewed the funding methodology outlined within the Funding Rules 2015/16 to confirm whether there were any areas not being fully utilised by the College.

The auditors' findings for both SFA and EFA funded provision were detailed in the report and discussed. It was noted that this report only provided advice and therefore there would be no recommendations.

LW informed the committee that there was to be a high level review of EFA provision.

Various questions were raised and answered by management; these included:
- Studying hours (high)?
- Over provision?
- Staff overpaid?
- Risk less this year?

With regard to SFA funded provision the auditors found that that the College had considered the required elements of the funding methodology, as detailed in the report, and these were being utilised where relevant.

The review of the EFA funded programmes identified issues which the College

	management had agreed to address; these covered: • English and maths conditionality of funding. • High study hours **Resolved: That the report is received and accepted.**	
6.	**Policies** Several policies were presented for consideration. • Risk Management Policy The risk management policy had been updated for changes in job titles and other minor wording changes. • Freedom of Information Publication Scheme The College's publication scheme was based on the model scheme produced by the Information Commissioners Office. The document had been revised to amend titles, references to committee titles and to address changes in legislation • Public Interest Disclosure Policy and Procedure The College's Public Interest Disclosure Policy and Procedure had been revised and was now based on the model produced by Association of Colleges (AoC). Q. Term 'Worker'? Definition was stated in the policy document. **Resolved:** **i. That the Risk Management Policy be recommended to the Board for approval.** **ii. That the following polices are approved:** • **Freedom of Information Publication Scheme** • **Public Interest Disclosure Policy and Procedure subject to an amendment to 1.6 – removal of named person.**	**NL** **NL**
7.	**Audit Recommendation Tracker** The Clerk presented the tracker for governors' consideration. The document identified any recommendations which were deemed a high or medium risk, which were either overdue for implementation or could be removed if completion had taken place. All personnel who were shown on the list with outstanding issues had been asked to advise if there had been any further progress and the tracker had been updated accordingly. It was noted that most of the recommendations had now been implemented. Questions were raised about Pro Monitor as this had been on the Tracker for some time. LW explained that Pro Monitor was used well by some teams but not so well by others. However, questions were now being asked about how much staff time was being spent on its implementation and was it having an impact on achievement. Q. Retain on Tracker? Pro monitor was being used where appropriate but not	

	embedded. Members acknowledged the good progress being made. **Resolved:** **i. That the report is received and agreed.** **ii. That the Chief Executive is to provide a report to the next Audit Committee to explain how Pro Monitor had been used in the College and a proposal to change the recommendation to the Committee, in consultation with auditors, so that this matter can be signed off.**	**LW**
8.	**Review of Committee performance against TOR - update** Members were reminded that at the Audit Committee meeting in September 2014 the Clerk had outlined the responses from members of Audit (including Management) to a questionnaire on the 'Review of Committee Performance against Terms of Reference'. Members, after considering the report, had asked that the Auditors work with the Clerk to provide assurances to the members of the Committee over the issues raised e.g. scores of 3 or lower. Assurances by Auditors (KPMG) and Management were now provided as detailed in the report. PwC commented that they supported the comments within the report. **Resolved: That the Committee approve the report.** At this stage in the proceedings the auditors left the meeting.	
9.	**Any Other Business** Confidential item.	
10.	**Tender Process for Selection of Internal and External Auditors** Confidential item.	
11.	**Identification of Confidential Items** **Resolved: That Items 9 and 10 are to remain confidential.**	
12.	**Date and Time of Next Meeting** The next Audit Committee meeting was scheduled for Wednesday 13 May 2015 at 4.00pm.	

Signed: ....

Date: ....