



MINUTES OF THE TRC AUDIT COMMITTEE MEETING

MONDAY 24 MARCH 2014

The Clerk informed the Committee that Ms Collier was expected to attend and that the meeting was quorate. Mr Fitzgerald agreed to take the Chair in Ms Collier's absence.

PRESENT

Ms J Collier (Chair); Mr D Fitzgerald; Ms R Hill; Mr B Owen; Ms A Todd; Mr M Chaudhary

In Attendance:

Ms A J Oaks (Clerk); Mr M Patterson, Vice Principal Finance & Resources; Mr S Pepper (Allotts)

APOLOGIES

14.01 Apologies were received from Dr R J G Bloomer.

DECLARATIONS OF INTEREST

14.02 There were no declarations of interest.

MINUTES

14.03 The Minutes of the meeting held on 2 December 2013 were agreed as a true and accurate record.

MATTERS ARISING

14.04 The Committee received a list of actions arising from the previous meeting, both of which were on the Agenda for discussion.

RISK MANAGEMENT MONITORING REPORT

14.05 The VP F&R presented the Risk Management Monitoring report which had been reviewed and updated by the Risk Management group in February. Following questions from Governors the VP F&R provided further information regarding the IT issues. Discussion took place with regard to the use of smartphones and laptop/tablets for use by staff and students. The VP F&R advised that consideration was being given to installing WiFi in the summer, as the majority of students had access through use of their own devices. Following questions from Governors with regard to learners with insufficient resource to finance a smart phone or device, the VP F&R confirmed that financial support was available to those learners eligible through the bursary fund. Currently students and staff had full access to the network at college and at home. The recent Ofsted Grade had impacted very positively on risks identified within the RMMR.

The report was noted and received.

Mr Pepper (Allotts) joined the meeting.

INTERNAL AUDIT REPORT FOR YEAR ENDING 31 JULY 2014

- 14.06 The Committee received the Internal Audit report, presented by Mr Pepper, which summarised the work undertaken by the internal auditors during the year. As agreed within the 10 day plan, reviews had been undertaken on procurement, Accounts, Catering, Sports Centre, Risk Management and a Follow up on previous recommendations.
- 14.07 A total of three recommendations had been made following the review of Accounts and the Sports Centre. The review of all remaining areas were given opinions of Strong, which was noted by the Committee.

Accounts

- 14.08 The report provided an opinion of Strong systems, and identified one low priority recommendation relating to accruals, which had been rejected by management. The VP F&R referred to the management response, stating that it was felt the additional workload involved in implementing the recommendation would have limited benefit and was not feasible due to management capacity. These costs/adjustments were also not material and as such not needed under standard account practices. This was noted by Governors.

Mrs J Collier joined the meeting.

Mrs Collier took the Chair.

RESOLVED 14.08 to recommend the Internal Audit Report for year ending 31 July 2014 be approved.

Mrs A Todd joined the meeting.

Sports Centre

- 14.09 A substantial opinion was provided on the review. Two medium priority recommendations had been made, one relating to risk of membership cards being shared with non members and one regarding the current software system. Noting management's responses, governors sought further clarification of the procedures currently in place. Following discussion, Governors noted that whilst the financial risk was minimal it was necessary to ensure the procedures were sufficiently improved and staff given appropriate reminders. Governors accepted the College was addressing the issues identified.
- 14.10 The Chair thanked Allotts for the report, noting the limited number of recommendations which demonstrated sound systems and procedures in place.

JOINT AUDIT CODE OF PRACTICE AND ASSURANCE FRAMEWORK

- 14.11 The Clerk presented a report highlighting the subtle but significant changes brought about by the Joint Audit Code of Practice issued July 2013. In terms of the role of the Committee, the Terms of Reference would require review to ensure they remained fit for purpose and reflected good practice in light of the changes.
- 14.12 The Clerk advised that the most significant change was the mechanism by which the Committee had to form an opinion to the Corporation in terms of its responsibility for the adequacy and effectiveness of the College's audit and assurance arrangements, framework of governance, risk management and control processes. Whilst the Committee could rely on the internal audit opinion, it must provide its own opinion to the EFA at the year end.

14.13 The Chair referred to the existing Terms of Reference and proposed a minor change be made to paragraph 9 which set out the requirements of the Annual Report to the Corporation and suggested that the Report includes advice on 'assurance processes'. The Clerk undertook to make the proposed amendment together with a minor change to remove a reference to LSC.

RESOLVED 14.14 Subject to amendment, to recommend the Terms of Reference of the Audit Committee be approved.

14.15 **AUDIT AND ACCOUNTABILITY ANNEX TO THE FOUNDATION CODE OF GOVERNANCE**
The Committee received a report from the Clerk which summarised the purpose of the Annex which was available for adoption by Colleges who had adopted the FE Foundation Code. The Annex was an integral part of the Foundation Code and provided an alternative to compliance with the Financial Reporting Council's UK Corporate Governance Code.

14.16 The Clerk advised that the requirements of the Code were not onerous and that the College was already compliant in these areas. Adoption of the Annex would be noted within the corporate governance statement in the College's Financial Accounts at the year end. Further to brief discussion, it was agreed to adopt the Annex to the Code.

RESOLVED 14. 16 To adopt the Audit and Accountability Annex to the Foundation Code of Governance.

14.17 Cleanmail update. Confidential. (Minutes recorded separately).

DATE AND TIME OF NEXT MEETING

14.18 The next meeting would be held on 23 June 2014, subject to agreement with Chair, Clerk and VP F&R regarding business for the Agenda.

Signed _ J Collier _____ Chair

Date ___ 23 June 2014