

Priestley College

Minutes of the Audit Committee meeting
held at 4.30 pm on Monday, 21 March 2011
in the Learning Resource Centre

PRESENT:	Mr A Farquharson	(Chair)
	Mr P Dyke	
	Mrs D Farrent	
	Mrs K Hope	
	Mr Y Shaikh	
	Mr P McMellon	Clerk
BY INVITATION:	Mr M K Southworth	Principal
	Mrs J McCann	Vice Principal (Resources)
	Mr I Lewis	Director of Finance
	Ms R L Miles	PriceWaterhouseCoopers
	Ms J Andrews	PriceWaterhouseCoopers
	Mr K Rushton	RSM Tenon

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor K Simcock.

2. DECLARATION OF INTERESTS

No member declared any personal interest in any item on the agenda.

3. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 29 November 2010 were accepted as an accurate record and signed by the Chair.

4. MATTERS ARISING

There were no matters arising

5. RISK MANAGEMENT ACTION PLAN 2010/11 – MID-YEAR UPDATE

The Principal presented the full report which had been distributed with the agenda. He confirmed at the outset that report reflected an unprecedented series of changes and challenges, most of which were attributable to the national economic position and to the Coalition Government's response.

The Principal then took the Committee through each section of the report, drawing particular attention as follows:

i) the outcomes from recent external validation of self-assessment (of levels of performance in the curriculum and quality) reviews had been reassuring, although the College obviously recognised that this did not guarantee success at Ofsted inspection as certain things can only be tested through full inspection.

ii) the College had featured impressively in the League Tables published in January 2011

iii) student retention was solid to the end of January 2011, but would inevitably become more of a challenge with the withdrawal of EMAs

iv) similarly, the expected reduction of the Connexions service will present additional challenges and costs if the delivery of good, independent advice for young people is to continue.

v) the impact of increases in higher education tuition fee levels will be felt by colleges

vi) any reductions in public transport subsidies for students would be detrimental to recruitment endeavours, although there now seemed a good prospect that, for Warrington students using bus transport, any reductions had been deferred at least for the next year.

vii) the College was in the process of responding to an opportunity for securing limited campus development funding. A bid for support from the Building Condition and Improvement Fund was being assembled against a very tight timescale and, if accepted, should result in much needed upgrading of several aspects of the campus.

viii) retention of JISC/JANET service meant that colleges in the sixth form sector would not, for the time being, be deprived of this essential facility.

ix) receipt of full funding (for 2011/12) allocation details was now due, but had not yet been forthcoming from the YPLA. The College continued to model detailed options based on the funding information which was currently available.

Having noted the specific elements of the Principal's Mid-Year Update, the Committee then discussed the broader context within which the risk management of the College was being conducted. With so much uncertainty on so many fronts, the challenges confronting the College and the sector in general were that much more significant.

The Committee concurred with the Chair's assessment that, with the information available and with assumptions reasonably made, the College's risk assessment remained robust and effective.

RESOLVED: That the Mid-Year Update of the 2010/11 Risk Management Action Plan is noted.

6. REPORT OF FRAUD OCCURRENCE

Mr I Lewis (Director of Finance) presented a report relating to the recent detection of external attempts to use fraudulently one of the College's credit cards. He provided further detail on the nature of the fraudulent attempts, but was able to confirm that there had been no actual loss of any of the College's assets.

The Committee noted that the incident had clearly not involved any employee or associate of the College, and that it was, in all probability, nothing more than a commonplace 'scam' to which all users of cards are inevitably vulnerable. The actual credit card in question is not taken off campus : it is kept secure in the College safe. However, it is used 'remotely' (ie., telephone or on-line) and this inevitably exposes it to the type of misuse now reported.

Mr Lewis confirmed that the daily checking of card transactions was part of the Finance Section's routine.

RESOLVED: That, in accordance with the College's Policy on the Prevention, Detection and Reporting of Fraud, Irregularity and Corruption, the report from the Director of Finance is received, and that, the matter being one of only minimal effect, no further action is called for.

7. INTERNAL AUDIT – PROGRESS REPORT

The Committee received and noted the contents of the latest Progress Report presented by Mr K Rushton of RSM Tenon.

8. INTERNAL AUDIT REVIEWS

(i) Learner Number Systems – Examinations (2010/11)

Mr K Rushton (RSM Tenon) presented the report of review of aspects of the College's examinations systems. He was pleased to confirm that the report indicated that the College's systems were working well and were being diligently operated. There were no recommendations for change or improvement in the report.

The Committee were pleased to note the 'substantial assurance' offered in this 'green opinion' report.

RESOLVED: That the report of the Learner Number Systems (Examinations) review is accepted.

(ii) Human Resources – Recruitment including CRB checks and Safeguarding Training for Staff (2010/11)

Mr K Rushton (RSM Tenon) presented the report on the review of aspects of the College's staff recruitment systems. He confirmed that the report indicated 'substantial assurance' ('green opinion') and he drew attention to the two recommendations which College management had already agreed to act upon.

The Committee endorsed the responses from College Management.

RESOLVED: That the report of the Human Resources (Recruitment including CRB checks and Safeguarding Training for Staff) is accepted

9. AUDIT SERVICE REPORTS : RECOMMENDATIONS TRACKING

The Committee noted from the updated Recommendations Tracking report that all required action arising from previous audits had been completed.

RESOLVED: That the Recommendations Tracking report provides adequate evidence of progress on agreed action points.

10. FINANCIAL STATEMENTS AND REGULARITY AUDITORS – REVIEW OF PERFORMANCE

Ms R L Miles presented her report covering the Financial Statements and Regularity Auditor's performance on the 2009/10 Financial Statements. Using the performance indicators previously endorsed by the Committee, Ms Miles suggested that the 2009/10 audit had been conducted efficiently and effectively.

The Committee thanked Ms Miles for her report.

(Ms R L Miles and Ms J Andrews, together with Mr K Rushton, left the meeting at this point)

It was agreed that PriceWaterhouseCooper's performance, when assessed against the KPIs operated by the Committee, had been at a good standard. College Management also confirmed that there were no issues arising from the 2009/10 audit.

RESOLVED : That the Review of Performance provided by the Financial Statements and Regularity Auditor is accepted.

11. FINANCIAL STATEMENTS AND REGULARITY AUDITOR - APPOINTMENT

Following on from the previous item, the Committee discussed the service provided by PriceWaterhouseCoopers. It was readily agreed that the Financial Statements audit had been performed very professionally. There had been no issues relating to staffing, deadlines or continuity. College Management concurred with this view, adding that the thoroughness of the 2009/10 audit experience had, once again, bolstered College staff 's confidence in the auditors and in the process.

The Committee noted the conditions for re-appointment of auditors as per the Audit Code of Practice. It was also noted that PriceWaterhouseCoopers proposed a 3% increase in fee rate (ie., the fee for the 2010/11 audit would be £11,961 plus VAT).

RESOLVED : That, on the basis of a fee of £11,961 plus VAT, the Governing Body is recommended to re-appoint PriceWaterhouseCoopers as Financial Statements and Regularity Auditor for the 2010/11 financial statements.

12. DATE OF NEXT MEETING

The next meeting of the Committee will be at 4.30pm on Monday, 20 June 2011.

PMcMellon
22 March 2011

Accepted as a true record and signed by the Chair

Signature

Date