

Priestley College - Audit Committee

Minutes of the Meeting Held on 14.3.2016

Present: Alan Farquharson (Chair), Philip Dyke, John Monaghan, Allan Osborne, Mark Salmon

Apologies: Damian McGuire

Absent without Apologies: Kelly Simcock

In Attendance: Julie McCann, Matthew Grant (part), Mike Benson (Murray Smith), Louise Tweedie (RSM), Dr. Carsten Kressel (Minutes)

Declarations of Interest

No declarations of personal or pecuniary interest in the matters to be discussed were made.

Minutes

The minutes of the meeting held on 30.11.2015 were **agreed** as a true and accurate record and signed by the Chair.

Matters Arising

Governors noted that representatives of the bank are due to visit the college to clarify accounts and financial matters, particularly in relation to loan arrangements, in light of a potential conversion to become an academy. They further noted that the bank has requested the accounts to be presented in line with FRS 102, with both accounting policies being applied. They were advised that changes in the accounting policy are unlikely to change the financial standing of the college.

Internal Audit Service Report

Louise Tweedie presented the internal audit service report. She explained that she had reviewed the learner number systems for the SFA and the adult community learning contract. She had tested a sample of learners and given a green opinion as everything was in order. As absolutely no mistakes had been found, it had not been necessary to make any recommendations. Mrs. Tweedie pointed out that such a finding is unusual in a college setting.

Mrs. McCann informed governors that she had asked the auditor to focus on an area that had witnessed changes of personnel recently and that had consequently been identified as an area of risk, as a way to test the robustness of systems. Despite the pleasing results, it was, however, important not to become complacent in the approach to risk.

Audit Reports - Recommendations Tracking

Governors noted the recommendations tracker, as presented by Mrs. McCann.

Mr. Grant joined the meeting and apologised for being late, having been detained in a JCC meeting.

Risk Management Action Plan 2015/16 - Mid-year Update

Mr. Grant introduced the Risk Management Action Plan update to governors and highlighted the following points: -

- Page 2 - Asbestos risk reviewed - the Asbestos Management Plan may need to be reviewed.
- Page 3 - Staff absence is being monitored through One Health, an occupational health provider.
- Page 3 - Industrial action - The NUT planned to strike nationally in 6th form colleges on 15.3.2016, but the local branch had voted against the strike, and no action was expected.
- Page 3 - Budget situation / impact on staff morale - 4 pools of teaching staff have been identified among whom a staff reduction equivalent to a total of 3 FTE needs to be achieved. Staff within these pools have been invited to meet with Mr. Grant on 17.3.2016. Work continues to resolve the situation as far as possible before the deadline for finalisation of proposals on 21.4.2016. However, the college is also withdrawing from the Adult & Community Learning contract with Warrington Collegiate, possibly leading to a further staff impact.
- Page 4 - Applications have increased by 5% this year. The college is, therefore, anticipating growth, further aided by improved attendance. In addition, it is planned to make a case for funding for a further 50 learners following the decision by Penketh High School to close its 6th form to new Year 12 pupils this September.
- Page 5 - Applications from Culcheth increased this year following closure of their 6th form.
- Page 6 - Significant savings have already been achieved. Acedemisation may bring further potential savings, which have not been built into the budget yet.

Mr. Grant left the meeting at 4.50 pm.

Internal Audit - Benchmarking Report 2014/15

Mrs. Tweedie reported that the reports for the last three years had all been green, better than most other FE and 6th form colleges. The same was true for the number of management recommendations that had been made. Overall, the college offers an outstanding level of assurance.

Governors noted the need to compare like with like when undertaking such benchmarking exercises and the importance of avoiding complacency in maintaining financial procedures and probity.

Internal Audit Progress Report

Governors noted the Internal Audit Progress Report. No common threads requiring further investigation have been identified so far. Three more reviews are planned in the coming term.

Any Other Business

Mrs. McCann informed governors that the EFA had written to the college to confirm that it had assessed its financial health as outstanding, based on a review of the financial return for the last financial year and other relevant documentation.

Mr. Osborne informed the committee that he was about to start a new job and that he was unsure if and how this change might affect his ability to attend future meetings.

The meeting was closed at 4.58 pm.