

CORPORATION OF KIDDERMINSTER COLLEGE

Minutes of the Audit Committee held on
Thursday 25th March 2010 at 17.30 hours

A572 Present Paul Crowley Chair
Derek Arnold
Annie Conway
Andy Dobson
Jonathan Grice
Stella Hammond
Karen Stevens

A573 Quorum 2

A574 In Attendance Derek Harrison, Director of Finance & Administration
Patrick Green, RSM Tenon
Angharad Hale, Clerk to the Corporation
Tim Mason, Director of Curriculum Strategy & Business Development
Paul Oxtoby, Baker Tilly
Judith Simpkins, Senior Finance Officer
Louise Tweedy, RSM Tenon

A575 Apologies & Welcome

The Chair welcomed new members of the committee who were attending for the first time and visitors to the meeting. No apologies had been received.

A576 Declaration of Members' Conflict of Interests

Stella Hammond declared an interest in **item A581** LSC Audit Reports *i) Train 2 Gain*.

A577 Minutes of Meeting Held on 3rd December 2009

The minutes of the meeting held on 3rd December 2009, having been circulated, were agreed and signed by the Chair.

A578 Matters Arising

i) ICT Security Policy

Derek Harrison confirmed that the matter has been concluded. The data security risk was included as part of the Risk Management Plan which was presented to the December Corporation meeting.

A 579 Internal Audit Progress Report

Details having been circulated, it was noted that under item 4.1, Internal Audit Plan 2009/10; Key Financial Controls and Follow Up have been issued. It was not considered necessary to carry out an audit for Capital Projects this year. However as the College is in the process of updating its Property Strategy this may lead to a Capital Project and an audit may need to be planned in for next year.

It was noted that Train 2 Gain continues to be a funding stream with a heavy audit and high risk profile in terms of clawback, therefore the College needs to ensure it complies with audit requirements.

Louise Tweedy highlighted the need to ensure Safeguarding requirements are adhered to and the issue should be included in the College's Risk Register.

It was noted that the RSM Bentley Jennison partnership have merged with the Tenon Group creating the new name of RSM Tenon. In practice the staffing base and working methodology will continue as before. However there may be a slight change in approach as Tenon have a separate external audit team and there is a chance they may bid for both internal & external audit in future.

A query was raised regarding the Learner View Survey. Andy Dobson confirmed that there has been progress with more student responses than last year. However there have still been issues such as off site learners and those without on-line facilities. Some learners on short programmes have also been difficult to reach. The Skills Funding Agency has yet to confirm whether they will issue a grade for the survey but there are no implications that the College is aware of.

A 580 Internal Audit Reports

i) Learner Numbers

Details having been circulated, it was noted that there is one significant area in the action plan regarding register completion. New guidance for staff is being issued to ensure that fully completed registers are submitted.

ii) Significant Partnerships

A query was raised regarding a sentence in the report which states that the College provides teaching staff to Stourport Training Centre. Derek Harrison and Louise Tweedy agreed to check the contract.

iii) Payroll

Details having been circulated, it was noted that there was 'substantial' assurance in this area with only 2 items categorised as merits attention.

A 581 LSC Audit Reports

i) Train 2 Gain

Tim Mason outlined the reasons for the original issues raised which related to higher and lower level funding and location of evidence. Firstly, rapid expansion of activity had caused a backlog in processing information. Additional staff have been appointed and a training centre manager is in place to manage the processes. Secondly, learners training needs and assessments were being carried out and recorded at different points whereas LSC required all the information to be recorded on the Individual Learning Plan. A document has now been created that addresses this issue. The College has

taken on board the action points from the audit report and are confident they have addressed all the issues raised.

The matter has been concluded with the LSC and a much smaller clawback amount than originally reported has resulted. As the full clawback amount was accounted for in last year's Financial Statements, there will be a positive impact on this years accounts.

ii) Apprenticeships/E2E/EMA

Details having been circulated, it was noted that there is a significant issue around funding for learners who progress from Level 2 to Level 3, with an approximate funding slice of 50% at Level 3. This has a knock on effect for future recruitment and means that some sub contracted work is no longer viable. It was confirmed that most current apprenticeships are on a 15-18 month programme.

A 582 Risk Management

i) Risk Management Workshop

Derek Harrison will be taking responsibility for this area under the new SMT structure and is working on how to move the College from being classed as risk managed to risk enabled.

Details of a recent workshop that Derek attended had been circulated. It was noted that the training provider offers a 2 ½ hour programme for Governors which could be considered in next years training programme.

ii) Risk Scoring Matrix

Following recommendations from the internal auditors the 3x3 scoring matrix has been reviewed and alternative models based on a 4x4 scoring matrix had been circulated. The fundamental difference is that 4x4 scoring matrix highlights low probability but critical impact areas. It was agreed to adopt this format.

iii) Updated Risk Register

An updated version of the Risk Register had been circulated, based on the new scoring matrix. 3 or 4 additional areas were now identified as a significant risk. The Risk Register will be updated next term and brought to the Audit Committee for consideration rather than directly to the Corporation.

iv) Report on (3) Significant Risks

Details having been circulated, it was confirmed that the part time salary spreadsheet is updated monthly and the Sickness Absence policy is being reviewed, including procedures.

The Finance & Personnel Committee agreed to proposals for a further 2 year contract with Ricide. This formed part of the discussion in a recent meeting with the Ricide manager but a number of issues need to be addressed before the College signs the new contract, mainly related to student success rates.

A 583 Joint Audit Code of Practice

Details having been circulated, Derek Harrison confirmed that the information was to note. The relationship between the new funding agencies and the Charities Commission has yet to be defined.

A 584 LSC response to recent College Financial Returns

The FMCE approved at the last meeting was submitted and LSC have agreed with the College's self assessment grades. A copy of the College's action plan regarding internal control issues had been requested. This has now been submitted confirming management agreement that signed contracts should be held at the College regarding the Schools Link/Continu contract.

A 585 Any Other Business

None raised.

A 586 Date of Next Meeting

Thursday 17th June 2010 at 17.30 hours

The meeting closed at 18.30 hours

Chair _____ Date _____