

New College Corporation

Audit Committee

Monday 2 March 2009 Minutes

Present: Mr V Davies (Chairman)
Mrs J Millington
Mr J Dean

In Attendance: Mr S Islam (KPMG LLP)
Mrs B Tyley
Mr R Goodrich
Mr P Taylor (Clerk)

1 Apologies

Mr P Boulter (member), also Mr G Clark and Mr D Barnes (Grant Thornton).

The Clerk reminded the Committee that this was to be the last meeting of the Audit Committee for Mr Venn Davies who was stepping down from the Corporation after nearly sixteen years' service. Warm tributes to Mr Davies' work as Chairman of the Committee for many years were paid by the Clerk, members of the Committee and those in attendance.

2 Confirmation of Minutes

The minutes of the Audit Committee of 2 December 2008 were confirmed.

3 Declarations of Interest

None.

4 Internal Audit Reports 2008/09: Funding Assurance

Mr Islam introduced the report (copy in minute book) for the Committee explaining that the report completed by funding assurance specialists within KPMG set out the results of the review of course master file and registering elements of the student records systems at the College. He confirmed that the conclusion was that from the work performed on course masterfile and register processes the system of internal control, risk management and governance was 'satisfactory'. He drew members' attention to the report's executive summary which displayed examples of good practice and noted the report's key findings. He reported that just one recommendation in the 'medium' risk category had resulted which related to the

retention of registers for the learning aim 'Key Skills'. He noted that the management response was timely and appropriate.

Mrs Tyley commented that in the light of the improvements in performance of the college MIS system, the good practice found and the fact that only one recommendation was involved, she was disappointed that the conclusion was not better than 'satisfactory'. Mrs Tyley emphasised that she was not seeking to minimise the importance of the risk in this area, but would appreciate information from the auditors on what performance would have led to a conclusion better than 'satisfactory'.

Mr Islam commented that the specialist team conducting the review worked to a formal methodology in reaching their overall conclusion. He undertook to consult colleagues and provide information to Mrs Tyley on the methodology employed.

The Committee resolved to receive the report.

5 Internal Audit Progress Report

Mr Islam introduced the report (copy in minute book) for the Committee explaining that it set out progress against the audit plan for 2008/09 for the period 1 August 2008 to 2 March 2009.

He noted that one review had been completed, and drew members' attention to the schedule for the remainder of the agreed reviews for 2008/09 adjusted at the request of College Management. Mrs Tyley commented that deferral of the Curriculum and Strategic Planning reviews resulted from the fact that planning for both was in progress (with Governors about to undertake a Strategic Planning 'away day') and a more rounded view of the systems involved would be produced when the current planning processes were completed.

In response to a question from Mr Dean on the possible relationship between the delay of the Curriculum and Strategic Planning reviews and the identified risks relating to student recruitment in student numbers, Mrs Tyley and Mr Islam commented that deferring the review was unlikely to disadvantage the current planning process since the review focused primarily on the systems involved.

The Committee resolved to note the report.

6 Risk Management Update

Mr Goodrich introduced the report (copy in minute book) for the Committee explaining that it had been compiled by the Risk Management and Planning Group. He drew members' attention to the results of the latest Risk Register review, noting that only one risk (IT failure) has experienced a movement in the rating involved. This reflected a downgrading of IT systems failure risk following the recent considerable capital investment in IT infrastructure.

He referred to the Risk Assessment within the Control and Assurance Framework table contained in the report and noted that the usefulness of the document had

been enhanced by the inclusion of 'Improvement Actions' and 'Areas for Development' at the suggestion of the Audit Committee. The Committee welcomed the Framework's enhanced format, and Mrs Tyley and Mr Goodrich both referred to its practical application to the management of the College.

The Committee resolved to receive the report.

7 Progress with Implementing Previous Audit Recommendations

Mr Goodrich introduced the report (copy in minute book) for the Committee explaining that it summarised progress made on outstanding audit recommendations, including those from the Provider Financial Assurance (PFA) review. Mrs Tyley provided members with further details of work in progress set out against individual recommendations in the report. In the course of a short discussion on the publication of Corporation minutes (PFA ref 19b) on the college website, the Clerk commented favourably on the attractive appearance of the website. The Committee agreed to pass on its congratulations to those involved in the website delivery. Mrs Tyley commented that work was underway to enrich the website's content, particularly in the 'information for parents' area. Mr Dean noted that this area could be used to attract potential membership of the Corporation from parents.

The Committee resolved to receive the report.

8 Annual Review of Gifts and Hospitality Register

The Clerk reported that there were no register entries to review.

9 Date of Next Meeting

The next meeting of the Audit Committee will take place at 5.30pm on Wednesday 20 May 2009.