

**Minutes of a Meeting of the Audit Committee  
Wednesday 15<sup>th</sup> March 2011 6.00 p.m. in the Directors' Room**

**Present** Mr V Gautam  
Ms K Roche  
Ms L Graves  
Mr D Gajlewicz

**Also present** Ms M Semple (Principal)  
Mr M Hesketh (Vice Principal)  
Mr M Patel (College Accountant)  
Mr S Ali (MacIntyre Hudson)  
Mr J Allen (Clerk)

Prior to the start of the meeting, Members attended a training session facilitated by the Clerk on the role of the Audit Committee. The formal meeting of the Committee commenced at 1800.

**APOLOGIES, DECLARATION OF INTERESTS, & INTRODUCTIONS**

52. There were no apologies. There were no declared interests against any of the agenda items. It was confirmed that the meeting was quorate. Introductions were made with Mr David Gajlewicz who has joined the Committee as a non-governor co-opted member.

**MINUTES**

53. It was **RESOLVED** that the minutes of the meeting held 1<sup>st</sup> December 2010 (Paper 2) be confirmed as a correct record and signed by the Chair.

**SUMMARY ACTION LIST & MATTERS ARISING**

54. The Summary Action List (Paper 3) was received (copy attached to the signed minutes). The following responses were noted against each of the outstanding action points from prior meetings:

<b>MIN REF</b>	<b>DETAILS OF RESOLUTION/ACTION POINT</b>	<b>COMMENTARY / UPDATE FOR MEETING 16/3/11</b>
14	Internal Audit Plan 2010/11: the College to clarify the proposed focus on Equality & Diversity at the next Audit Committee prior to the second visit.	The Vice Principal confirmed that the proposed focus on equality & diversity will not be pursued I visit 2 as Ofsted has just assessed the College as being 'Good' for equality & diversity.
25	To provide to new members training n the role and purpose of the Audit Committee	Training made available prior to the start of the meeting 16/3
42	Two amendments were proposed to the Annual Report: under 6.6 to state that the audit areas for the first visit were approved but that those for the second visit were to be confirmed; and under 9.2 the table to be corrected to read that sub-contracting arrangements were judged to be good and	Amendments completed.

	risk management satisfactory as per the FMCE self-assessment	
51	Tenders for both internal and external audit services would be issued in February 2011	Report from the Clerk is an agenda item

55. There were no other matters arising and it was **RESOLVED** to note the Summary Action List.

### INTERNAL AUDIT VISIT REPORT

56. The 'Internal Audit Visit Report January 2011' was received (copy attached to the signed minutes). The report was presented by Mr Syed Ali (MacIntyre Hudson). The visit summary confirmed the following outcomes:

Area Reviewed	Audit Opinion	High recommendations	Medium	Low	Total
KFC – Insurance	Substantial Assurance	0	1	0	1
KFC – Income & Credit Control	Substantial Assurance	0	0	0	0
KFC – Suppliers	Substantial Assurance	0	0	0	0
Partnerships	Substantial Assurance	0	1	0	1
Data Protection	Substantial Assurance	0	1	1	2
Examination fees		0	0	0	0
<b>Total</b>		0	3	1	4

57. The following recommendations and proposed management responses were noted and deemed to be timely and appropriate.

<b>Recommendation:</b>		
The assets recorded on the Fixed Assets Register should be subject to verification at agreed regular intervals.		
<b>Priority:</b>	<b>Implementation Date:</b>	<b>Person Responsible:</b>
Medium	November 2011	College Accountant (Mukesh Patel), in liaison with Centre Manager (Glyn Williams) and Head of IS (Dean Palmer)
<b>Management Response:</b>		
<p>The intention is to do this onerous exercise again after the decanting into the new buildings and the fitting out of the new premises process has been completed. This would resolve the issue over the usage of heritage or new furniture &amp; equipment. Physical verification would involve three departments – finance who will provide and interpret the reports from the asset register, Estates team and the IS team.</p> <p>The process will then be repeated at regular intervals.</p> <p>Following discussion at the meeting it was agreed to revise the management response to incorporate the need to agree on a fixed asset strategy and process, and once agreed, to then agree upon a verification schedule.</p>		

<b>Recommendation:</b>		
The reporting structure for partnerships should be reviewed to ensure that performance for partnerships can be explicitly monitored.		
<b>Priority:</b>	<b>Implementation Date:</b>	<b>Person Responsible:</b>
Medium.	April 2011	Curriculum Management Accountant (Mark Cooper)
<b>Management Response:</b>		
It is not proposed to alter the reporting format of the Income & Expenditure Account in the monthly management accounts for two reasons: <ul style="list-style-type: none"> <li>1) The current structure meets reporting requirements of the College Executive and Board.</li> <li>2) The finance chart of accounts is aligned to the College organisation structure. To report partnerships' financial performance directly from accounting systems and thus facilitate separate disclose in the I&amp;E account would require departure from this consistent treatment, which would not be desirable.</li> </ul> <p>It is therefore proposed to undertake segmental reporting of partnerships' financial performance termly, with effect from the end of Spring 2011. Income and expenditure statements for ESOL Partner Provision and other partnerships (e.g. Cute Dog and Green Corridor for some T2G provision) will be prepared for inclusion as an appendix to the monthly management accounts for December, April and July. This will ensure clear and transparent reporting of partnerships' financial performance to enable explicit monitoring. Experience of prior years shows that actual performance does not deviate significantly from budget. As such, it is considered that termly reporting is both timely and adequate.</p>		

<b>Recommendation:</b>		
The College should devise a Data Protection audit plan to ensure continuing assurance on adherence to the DP Act. Governors and the senior leadership team should receive assurance and information on the adequacy of the college's compliance with the Act.		
<b>Priority:</b>	<b>Implementation Date:</b>	<b>Person Responsible:</b>
Medium.	October 2011	Vice Principal, Resources & Corporate Planning
<b>Management Response:</b>		
Accepted Annual review of adherence to the Data Protection Act will be undertaken covering student data and personnel records. Awareness raising via the Staff Bulletin. Annual report to the Governors will be compiled and aligned to risk reporting annual review.		

<b>Recommendation:</b>		
The Data Protection Policy should be subject to review on a regular basis to ensure it is up-to-date.		
<b>Priority:</b>	<b>Implementation Date:</b>	<b>Person Responsible:</b>
Low	September 2011	Vice Principal, Resources & Corporate Planning
<b>Management Response:</b>		
Accepted		

58. Of the follow-up on progress being made in implementing previous recommendations, it was confirmed that of the 13 outstanding recommendations, 6

have been fully implemented with the remaining 7 still in progress (all 7 being medium recommendations).

59. It was **RESOLVED** to note the report.

### **RISK MANAGEMENT**

60. The Committee received the following reports under this agenda item:

- Risk Management Action Plan Progress Update(Paper 4)
- Isleworth Property Risk Register (Paper 5)

61. There were no issues arising from the review of the two reports presented to the Committee.

62. It was **RESOLVED** to note the reports.

### **TENDERING AUDIT SERVICES**

63. The '*Tendering Audit Services Report*' was received (copy attached to the signed minutes). The report provided the Committee with an update on possible tendering/appointment options for the provision of audit services (internal audit and financial/regularity audit).

64. WTC college last tendered for both audit services in Spring 2006 with appointments commencing 1<sup>st</sup> August 2006. The initial contracts were for a period of 3 years with an option of a further 2 years if both parties agree. This option was taken up in 2009 and hence both appointments are up to 31<sup>st</sup> July 2011.

65. As part of the response to the Comprehensive Spending Review and to reduce costs, colleges are being encouraged to look into shared services with other colleges and there could be the possibility to share the same audit services between several colleges. Therefore current appointment recommendations need to take this new development into consideration and it would not seem appropriate to appoint new audit services on long-term contracts while the option of shared services is under consideration.

66. Based on the information made available, and taking into account the development of shared services, it was **RESOLVED**

- (i) to recommend to the Board to appoint both Buzzacott and MacIntyre Hudson for a further 1 year up to 31 July 2012 with the option of a further 1 year (up to 31 July 2013) if all parties are in agreement; and
- (ii) To keep the Audit Committee updated on any developments for shared services of audit services between colleges.

### **ANY OTHER BUSINESS**

67. There was no other business.

### **DATE OF NEXT MEETING**

68. 15th June 2011 @ 1800

Signed: \_\_\_\_\_ Date: \_\_\_\_\_