

Minutes of the meeting held at 5.00pm on 24 September 2013

Present: K Golding
C Manning
N Roberts
W Burrlock

In Attendance: D J Howells, Deputy Principal
P Ewan, Head of Finance
S Gravener, Scrutton Bland
P Goddard, Scrutton Bland
D Harris, RSM Tenon
J Bridges, Clerk to the Corporation

No interests relevant to items on the agenda were declared by members.

Action

- 1 Election of Chairman**
K Golding was nominated as Chairman from among its members for the meeting. Proposed by C Manning and seconded by W Burrlock. It is anticipated that Chairmanship of the Committee will be established at the November 2013 meeting.
- 2 Apologies for absence**
Apologies for absence were received from C Sutherland and H Catchpool of Baker Tilly and D Harris of RSM Tenon.
- 3 Minutes of the meeting held on 9 July 2013**
The minutes of the meeting were confirmed as a correct record.
- 4 Matters Arising**
From the minutes of the meeting held on 9 July 2013:
 - 5.i Internal Audit Reports**
WSC retention rates can be compared with other colleges as WSC subscribes to MIDES.
 - 5.ii Health and Safety**
A target date for the completion of risk assessments has been set as an appraisal target for the Health and Safety Manager. Further discussion took place under item 6 of this meeting.
 - 5.v Follow up on previous Internal Audit recommendations**
An Internal Audit Recommendation Tracking Report has been added as a standard agenda item to each meeting.
 - 7.i To approve the recommendation of the selection panel to appoint internal auditors for 2013/14**
The Corporation approved the appointment of Scrutton Bland at the 18 July 2013 meeting.
- 8 Draft Audit Plan – Baker Tilly**
The Accountability Review released in June is covered under item 11 of this meeting.

9 Assessment of Internal Control Systems (FMCE)

The statement on page 1, part 1, has been amended on the form and an electronic file of evidence is in the process of being collated by the Clerk.

10 2013/14 Strategy for Internal Audit

Scrutton Bland were contacted in August to discuss the College's internal audit plan for the new academic year. This is covered under item 7 of this meeting.

11 Audit and Accountability Annex to the Foundation Code of Governance

The Clerk will carry out the assessment of the Audit and Accountability Annex for the meeting to be held in November 2013. The internal auditors will provide the Clerk with contact details of other Colleges that have already responded.

JBridges

RSMTenon

12 Risk Management Update

A new reporting format based on the current risk register has been developed and is covered under item 12 of this meeting.

5 Committee Terms of Reference

Each Committee of the Corporation will be asked to consider including a clause to their Terms of Reference to appoint a Vice Chairman. The Committee concluded that as the Terms of Reference already included the clause that in the absence from a meeting, the Committee will appoint another member to act as Chairman, the role of a Vice Chairman was not required.

The Committee reviewed and approved its Terms of Reference. Proposed by C Manning and seconded by N Roberts.

6 Internal Audit Recommendation Tracking Report

The Committee concentrated on the partial and incomplete recommendations discussing how and when these outstanding points will be actioned and completed. Members in particular expressed their concern of the number of partial or incomplete recommendations arising from the advisory health and safety internal audit particularly in relation to the number of risk assessments outstanding for review by College managers and the concern that not all buildings have nominated fire marshals in place in the event of an emergency. Members advised that in the absence of willing fire marshal volunteers staff must be co-opted to the role.

JBridges

The College Secretary will keep the tracking report up to date by adding any new recommendations arising from internal audits carried out in the year and removing those on the report that have been completed and will report back to the Committee at each meeting the status of those remaining partial or incomplete.

JBridges

7 Internal Audit Assurance Strategy and Annual Plan 2013/14

Paul Goddard and Sharon Gravener of Scrutton Bland presented the draft plan to the Committee. The plan has been drawn in response to the discussions held with the former Chairman of the Committee, Barry Smith, and the Deputy Principal and College Secretary.

Page one provides an introduction to the services of Scrutton Bland and pages two and three detail the responsibilities of the Committee under the

Instrument and Articles of Government and the Joint Audit Code of Practice (JACOP). Key issues for the College are identified on page four of the plan.

With the removal of cyclical and mandatory internal audits, the Committee has the freedom to determine where it wants to focus the scope of internal audits. In summary the focus in the year will include:

- **Budgetary Control**
To encompass work based learning and staff utilisation around support functions such as Additional Learning Support.
- **Assurance Mapping**
To prepare an assurance map based on the top ten risks of the Corporation Risk Register to map the source and level of assurances that exist.
- **Financial Controls**
To consider the efficiency of the payroll system and reliance placed upon the accuracy of data input beyond the control of the finance department. The scope will also consider how financial support is offered to students and whether this process is effectively managed or has the potential to be administered differently to the benefit of students.
- **Quality Assurance and Performance Management**
To look at how performance is driven and establish how and if this is consistent across the College. The focus will be on teaching and learning and could include an audit of the transparency of data reported at Committee and Corporation level to substantiate performance results claimed. Clarity of the focus of this audit will be obtained from the Principal and Vice Principal, Curriculum and Quality.
- **Human Resources**
To consider the skills mix of staff, succession plan options, vulnerability of knowledge management and workforce planning. The scope may incorporate a review of how the College is structured in terms of efficiency and effectiveness and whether the structure benefits or impedes students; essentially focussing on whether the College is employing the right people, with the right skills and if they are in the right role and if the College is structured around the people it employs or the needs of its customers.
- **Business Development**
To look at targeted aspects of recruitment and income generation but not limited to a specific area. The scope must consider how all areas of the College approach sales and customer service.

Subject to finalising the draft report as discussed members agreed the plan in principle and will put this forward to the Corporation at the 18 October 2013 meeting.

8 2012/13 Internal Audit Annual Report

RSM Tenon, Internal Auditors for the 2012/13 academic year reported that they are satisfied that sufficient internal audit work has been undertaken to allow a reasonable conclusion to be drawn on the adequacy and effectiveness of the College's arrangements. In their opinion the College has adequate and effective governance, risk management and control processes in place to manage the achievement of its objectives and provided an unqualified opinion.

Both Governance and Risk Management internal audits concluded adequate and effective arrangements (green status). Six control assurance reviews all resulted in a positive opinion consisting of four substantial assurance (green)

and two reasonable assurance (amber/green) opinions. A follow up review was also carried out as well as an advisory review of Health and Safety. The advisory review identified a number of weaknesses and this has impacted the overall control opinion to an amber status although not affecting the unqualified opinion.

9 Preparation for Committee Annual Report

As part of the Committee's Annual report to the Corporation members are asked to complete the Performance Indicators Satisfaction questionnaire used to assess the performance of internal and external auditing services in the year. This should be returned to the Clerk by 11 October 2013.

Members

10 Assessment of Internal Control Systems

The assessment of internal control systems has been carried out using the long version of the Financial Management Control Evaluation (FMCE) as a template. Members agreed that as there is now no requirement to share the assessment with the SFA there was equally no value in grading each section of the return. Instead members confirmed that they considered that the evaluation has provided members with satisfactory assurance that the financial management and control arrangements of the College are effective.

The sections of the assessment requiring a grade will be removed from the template.

JBridges

11 Accountability Review

The paper provided members with an overview and understanding of the introduction of Accountability Reviews by the SFA and how this may impact the College. The reviews replace the former completion and submission by Colleges of the Financial Management Control Evaluation (FMCE) return to the Agency and will cover governance arrangements and strategic oversight arrangements as well as financial management and internal control arrangements. Colleges will be notified that they have been selected for an Accountability Review some three to four weeks before the review start time. The SFA will not require College's to collect and retain evidence instead they will seek to obtain evidence already held by the SFA or those that can be readily accessed from other sources; i.e. the College website. At the end of the Accountability Review the SFA will provide an opinion on the adequacy and effectiveness of the College's accountability arrangements. The opinion will be 'unqualified' or 'qualified'.

The Clerkship was handed over to the Deputy Principal for the following items.

12 Risk Management Update

In response to the discussion held by the Committee at the meeting held in July 2013 last years' risk register has been converted into a 'heat map' in order to provide members with a graphical representation of risks on a grid in relation to each other rather than provide the full register. Members commented that this eased identification of the spread and breadth of risks while still enabling access to the full register if specific detail were required. This format will continue to be used for reporting to the Committee and to the Corporation.

The Clerk resumed Clerkship from the Deputy Principal.

13 Governors' Conference Agenda Items

Members agreed that should there be any subsequent suggestions to those put forward on the governors' self-evaluation questionnaires these would be taken at the meeting to be held in November 2013.

14 Any other business

None.

Date of next meeting

Tuesday 28 November 2013 at 5.00pm. Room TG1.16.

The meeting closed at 7.10pm