

The Corporation of the College of Haringey, Enfield and North East London

COMMITTEE	AUDIT
Time and Date of meeting	7.00pm Monday 23 November 2009
MINUTES	Tottenham Centre

MEMBERS

Ms A. Rudkin (Chair); Mr J. Johnstone (Vice Chairman); Mr H. Patel; Ms H. Wilson; Mr R. Pickford.

In attendance

Mr P Head (Principal and Chief Executive)
 Mr C. McCutcheon (Vice Principal Finance and Resources)
 Mr. W. Pitumpe (Director of Finance)
 Mr S Hyde (Clerk)
 Mr C. Harris (Bentley Jennison)
 Mr G. Clifford (Bentley Jennison)
 Mr R Shaunak (MacIntyre Hudson)

A1/1109 Apologies for Absence

Apologies for absence were received from Mr D Mathieson.

A2/1109 Declaration of Relevant Interests

There were no Declarations of Interest

A3/1109 Urgent Business

There was one item of Urgent Business agreed to be taken at agenda item 16: Individualised Learner Record Data Management

A4/1109 Minutes

A011 The Minutes of the meeting of the Audit Committee held on 5 October 2009 were **APPROVED** and signed by the Chairperson as a correct record.

A5/1109 Matters Arising

There were no matters arising.

A6/1109 Audit Progress Grid

- A012
- 6.1 Attention was drawn to the delays experienced with KIST
 - 6.2 It was noted that the Learner Recruitment Report should have been submitted to an earlier Audit Committee meeting. Bentley Jennison confirmed that the delay was down to them and that the outstanding report would be produced. It was further confirmed that for the future the schedule is lined up to meet the appropriate committee meeting timescale.
 - 6.3 Members suggested that the summary page be redesigned to include more information about timescale and anticipated completion dates.

RESOLUTION

The Committee AGREED to Note the Report

A7/1109 Annual Report of the Audit Committee 2008-09

- A013
- 7.1 Members were pleased with this report and commented that they felt it was well presented and written.
 - 7.2 Mr Pickford suggested that costings are included to show that they are in line with the budget. He also suggested that an appropriate reference is included on the performance management of the College's internal auditors.

RESOLUTION

The Committee AGREED to Note the Report

A8/1109 Financial Statements 2008-09

- A014
- 8.1 Mr McCutcheon initially introduced this report pointing out that it will be submitted separately to the Policy and Resources Committee. The over-arching message was that the College's financial position was sound with a £853k surplus at CoNEL and a £573k deficit at Enfield.
 - 8.2 Mr Shaunak from McIntyre Hudson went through the reports with a brief commentary and drew attention to the main salient points in respect of both colleges. The external auditors gave an unqualified audit opinion.
 - 8.3 The Chair invited Members to ask questions or and the following points were noted:

CoNEL

- The Chair suggested that a lot of KIST and CIS Ltd income was ultimately publically funded and that the percentage of income from this source might be higher than the 77% stated. It was agreed to check and amend if necessary.
- The Chair raised the loss on CIS Ltd. It was noted that the company has minimal capital and the losses were therefore being funded by the College until cleared by future years profits. It was noted that the College had good reasons to support the loss, firstly, it provided educational facilities in a deprived area of London with little other provision and secondly, the company's activities had made a contribution to the College in excess of its loss. CIS Ltd is expected to virtually break even in 2009-10 and to make a surplus in future years.

It was agreed to insert an appropriate note of explanation into the report.

It was noted that changes needed to be made to the Accounting Policies in note 1 to the accounts to reflect the consolidation of group companies and the depreciation on Goodwill.

Enfield

- Paul Head sought clarity to the basis of himself and Keith Brown signing-off the final accounts given that they were not responsible for managing the Enfield budget at the time. It was agreed that an appropriate footnote could be included by way of explanation but this cannot detract from the legality of requiring the Chief Executive and Corporation Chair to sign the final accounts. Mr Shaunak offered to assist with appropriate wording.
- Mr Head referred to page 3 of the Draft Management Letter and requested the addition of ... and successor body in paragraph I. This was agreed.
- The Chair said it would be useful to see more information about the bad debt provision.

8.4 The Student Union Accounts were noted.

8.5 The Committee thanked the Director of Finance for his hard work in the production of two sets of accounts this year in the light of the heavy additional workload caused by the merger.

RESOLUTION

The Committee AGREED that subject to minor amendments and, detailed consideration by the Finance, Policy and Resources Committee that the accounts are recommended to the Corporation for Approval.

A9/1109 Annual Risk Management Report 2008-09 and Risk Plan 2009-10

- A015
- 9.1 The Committee noted the report and the Chair asked Members for their comments and questions
 - 9.2 Mr Pickford asked about the operational aspects of risk management and whether the Corporation was involved. Mr Head confirmed that an exceptions/progress report regularly goes to the P&R Committee and that a similar report is also discussed at the SMT. Mr McCutcheon informed the meeting that Risk Management also forms part of the annual Business Planning Process where Heads of Schools and Services are required to submit risk management schedules to a panel of senior management.
 - 9.3 Mr Pickford also asked about reviewing the risk management strategy. It was confirmed that the current practice had evolved over a period of time since its introduction in 2003. It was felt that it would be appropriate to formally review the policy and also take into account amending the table format to a more logical sequence.
 - 9.4 Mr Pickford suggested that the review should look at a broader range of risks influenced by external factors, such as pensions, pandemic, treasury disasters etc. It was also suggested that risk management might form a general information topic for a future meeting of the corporation.

RESOLUTION

The Committee AGREED to:

- i) Note the Report**
- ii) A review of the current Risk Management Strategy being undertaken**

A10/1109 Financial Management and Control Evaluation (FMCE)

- A016
- 10.1 McCutcheon explained that essentially this is the same model as in previous year's except that the College is obliged to include more detail because of the merger.
 - 10.2 It was noted that Internal Audit of risk management did not achieve the highest rating and was marked as good, and that sub-contractor activity is an anxiety rather than of major concern.
 - 10.3 On page 2 of the report, the right hand column of the table under internal control should be shown as outstanding.

RESOLUTION

The Committee AGREED to APPROVE the Report.

A11/1109 Performance Indicators

- A017
- 11.1 The Committee thanked Mr Mathieson in his absence for producing this report in a clear and concise manner and approved the recommendation.
 - 11.2 Mr Pickford commented that he would expect a questionnaire to be sent to interested parties to gather feedback on the internal auditors performance as part of the evaluation of their performance.

RESOLUTION

**The Committee AGREED to:
APPROVE the Report**

A12/1109 Audit Committee Work Plan 2009-10 Progress

- A018
- 12.1 The Committee received and noted this report outlining progress with the Audit Committee Work Plan.

RESOLUTION

**The Committee AGREED to:
NOTE the Report**

A13/1109 Tender for Internal Audit Services

- A019
- 13.1 This item was taken at the end of the meeting having excluded the representatives from the College's auditors.
 - 13.2 The Committee welcomed this report. Mr Pickford asked about the essential differences between the Mini Tendering process and other systems. It was confirmed that the Mini system conforms to EU Public Sector procurement practice.
 - 13.3 The Committee agreed to the use of the CPC framework and to go through the Mini Tendering process.

RESOLUTION

The Committee AGREED to:

- i) APPROVE the use of the mini tendering process.**

A14/1109 Internal Audit Report

- A020 14.1 Mr Clifford from Bentley Jennison introduced this report. The overall opinion for this audit was rated 'substantial'. It should be noted that the report erroneously showed 'adequate' and should be amended accordingly.
- 14.2 The Chair asked why the SLA data mentioned was not available? Mr Clifford confirmed that the information was now to hand for 2009, he accepted that this is an outstanding issue and confirmed that it will be written up and produced.
- 14.3 The Chair commented that she would find it useful if this type of report could include a summary box of timescales and progress including when the report was first drafted, final draft etc.
- 14.4 It was noted that this report should have been available for Audit Committee at their last meeting, and reminded the Internal Auditors of the timetable they had agreed for the submission of reports.

A15/1109 Date of Next Meeting

- 15.1 7.00pm Monday 15 March 2010.

A/16/1109 AoB – Individualised Learner Record Data Management

- A021 16.1 Mr Head presented this tabled report to keep the committee informed of recent developments. Mr Head confirmed that the College is broadly within the rules and spirit of the National Guidelines.
- 16.2 Mr Head informed the committee that he is a member of the AoC working group that will produce new guidelines and advice for colleges.
- 16.3 The Committee noted the report

RESOLUTION

The Committee AGREED to:

NOTE the Report

Signed:
(Chair)

Date: 15 March 2010

ACTION POINTS

MINUTE	ACTION	WHO	WHEN
14.2	SLA Data to be written up.	GC	
14.3	Audit reports to have a summary box of timescales and progress including when the report was first drafted, final draft etc	GC	Next report
11.2	Questionnaire to be sent to interested parties to gather feedback on the internal auditors performance as part of the evaluation of their performance.	WP	June 2010
9.3	Format of Risk Register to be reviewed	CMc/WP	March 2010
6.3	Audit Grid summary page to be redesigned.	CMc/WP	March 2010
7.2	Annual Report of the Audit Committee – Reference to performance management to be added.	DM	Dec 2009