

THE CORPORATION OF THE COLLEGE OF NORTH EAST LONDON

AUDIT COMMITTEE

Minutes of the meeting held 7.00pm Monday 16 March 2009 in the Committee room at the Tottenham Centre of the College.

Present: Ms A Rudkin (Chair)
Mr. F Ellis
Mr. R Pickford (Co-opted Member – from Item 6)

Apologies: Mr. H Patel (Absence)
Mr. R Pickford (Lateness)

In Attendance: Mr. C. Harris (Bentley Jennison IAS)
Mr. G Clifford (Bentley Jennison IAS)
Mr. C McCutcheon (Vice Principal Finance and
Resources)
Mr. W Pitumpe (Director of Finance)

Apologies: Mr. R Shaunak (McIntyre Hudson)

1065 Urgent Business

The Committee AGREED to:

- i) Accept one item of urgent business – College Subsidiary Directorships.**

1066 Declarations of Interest

There were none.

1067 Minutes of the Meeting held 8 November 2008 (AO510)

The Committee Agreed to:

- i) Approve the minutes as a true and accurate record.**

1068 Matters Arising

There were no matters arising.

1069 Audit Progress Grid (AO511)

It was noted that actions from the Train to Gain (T2G) report had not been included in the grid as this had been received after the other IAS reports. Mr McCutcheon updated on issues highlighted in red on the report.

Email Archiving:

Regarding Audit trailing in the Mail store, action has been deferred until the summer to allow for upgrading of the mail server.

Purchase of Email Archiving System

This is deferred to the summer and pending prioritisation against other requirements.

Health and Safety

Fire risk assessment completed and Health and Safety review is underway.

It was queried whether some deadlines for actions set by management are realistic and suggested that this is considered when setting dates.

The Committee AGREED to:

- i) **Note the report.**

1070 Internal Audit Reports (AO512)

Risk Maturity

Two 'Merits Attention' recommendations have been identified and accepted by management. On the risk spectrum the college has been graded as 'Risk Managed'. In response to a question regarding the identification of appropriate risks, Mr McCutcheon advised that appropriate risks for CONEL had been identified, and explained that while there were some generic risks affecting all colleges, others would be specific to individual institutions with a varying range of risk level. There could possibly be a limited level of comparison with other colleges. The key to successful risk management at CONEL is linked to ongoing familiarity and engagement of managers with processes and issues.

Corporate Governance

The audit focused on compliance with the changes to the Instrument and articles of government. One 'Merits Attention' recommendation was identified and has been actioned and completed.

Train to Gain (T2G)

Four 'Merits Attention' recommendations were made regarding various management and administrative issues including, the need to ensure that all managers or their representatives attend monthly meetings and ensure that information is disseminated to staff, the setting and monitoring of action points from meetings, obtaining signed copies of contracts from T2G partners, and signing of withdrawal forms. Mr McCutcheon responded to questions regarding the risks associated with T2G and how issues such as potential financial loss might be highlighted. The auditors explained the limitations of the report taking account of the limited sample size.

Internal Audit Progress Report

The report summarised the first block of work carried out by the IAS this year noting the seven issues meriting attention were reported and accepted by management. Substantial assurance has been given for all three audits.

The Committee AGREED to:

- i) Note the report.**

1071 Performance Indicators for Audit Services. (AO513)

The meeting discussed the current performance measures used by Bentley Jennison, and how the timing of audits might be reviewed to allow a longer lead in time to committee meetings. Mr McCutcheon will discuss this with the auditors.

Messrs. Clifford and Harris left the meeting.

Members considered a range of performance indicators commonly used across the sector and how they might be used to inform service planning for the following year. Further reports were requested for the next meeting to consider the application of specific performance indicators as part of the audit planning process for 2009-10, and to discuss options for the future provision of audit services.

The Committee AGREED to:

- i) Note the report.**

1072 Date of Next Meeting

7.00pm Monday 11 May 2009

1073 Urgent Business - College Subsidiary Directorships.

Mr McCutcheon advised that the Policy and Resources Committee had requested that changes in directorships in a number of CONEL subsidiaries be notified to the Audit Committee. The Chair of the Policy and Resources Committee (P&R) Mark Cooke has agreed to become a director of 3 college subsidiary companies;

- Keeping it Simple Training (KIST) Ltd
- Monument Employment Equity Ltd
- CONEL Innovation Services Ltd

The Chair of the Corporation Mr Keith Brown is also on the board of these companies. It was reported to the Audit Committee in the context of there being a lack of breadth of CONEL governor involvement the subsidiary boards. In response to questions Mr McCutcheon explained the relationship of the companies to the college, turnover, and financial controls.

The Committee AGREED to:

- i) Note the report**
- ii) Request a report on College Subsidiary Companies for the next meeting.**

Signed:.....
Chair)

Date: 14 May 2009