

AUDIT COMMITTEE

Report: Minutes of the meeting held on Wednesday 7
October 2015

Author: Clerk

Action: Approve

Status: Open



GATESHEAD COLLEGE

Present: Chris Macklin (Chair)
Neil Weddle (Co-optee)
Darren Heathcote

In attendance: John Holt
Robert Auty (PWC)
Claire Leece (Baker Tilly)
Samantha Pritchard (Clerk)
Suzanne Clark (Notes)

A/559 Welcome/Apologies

The Chair welcomed members to the meeting. Apologies were received from Judith Doyle, Karen Finlayson, Gareth Rowe and Chris Barrett.

There were no conflicts of interest to be declared at this stage. Members were reminded to declare any conflicts that arose during the meeting.

A/560 Minutes of the last Meeting held on Wednesday 24 June 2015

The minutes of the meeting held on Wednesday 24 June 2015 were agreed as a correct record, save for the following amendments:

Claire Leece advised that under A/554 on page 3 there were two amendments to be made to the final two paragraphs. The first amendment was to the plan to sign off 'sections' in December 2015; this should instead refer to 'financial statements'. In the next paragraph, CL requested that the final sentence be changed to 'The FRS17 report will provide the committee with a guide for assumptions'.

A/561 Matters Arising

In relation to item A/551, the Chair confirmed that he had provided a template action log to the Principal. The Principal will be sharing this with the Executive Team and there will be an action log for each Committee.

A/562 Internal Audit Report – Funding

Robert Auty presented the report.

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The group were advised that this report was classified as low risk, which is in line with previous reports. The report reflects the strong performance of the College. One advisory finding was reported, suggesting an amendment to learner agreement forms.

The Chair commented that it was good for the Committee to see that control mechanisms are in place and only low risk and advisory items have been reported.

The report was noted.

A/563 Internal Audit Report – Partnerships

This item is CONFIDENTIAL and not for publication.

The report was noted.

A/564 Internal Audit Report – HR Performance Management

This item is CONFIDENTIAL and not for publication.

Action: JH to share report with the People Committee.

The report was noted.

A/565 Internal Audit Annual Report 2014/2015

Robert Auty presented the report.

It was reported that the College has adequate and effective risk management and governance in place. No risks have been identified which are believed to be pervasive.

The Chair reminded the committee that adequate control is “as good as it gets” in audit reports. The 12 medium / low recommendations are exceptionally low given the size and turnover of the College. It is good to see medium risks reported as this shows areas are being probed and that there are mechanisms in place to manage risk identified. RA advised that comfort should be taken that no high or critical risk activity is reported; this is also evident from other sources including Ofsted.

The report was noted.

A/566 Internal Audit Plan 2015/2016

Robert Auty presented the report.

The group were advised that this was currently a draft plan and members’ views were requested. It was confirmed that Health and Safety has been included in the annual plan as this area has been highlighted as important.

A member asked for clarification on risk assessment and why it is not included in the plan. RA advised that risk assessment will be analysed as part of a number of audits. CL added that it was good to see key financial controls in the plan following the implementation of new finance system. The Chair questioned whether five days was sufficient to review key financial controls when seven days have been allocated for

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health and safety. JH and RA will discuss whether the allocation of days needs to be reviewed.

CL suggested auditing the transfer of balances following the implementation of the new finance system and how this was mapped over and it was agreed to include this within the scope. The 5 days allocated is to look at key financial controls and will identify the fundamental aspects and the purpose is not to look at all controls.

The report was noted and, once in final form, approved for recommendation to the Board.

A/567 Teachers' Pension Audit 2014/2015

This item is **CONFIDENTIAL** and not for publication.

The report was noted.

A/568 Financial Statements Audit year ended 31 July 2015

This item is **CONFIDENTIAL** and not for publication.

The report was noted.

A/567 Follow up on Audit Recommendations

The Director of Finance presented the report.

It was reported that a revised deadline for IT Disaster Recovery had been added to the report. Chasing of debtors was proving to be a challenge due to changes in staffing and the current limitations on new appointments due to the restructuring. JH is currently working with Chris Toon, Deputy Principal – Curriculum & Quality, on a new curriculum planning process. A new accounting system has been implemented and access to update the asset register has been restricted to just four key staff. The current approval process for course submission is under review.

The Chair confirmed that this report demonstrates that work is in progress. Revised dates have been agreed and JH is making sure that managers do not lose sight of actions needed. RA commented that it is always positive to see how seriously these actions are being taken by the College and that people are held to account.

The report was noted.

A/568 Risk Management Plan

JH presented the report.

The group were advised that the plan has been updated for 2015-16 to link in with the College's strategic objectives. Progress has been recorded.

The Chair reiterated that Governors want to maintain the College's strong current position. A member commented that staff are engaged with the areas of work that are a priority and are working together to promote the key messages from the Executive Team.

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The Chair asked if the plan was being regularly reviewed by the executive team. JH confirmed that it will go to a future meeting, but that it is shared with other members on an individual basis. The Chair asked that JH continue to progress this with colleagues.

The report was noted.

A/569 Any other business

The Chair acknowledged the contribution of Laura Hutchinson from PWC to the Audit Committee following confirmation that she had left PWC.

A/570 Date of next meeting

The date of the next meeting was confirmed as Wednesday 3 February 2016 at 4.30pm. (Joint Corporate Services and Audit Committees meeting on Thursday 2 December 2015 at 4.30pm.)