



**Central College
Nottingham**

CENTRAL COLLEGE NOTTINGHAM

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 6 MARCH 2014

Present: Bill Colley (Chair))
Richard Cox) External
Clive Rix)
Stephen Russell)
Roger Fletcher Staff governor

In attendance: John Snow Vice Principal (Corporate Services)
Chris Williams Baker Tilly (internal auditor) – minutes 50-55
Ian James Clerk to the Corporation

APOLOGIES FOR ABSENCE

36 There were no apologies (all present).

DECLARATION OF INTERESTS

37 The Clerk asked the governors to declare any interests they may have in items to be discussed at the meeting. No declarations were made.

MINUTES

38 **Resolved** that the minutes of the meeting held on 26 November 2013 be approved as a correct record and signed by the Chair

Committee Self Assessment (minute 34)

39 Following up action from the self assessment, Richard Cox confirmed that he had attended a training session provided by the Clerk prior to this meeting.

REGULARITY AUDIT SELF ASSESSMENT 2013/14

40 The Vice Principal presented this interim self assessment which the College had continued to carry out annually although the requirement had been dropped by the former funding body (the LSC) some years ago. The Vice Principal commented that the exercise did not require much effort to complete and was a valuable aide memoire. The governors found the report useful so it was felt that it should continue in future years.

BUSINESS CONTINUITY POLICY

41 The Committee received a revised version of the Business Continuity Policy which they were asked to recommend for approval by the Board. The Vice Principal stated that he would be submitting the related Business Continuity Plan to the next meeting.

42 The governors were content with the Policy and focussed their attention on how well the College communicated the Policy and Plan to managers and staff in the College. In particular, they asked about the plans for a rehearsal and the Vice Principal advised that the intention was to undertake this exercise in the summer when there were fewer students in the College.

43 The Committee also queried the frequency of review of policies such as this and asked for a list of policies within their remit to be submitted to the next meeting for review.

44 **Resolved** that the Board be **RECOMMENDED** to approve the revised Business Continuity Policy

WHISTLEBLOWING POLICY

45 The Committee received a revised version of the Whistleblowing Policy which they were asked to recommend for approval by the Board.

46 A question was raised as to whether this Policy also applied to students and the Committee were advised that the Policy related specifically to staff as it fell under the ambit of the Public Interest Disclosure Act which applied to employees. However, the point was made that, should a student raise an issue with the College, s/he ought to benefit from the confidentiality provisions of the Whistleblowing Policy. Such a matter would be handled under the College's Complaints Procedure and the Vice Principal was asked to check whether that Procedure provided any protection for a student raising a Whistleblowing issue with the College.

47 **Resolved** that the Board be **RECOMMENDED** to approve the revised Whistleblowing Policy

FRAUD RISK ASSESSMENT

48 The Committee reviewed the annual fraud risk assessment reviewing areas of potential fraud and indicating preventative action being taken to reduce risk. The Vice Principal advised that the actions proposed to be taken would be included in the audit recommendations tracker so that governors could monitor implementation.

49 The Committee felt that the table setting out the information should be set out in the same format as the Risk Register and they asked the Vice Principal to represent the information in that format at the next meeting. They also asked for the 'likelihood' and 'impact' assessments to be reviewed as, for example, they felt that the impact of a Treasury Management fraud could well be 'high' rather than the 'medium' suggested in the assessment.

RISK MANAGEMENT UPDATE

50 The Vice Principal submitted the risk management update intended to enable the Committee to monitor progress with the College's risk management processes. Following a review of departmental risk registers, prior to quarterly performance monitoring, four new risks had been added to the Register. The most significant risks related to the College's financial position and these risks were assessed as increasing.

51 Attention was drawn to Risk 21 (collaboration or merger with local FE provider) and whether the risk score was sufficiently high bearing in mind the potential for management distraction at a time when the College was addressing its 'requires improvement' Ofsted grade. A lengthy discussion followed about the importance of the actual risk scores and whether the Risk Register was a driver for management action or simply a record of risks. The Vice Principal advised that the latter was the case and the Committee concluded, therefore, that the actual recognition of risks and their inclusion in the Register was more significant than the risk score assessed.

INTERNAL AUDIT

Risk Management

52 The internal auditor submitted a report on the recent audit of risk management which had attracted a 'green' rating (substantial assurance). Five low priority recommendations had been made which had been accepted by management.

53 Attention was drawn to one particular recommendation which suggested that the minutes of Board meetings should contain more detail of the Board's review of the Risk Register. Asked for his view on this, the Clerk commented that the minutes could only reflect what actually happened at Board meetings and that there were two points to bear in mind. The first was that the majority of discussion on risk took place at this Committee and the second was that the Board focussed on the key risks faced by the College through separate reports on the Board agenda and not through a review of the risk register. Nevertheless, he noted the auditor's comment.

Health & Safety

54 The internal auditor submitted a report on the recent audit of health & safety which had attracted a 'green' rating (substantial assurance). One low priority recommendation had been made which had been accepted by management.

RECOMMENDATION TRACKING

55 The routine tracking report was received enabling the governors to monitor the implementation of audit recommendations. The Committee focussed attention on seven recommendations where implementation was overdue and were content with the explanations given by the Vice Principal and that satisfactory progress was being made.

APPOINTMENT OF INTERNAL AND EXTERNAL AUDIT SERVICES

(The internal Auditor left the meeting at this point)

56 The Committee received a report on the tendering process for the appointment of internal auditors for 2014/15 and external auditors for 2013/14. The Vice Principal advised that the internal audit service would be tendered for both the College and the Academy Trust but the external audit service just for the College. The external audit for the Trust was a fairly straightforward exercise which would be more economically sourced from a local firm.

57 It was noted that some firms were to be invited to bid for both services but that the Committee had already determined that it preferred to have separate providers. This would need to be borne in mind when shortlisting and interviewing. Dates for interviews would be agreed later but would be in late April/early May.

DATE OF NEXT MEETING

58 Thursday, 10 July 2014

Chair

Date