

**The College of West Anglia  
MINUTES OF AUDIT COMMITTEE  
3 February 2010 – 9.30 am Boardroom, Front Block, King's Lynn**

<b>Present:</b>	Cheri Crosley Jack Bantoft Paul Cotton Nick Daubney David Steele Emma Booty	Chair
<b>Attending:</b>	Richard Williamson Nicholas Barrett Paul Foreman Amanda Parry Hilary Reid	Executive Director of Finance and Information Head of Finance PricewaterhouseCoopers Senior Associate, PricewaterhouseCoopers Clerk

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*The Committee met at 9.25 am with the Auditors. There were no issues of concern raised.*

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Richard Williamson and Nik Barrett joined the meeting at 9.30 am.

**1 Apologies**

None, all members present.

**2 Minutes of the Previous Meeting – 4 November 2009**

The Minutes of the meeting of 4 November 2009 were agreed as an accurate record and signed by the Chair.

**3 Matters Arising**

There were no matters arising.

**4 Internal Audit Reports and Management responses since last meeting:**

Paul Foreman of PricewaterhouseCoopers presented the reports of the Internal Audit Service.

**(i) Curriculum Staffing and Administration**

The nature of the review was enquiry of staff and high level review of processes. Detailed testing was not undertaken. Two instances were assessed as medium risk – (a) high volumes of paperwork which were neither e-mailable nor actionable through an IT system; and (b) areas where technology could be introduced or used more effectively to improve efficiencies.

Governors commented on manual paperwork burdens; difficulties and risks in moving documents between sites; as to whether there was a systematic review of the need for meetings; standardisation of Minutes; and, the delay in the finalisation of the report.

The auditor added that the need for interaction between curriculum areas and central support functions had subsequently been addressed in MIS but recommended that links between support and curriculum areas be strengthened.

The Executive Director of Finance and Information confirmed that a template for Minute-taking was in place for staff; that the need for certain meetings was reviewed informally from time to time and that a more formal process might be beneficial.

**It was agreed that the Internal Audit Service should report back progress on these matters in six months' time.**

**(ii) Procedural Efficiency – Finance Procedures**

The fieldwork undertaken focussed on finance procedures and how the documents and information flow around the College. Eight low risk findings were noted within purchasing and payables, income and debtors and payroll.

The Auditor reported no significant issues but smaller items that would contribute towards some streamlining.

Governors commented on procurement; tendering costs; timely payment of new staff; the management of additional hours payments for contracted lecturers; and, credit notes against invoices for loaned equipment.

The Senior Associate, PwC, undertook to investigate tendering costs at the time of the next review of procurement.

Governors asked that managers be reminded on a regular basis of the need to monitor part-time lecturers' hours against budget. The Executive Director of Finance confirmed that this was not a huge problem; the Head of Finance added that the time-tabling system was being driven forward and would address these points.

It was noted that MIS was now working satisfactorily.

**The Auditor's reports were noted.**

**5 Scope of Work on Risk Management**

Paul Foreman referred governors to the proposed Terms of Reference for the Audit Service review of Risk Management. The focus would be on how management was responding to a number of key risks facing the College in the redevelopment of strategic, financial and estates plans for the longer term. The Committee's agreement was sought for the auditors to look not at the process but rather the progress made and the steps taken to address key areas.

The need for a correction on page 2, bullet point two Key Risk, was noted.

**The Committee agreed the Audit approach to Risk Management 2009/10.**

The Principal joined the meeting at 10.15 am.

**7 Succession Planning for Key Management Posts**

The Principal presented a paper setting out management's approach to succession planning, the identification of key posts and the actions to be taken. He confirmed that Employment Policy Committee was addressing this matter and that it would be a substantive item on the agenda for the 24 March meeting. In particular an age profile within the new team structure would be considered.

The Principal explained that there was not a Succession Planning Policy in place but it was work in progress within Human Resources. SMT had considered and identified key posts and discussed a process with managers, to be completed in the current term, requiring the completion of a pro forma to help ensure effective succession planning for management posts.

Management were also exploring extensions to the appraisal system which could identify longer term career aspirations. Secondment, shadowing and industry placements were given as possible options. The Head of Human Resources was preparing a paper to inform the appraisal process.

It was acknowledged that all the risks could not be eliminated and that there were equality considerations in terms of promotion and recruitment.

Governors commented on a team approach to succession planning; the breadth and depth of the approach through all staff levels; and, the value of an external focus.

**It was agreed that a progress report be made to the Committee in six months' time.**

**The report was noted.**

The Principal left the meeting at 10.30 am.

## **8 Funding Audit Tenders**

The Executive Director of Finance and Information presented a report formalising the item of urgent business considered at the Corporation meeting of 9 December 2009 and seeking agreement to a change in the funding work carried out by PwC.

The Executive Director explained the reasons for the re-introduction of a funding audit and advised that tenders for this work had been sought from three companies each of whom had indicated verbally their intention to bid. Confirmation had been sought, and given, that there would be no conflict of interest with the work undertaken by the bidders on behalf of the LSC. The letter inviting tenders, attached to the report, was noted.

**The Committee agreed that the full funding audit should replace the work scheduled to be undertaken by PricewaterhouseCoopers.**

Presentations by the companies bidding for the work were to take place on 11 February 2010. No members of the Committee were available to participate.

**The Committee remitted management to consider a recommendation to the Board for appointment of the successful bid after discussion with the Vice Chair of the Committee on 11 February 2010.**

## **9 Review of PIs for Internal Auditors and Financial Statements Auditor**

The Executive Director of Finance and Information referred governors to the pro forma for the evaluation of Performance of both the internal and external auditors.

**The Committee agreed that no changes were necessary for 2009/10.**

**10 Any Other Business**

- (i) RW: Risk report. The Executive Director reported the current position with regard to the Academy development in King's Lynn. He noted that the expression of interest had been approved, that DCSF had appointed Cambridge Education as project managers; the secondment of Paul Dunning from Norfolk County Council for two days per week as an internal project manager; and the imminent appointment of a Principal Designate. The risk to the College was noted as being principally reputational.
- (ii) CHC: The Chair announced her resignation from the Board due to external work pressures. She expressed her appreciation of the work and support of members of the Audit Committee throughout her terms of office. Her colleagues responded with best wishes for the future. The Executive Director reiterated those good wishes adding that she would be missed.

**11 Chair's items for briefing to Corporation**

- Appointment of Funding Auditor
- Succession Planning

**12 Date and time of next meeting**

Wednesday, 31 March 2010 at 9.30 am.

**The meeting closed at 10.55 am.**