

**The College of West Anglia
MINUTES OF AUDIT COMMITTEE
29 April 2009 – 9.30 am Boardroom**

Present:	Cheri Crosley	Chair
	Paul Cotton	
	Nick Daubney	
	David Steele	
	Emma Booty	
Attending:	Nicholas Barrett	Head of Finance
	Paul Foreman	PricewaterhouseCoopers
	Hilary Reid	Clerk

The Committee met at 9.25 am with the Auditors. Concerns regarding delays in management responses to Audit reports and auditors' follow-up procedures were aired. A procedure proposed by the Executive Director of Finance was discussed and a new approach agreed. If there were continuing difficulties, then it was proposed that the Head of Organisational Development and Quality should become involved.

1 Apologies

Jack Bantoft, Yvette Pratt.

2 Minutes of the Previous Meeting – 4 February 2009

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

3 Matters Arising

(i) Page 2 item 5 – Property Maintenance

The Internal Auditor clarified that the minimum risk assigned related to detailed management systems.

4 Internal Audit Reports:

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

(i) Employer Engagement Review

The audit had been undertaken as a result of difficulties in recruiting to the Employer Engagement programme. He noted that the CRM system planned had not been implemented at the time the audit took place. The CRM system would track leads and contacts from employers and provide a mechanism to see how those employers had been engaged in order to develop business going forward.

Against this background, there were a number of issues and recommendations and the audit had been given limited assurance overall.

The Chair commented that the organisational re-structure, currently at consultation stage, recognised the need for a different approach to Employer Engagement.

(ii) Room Utilisation Review

The audit had been undertaken against the background of the College not having a comprehensive system and mechanism for timetabling and utilisation of rooms. The interdepartmental manual process introduced in December 2008 was reviewed. The auditor's concern was that if the College in the new build did not have appropriate systems in place the benchmarks set by the LSC would not be met.

Only limited assurance was able to be given on the adequacy and operating effectiveness of controls in place over room utilisation at the time of the audit. It was recognised, though, that the points raised had been addressed and needed time to work through.

Governors were surprised about the lack of control over managing space. A detailed follow-up review and report-back to the Committee was requested in due course to assess progress.

The reports were noted.

5 Internal Audit Report 2008-09 – Follow up Report Q3

Paul Foreman of PricewaterhouseCoopers presented the report of the Internal Audit Service. He referred to the discussions pre-meeting and advised that the older items had been cleared and a number of the tables could be omitted in future reports. As agreed, the next follow-up report would include and detail all lower priority issues.

The auditor highlighted:

- Turner and Townsend tendering issues had been resolved
- Contract had not yet been finalised with the main contractor
- Good progress had been made - few high priority items remained outstanding
- Concerns remained about catering/property services

The auditor invited questions and comments on the report.

Governors requested

- Management to check whether catering was still being considered a high priority
- The "Action Overdue" column to have white text for legibility against the dark background

and commented that it appeared the easier option for managers to challenge the auditors' recommendations rather than to address them, thus causing further delay.

The report was noted.

6 Review of Governance and Financial Management Regulations

The Clerk brought to the attention of the Committee minor changes to the Governance and Financial Management Regulations identified following an annual review by the Executive Director of Finance and College Services and the Clerk.

The changes were set out in schedules appended to the report. It was noted that there had been no major regulatory changes during the year which would impact on the Regulations.

David Steele proposed, seconded by Nick Daubney, that the amendments to the Regulations be recommended for adoption by Corporation. Agreed.

7 Risk Register/Risk Update

The Executive Director of Finance and College Services had been unable to attend the meeting and had prepared and tabled, through the Clerk, a written statement to provide a risk update report.

The report addressed the following points:

- The College's current funding position and the anticipated funding allocations for 2009/10
- The Capital project and the LSC's funding position
- Organisational restructure

The Chair noted the Risk Register provided with the agenda and took comfort from it. However, the annual report on risk remained outstanding.

Governors shared concerns raised about the lack of a PR approach to the loss of funding for the new build and about the organisational re-structure. There appeared to be much speculation in the public arena, but no factual information arising from press statements or a College spokesperson.

The report was noted.

8 Financial Statement and Financial Management and Control Evaluation (FMCE)

A letter dated 31 March 2009 from the LSC in connection with the College's Financial Statement and Financial Management and Control Evaluation (FMCE) validating the College's submission was presented for information by the Clerk.

The LSC had concurred with the self-assessment of both the College's financial health grade and the FMCE validation as "Outstanding" for 2007/08.

Noted.

Paul Foreman left the meeting at 10.35 am

9 Evaluation of Performance – Internal and External Auditors

This item was deemed to be "Confidential".

10 Any Other Business

None.

11 Chair's items for briefing to Corporation

- Action agreed to improve responses from management
- Management not acknowledging importance of responding to Audit reports
- Management team to demonstrate responses through discussions and Minutes of action

10 Date and time of next meeting

The next scheduled meeting was 3 June 2009. Because of a number of members taking annual leave at that time, it was proposed to defer the meeting until **Wednesday, 10 June 2009.**

The meeting closed at 11.30 am