

## Minutes of a Meeting of the Audit Committee

**Venue:** Conference Room 1, South Tyneside College

**Date:** Wednesday, 13 May 2015

**Time:** 4.00pm – 5.50pm

**Present:** Ray Staward (in the Chair)  
George Clark  
Nick Whalen-Griffiths  
Christine Smith  
Susan Wear

**In Attendance:** Mick Thompson (KPMG)  
Arlene Atkinson (KPMG)  
Faye Gordon (PwC)  
Adam Morton (PwC)  
Helen Beaton (Deputy Chief Executive)  
Lindsey Whiterod (Chief Executive)  
Neil Longstaff (Clerk)

ITEM NO.	ISSUES	ACTION
1.	<p><b>Meeting with Auditors in Absence of Management</b></p> <p>Auditors stated that there were no issues to report to the Committee.</p>	
2.	<p><b>Apologies for Absence</b></p> <p>Lindsey Whiterod (LW) and Helen Beaton (HB) joined the meeting.</p> <p>There were no apologies for absence received.</p>	
3.	<p><b>Declarations of Interest</b></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
4.	<p><b>Minutes of the Previous Meeting and Matters Arising</b></p> <p>The minutes of the meeting held on 4 March 2015 were approved and signed by the Chair.</p> <p><b>Matters arising</b></p> <p>It was reported that all actions had been addressed; these being:</p> <p><u>Risk Management Policy</u> The Clerk confirmed that the Risk Management Policy had been approved by the Board.</p>	

Confidential matters – see attached.

## 5. Internal Audit Reports

The following reports, (i) to (iv) covered the following areas:

- Introduction and background
- Key findings and recommendations
- Action plan
- Summary of work undertaken and risks reviewed
- Classification of report ratings
- Classification of findings

### (i) Business continuity and disaster recovery

From the work performed on the business continuity and disaster recovery, auditors considered that the system of internal control was 'Satisfactory' with 2 medium risk recommendations identified.

Two areas of good practice were highlighted these being:

- The College had identified key risks to business continuity at an operational level.
- The College had assembled an Emergency Response Team ("ERT") to implement and monitor the plan in the event of a disaster.

Q Review to be undertaken before December 2015? A review was to be undertaken after the College had conducted its own scenario training. This was explained.

### (ii) Corporate Governance

From the work performed on the corporate governance, auditors considered that the system of internal control was 'Good' with only one low risk recommendation.

The Clerk reminded governors that the recommendation within the report advised the Board to continue with its plan to extend the review to all committees and SEG members.

Two areas of good practice were highlighted these being:

- Comprehensive self-assessments had been undertaken on the Corporate Board, Governance and Search Committee and Audit Committee.
- Findings and themes had been analysed by the Clerk to the Board and where governors had identified any areas of concern, these had been followed up by College management and it was reported back how these concerns could be met.

The auditors had been impressed with the work undertaken which they felt clearly demonstrated that governors took their role seriously.

(iii) Curriculum Quality

From the work performed on the curriculum quality, auditors considered that the system of internal control was 'Good' with only one low risk recommendation.

Two areas of good practice were highlighted these being:

- The College had a robust policy in place outlining its processes for monitoring curriculum quality.
- Detailed information was provided on curriculum quality and the results of observations for both management and the Board.

Q. Responsible Officer correct? Yes, this person was in charge of the Continuous Improvement in Learning, Teaching and Assessment ("CILTA") team.

(iv) Staff recruitment, retention and capability

From the work performed on the staff recruitment, retention and capability, auditors considered that the system of internal control was 'Satisfactory' with one medium and two low risk recommendations.

It was reported that the Director of HR was addressing the actions highlighted.

Four areas of good practice were highlighted these being:

- The College had a comprehensive recruitment policy which provided clear guidance on the recruitment process.
- Staff utilisation was actively considered when recruitment decisions were made.
- The College had a number of methods in place in relation to staff engagement and thereby staff retention.
- From discussions with management, the College had sufficient and appropriate capability to pursue its strategic objectives and had procedures in place to address any shortfalls as they arose.

(v) Key Financial Controls

This report covered the following areas:

- Introduction and background
- Key findings and recommendations
- Action plan
- Classification of report ratings
- Classification of findings
- Control self-assessment questionnaire

From the work performed on the management of key financial controls, auditors considered the system of internal control was 'Good' and from a sample of controls auditors identified the following area of good practice:

- The majority of areas reviewed were found to be operating effectively.

There had been two low risk recommendations identified.

HB responded to questions concerning casual staff and self-assessment scores.

	<p><b>Resolved:</b></p> <p><b>i. That the reports are received and accepted.</b></p> <p><b>ii. That the Corporate Governance report is to be presented to the Governance and Search Committee for information.</b></p> <p><b>iii. That the Staff recruitment, retention and capability report is to be presented to the next appropriate meeting of the two Quality Committees for information.</b></p> <p><b>iv. That the report on Key Financial Controls is to be presented to the Finance and Resources Committee for information</b></p>	<p>NL</p> <p>NL</p> <p>NL</p>
<p><b>6. Audit Recommendation Tracker</b></p>	<p>The Clerk presented the tracker for governors' consideration.</p> <p>The document identified any recommendations which were deemed a high or medium risk, which were either overdue for implementation or could be removed if completion had taken place. All personnel who were shown on the list with outstanding issues had been asked to advise if there had been any further progress and the tracker had been updated accordingly.</p> <p>A position paper on Pro Monitor was presented to the members of the committee. LW had concluded that this system had initially been a good idea but turned out to be unworkable as it required the involvement of too many staff to enable it to be of any benefit to the College. An in-house system was to be developed to replace Pro Monitor to extract data from EBS. It was noted that the annual cost of the licence would be a saving (approx. £7,700).</p> <p>With regard to the Study Programme it was reported that it had been hoped that this could be removed from the Tracker but on a recent test there remained some issues with the system. However, the aim was to have these resolved by the end of May 2015.</p> <p>Members acknowledged the good progress being made, which had seen a reduction in the number of outstanding actions.</p> <p><b>Resolved:</b></p> <p><b>i. That the report is received and agreed.</b></p> <p><b>ii. That Pro Monitor is to be removed from the Audit Tracker as this was to be replaced with an in-house system.</b></p>	<p>NL</p>
<p><b>7. Risk Management Update</b></p>	<p>The purpose of the report was to provide the Audit Committee with an update on risk management activity during the current academic year.</p> <p>It was explained that:</p> <ul style="list-style-type: none"> <li>• Risk management was a standing item at every Senior Management Team (SMT) meeting.</li> <li>• Corporate risk register was regularly reviewed by Senior Executive Group</li> </ul>	

	<p>(SEG).</p> <ul style="list-style-type: none"> <li>Operational risk registers for all areas of the college were reviewed at termly performance monitoring reviews.</li> </ul> <p>Q. Gifts? It was noted that the Clerk held and maintained the Gift Register covering staff and governors.</p> <p><b>Resolved: That the committee receives and approves the report.</b></p>	
8.	<p><b>Annual update on risk assessment in relation to bribery</b></p> <p>The Deputy Chief Executive reported that there had been no incidents of bribery to report.</p> <p><b>Resolved: That the report is received and accepted.</b></p>	
9.	<p><b>Committee Workplan 2015-16</b></p> <p>The members of the Committee were asked for their views on the proposed workplan for 2015/16.</p> <p><b>Resolved: That the Workplan 2015/16 is agreed and is to be presented to the Board for approval.</b></p>	NL
10.	<p><b>Any Other Business</b></p> <p>None.</p>	
11.	<p><b>Selection of Internal and External Auditors</b></p> <p>Confidential item.</p>	
12.	<p><b>Identification of Confidential Items</b></p> <p><b>Resolved: That confidential items raised under Matters Arising from the Minutes and Item 11 are to remain confidential.</b></p>	
13.	<p><b>Date and Time of Next Meeting</b></p> <p>The next Audit Committee meeting was to be agreed by the Board as part of the annual calendar of governors meetings.</p>	

Signed: .....

Date: .....