



## THE OLDHAM COLLEGE

### AUDIT COMMITTEE

#### Minutes of the Meeting held on 4 February 2009

Present: John Osbaldeston (Chair)  
 Alan Williamson (Vice Chair)  
 Shauna Dixon Governor  
 Gavin Treavis Governor

In Attendance: John Pattison Clerk to the Corporation  
 Anne Falloon Deputy Principal  
 Jim Winstanley Director of Finance & Estates  
 Rebecca Johnson Financial Controller  
 Emma Casson KPMG

1. **Apologies**

There were no apologies. John Pattison informed the meeting that it was quorate.

2. **Declaration of Conflicts of Interest**

None Declared.

3. **Permission for Officers of the Organisation to be Present**

Agreed.

4. **Minutes of Audit Committee Meeting 26 November 2008 and Matters Arising**

The minutes of the meeting of 26 November 2008 were accepted as a correct record. **Under Item 6,** John Pattison reported that Keith Rushton had sent an example of a customer appreciation form that will be adopted

5. **Minutes of the Extraordinary meeting on 20 January 2009 and Item 5, Matters Arising**

The minutes of the extraordinary meeting of 20 January were accepted as a correct record. John Pattison reported as a matter arising that the FMCE had been signed by the Principal and submitted to the LSC by the 31 January deadline.

6. **Rolling Action List**

The following items were reported as completed:

21 05 08, Item 5 Matters Arising :	Jim Winstanley to condense the benchmarking data into a comparison with local colleges.
01 10 08 Item 8 Internal Audit Assignment Reports:	Student Records – Train to Gain: John Pattison to agree and report back on timescale for finalising reports with KPMG. IT Helpdesk review: Emma Casson to circulate a proposed process for agreeing the annual internal audit strategy and plan.

26 11 08, Item 7 Internal Audit Strategy and Annual Plan 2008/09	The Clerk and Chair to decide a rearranged date for the February Audit Committee meeting. <b>This item was reported as no longer required as a result of the completion of 01 10 08 Item 8.</b>
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With regard to:

01 10 08, Item 11 Re-appointment of Internal Auditors	Develop internal audit feedback questionnaire for managers. <b>Emma Casson informed the meeting that a satisfaction questionnaire had been sent by KPMG. John Pattison apologised that the questionnaire had not been circulated to managers.</b>
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The Audit Committee agreed:

- that the internal audit feedback questionnaire be completed for all subsequent audit visits.

**ACTION: John Pattison to circulate the internal audit feedback questionnaire to relevant managers.**

## 7. Internal Audit Assignment Reports 2008/09

The Committee considered two reports:

### **Strategic Planning**

Anne Falloon noted the overall conclusion as satisfactory. She spoke to the management responses to the three low priority recommendations. John Osbaldeston queried whether the auditor had sufficient background. Emma Casson noted that the report had been discussed with Helen Knowles, by the auditor.

**ACTION: KPMG to provide details on the Strategic Planning auditors experience and qualifications.**

### **Capital Projects**

Anne Falloon noted that the overall conclusion was "good". She drew the committee's attention to the good practice identified. She spoke to the one low priority recommendation; she felt that the "closing the loop" recommendation was in fact in place. Emma Casson accepted this point and agreed to make adjustments.

**ACTION: KPMG to reissue the report with the two adjustments.**

## 8. PFM Assurance Review Report

Tony Spencer spoke to the two LSC audits on WBL contracts and Train to Gain.

With reference to Annex A, Tony Spencer explained the audit rationale. If an error of over 5% is found on the sample it is assured this applies throughout the contract and is used as the basis of claw back.

### **Apprenticeships**

Tony Spencer noted a satisfactory opinion on the use of funds and an unsatisfactory opinion on internal control. He accepted the latter opinion relating to funding errors of £2394. He spoke to individual management actions to address each error. John Osbaldeston enquired whether all staff have a full understanding of the procedures. Tony Spencer felt that there had been issues regarding new staff and some complacency but these had been resolved. John Osbaldeston asked whether Tony Spencer was happy for KPMG to audit progress on actions. Tony Spencer welcomed this action.

### **Train to Gain**

Tony Spencer noted that with regard to the audit, he had concerns regarding the auditor's performance. This included not picking up some issues. He explained this is a new and rapidly changing area with frequent change to the funding arrangements. He had requested initial help from the auditor regarding the soundness of the systems prior to the visit. The audit visit conclusions were then different and contradicted previous advice. He also explained further difficulties on item 3C.

He noted the key area of the report focuses on the higher and lower rates of payment. He spoke to management actions regarding the recommendations. He noted that management do not agree with recommendation 2 on ILRs as it is both very time consuming and inconsistent with the findings of the previous WBL audit. John Osbaldeston felt the management responses were satisfactory.

John Osbaldeston was concerned that the provider feedback form on T2G contains three disagreements and one strong disagreement. The Committee agreed with the concerns and felt there was a real need for a response.

**ACTION: That LSC be requested to provide a written response to the T2G provider feedback in time for presentation to the Audit Committee meeting of 20 May.**

**The Audit Committee agreed:**

- that management responses to the Apprenticeships and Train to Gain audit recommendations were satisfactory.

### **9. Review of Financial regulations**

John Pattison reported that management proposed no further changes to the Regulations other than those already agreed by the Corporation.

**The Audit Committee agreed:**

- that the Financial Regulations meet requirements.

### **10. Risk Management Update**

Jim Winstanley presented the minutes of the meeting of the Risk Management Group held on 15 January. He noted under Item 4 that action is underway on associated risk registers for Campus 2012 and the Academy.

He also noted that there is an increased vigour in reporting the use of sub-registers. He also drew attention to the new agenda item on emerging risks. In light of discussion on the previous item he felt this was very appropriate.

Alan Williamson as a member of the group stated he was impressed by the fact that the sub risk registers had been completed by all offices. He noted the need to clarify the relationships between the risk register and the associated risk registers. John Pattison provided information that Jim Winstanley is convening a meeting to consider recommendations by himself as Clerk regarding reporting and monitoring. Recommendations will then be made to the next Risk Management Group.

### **11. Identification of Health & Safety Issues**

None.

### **12. Identification of Equal Opportunities Issues**

None.

**13. Any other Business**

None.

Draft Minutes approved by the Chair : via email on 10 February 2009.

Minutes approved by the Committee:

Signed : \_\_\_\_\_ Date : \_\_\_\_\_

**The Oldham College Corporation  
Rolling Action List – Audit Committee**

<b>Meeting Date &amp; Item No.</b>	<b>Rolling Action List</b> <i>(Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)</i>	<b>Actionee</b>	<b>Reported as Completed at meeting of</b>
21 05 08, Item 5	<b><u>Matters Arising</u></b>  Jim Winstanley to condense the benchmarking data into a comparison with local colleges.	JW	4/2/09
01 10 08, Item 8	<b><u>Internal Audit Assignment Reports</u></b>  <b>Student Records – Train to Gain</b> John Pattison to agree and report back on timescale for finalising reports with KPMG.  <b>IT Helpdesk review</b> Emma Casson to circulate a proposed process for agreeing the annual internal audit strategy and plan.	JP	4/2/09
01 10 08, Item 11	<b><u>Re-appointment of Internal Auditors</u></b>  Develop internal audit feedback questionnaire for managers.	KPMG	4/2/09
26 11 08, Item 6	<b><u>Rolling Action List update</u></b>  Keith Rushton to send examples of customer appreciation forms to the Committee.	KR	4/2/09
26 11 08, Item 7	<b><u>Internal Audit Strategy and Annual Plan 2008/09</u></b>  The Clerk and Chair to decide a rearranged date for the February Audit Committee meeting.	JO/JP	Not required
02 02 09 Item 6	<b><u>Rolling Action List</u></b>  John Pattison to circulate the internal audit feedback questionnaire to relevant managers.7.	JP	
02 02 09 Item 7	<b><u>Internal Audit Assignment Reports 2008/09</u></b>  KPMG to reissue the report with the two adjustments.	KPMG	
02 02 09 Item 8	<b><u>PFM Assurance Review Report</u></b>  That LSC be requested to provide a written response to the T2G provider feedback in time for presentation to the Audit Committee meeting of 20 May.	TSp	

