



THE OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 3 February 2010

Present	Members:	Alan Williamson	(Chair)
		Shauna Dixon	(Governor)
	Officers:	Derek Truffas	(Clerk to the Corporation)
		Anne Falloon	(Deputy Principal)
		Rebecca Johnson	(Assistant Director – Finance)
		Helen Knowles	(KPMG)
		Peter O'Donnell	(Director of Information Systems and Data)

1. Apologies

An apology had been received from Gavin Treavis who had been unable to attend because of the severe snow fall which had prevented him from reaching the College. The representative from KPMG had also been delayed and had apologised for late arrival.

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 held on 25 November 2009

The Chair reported that agenda items numbered 7 – Risk Management Update and 8 – Provider Financial Assurance Report had not been included in the minutes of the previous meeting.

The following entries were added to the minutes:-

Agenda Item 7 – Risk Management Update

It was noted that due to a postponement there had been no meeting of the College Risk Management Group in the period between Audit Committee meetings and no update had been prepared.

It was **RESOLVED** that the situation be noted but that an update would be presented to the Audit Committee at its next meeting.

Agenda Item 8 – Provider Financial Assurance Report

Members noted that the report covered European Social Fund activity and included one high risk recommendation regarding accurate recording that beneficiaries pass the 13 week employment period.

It was **RESOLVED** that appropriate action was in place regarding the Audit Report which was noted to be 'satisfactory'.

With the above additions the minutes of the meeting of 25 November 2009 were approved and signed by the Chair as a correct record of the meeting.

5. Matters Arising

There were no other matters arising not already on the agenda for the current meeting.

6. Rolling Action List Update

6.1 Ref. Meeting 20 05 09 Agenda Item 10 – Annual Report on Auditors by other Agencies

Members were reminded that a request had been made by the Audit Committee for the "Get Oldham back to Work" audit report to be included as an item at the first meeting in 2009/2010 but that had not been produced. It was confirmed that the Report had been audited by Oldham LA in December 2008 and a sum of £259K had been budgeted for in the LA Deprived Area Fund.

It was **RESOLVED** that the Report be obtained for consideration by the Audit Committee at the next meeting.

6.2 Ref. Meeting 20 05 09 Agenda Item 12 – Risk Management

Presentations to the Audit Committee by members of the Risk Management Group responsible for risks had not been organised as previously requested. The Chair suggested that a calendar be developed identifying a timetable when specified members would make their presentations.

It was **RESOLVED** that action be taken as detailed.

6.3 Ref. Meeting 30 09 09 Agenda Item 11 - Internal Audit Annual Report

Members were informed that the Clerk to the Corporation had written to appropriate staff on behalf of members of the Corporation with congratulations on reducing the number of actions outstanding on audit assignment reports.

7 Risk Management – Update

A briefing paper detailing an update on Risk Management had been prepared by the Deputy Principal in the continued absence of the Director of Finance and Estates and had been previously circulated to members for consideration. A copy of the minutes of a meeting of the Risk Management Group held on 12 January 2010 had also been circulated with the report.

The Deputy Principal reported that at the meeting of the Risk Management Group, although the Register had not been reviewed, it had been confirmed that each risk leader should present the detail relating to their own area. Although the Director of Finance and Resources was not present at the meeting it had been noted that the position for that area had not changed.

Members discussed the Register and the following issues were highlighted;-

- (i) Risk 3 – although the College was in a strong position the accommodation strategy may alter the position and that was being monitored. The risk of significant changes to the funding regime would be a rising risk and mitigating actions would need to be looked at,
- (ii) Risk 5 – the Accommodation Strategy had been revised but the new Principal would have a greater involvement in its development now that he had commenced work at the College,

- (iii) Risk 9 – the SAR was largely completed and had been revised to match the new framework. The SAR Development Plan would also be presented to SMT more regularly than previously and
- (iv) the need for a Business Continuity Policy and Plan which included Disaster Recovery as an element was noted. That was to be considered at the next meeting of the Risk Management Group. The Deputy Principal would also discuss with Alan Francis the membership of the group in the continued absence of the Director of Finance and Resources.

Members asked about the Academy appearing in the College Main Risk Register although it was recognised that there would be a free standing Register for the Academy itself. It was confirmed that the Risk Management Group had considered the issue and had agreed that the Academy should not appear in the College Register. Members commented on and discussed that decision and felt that the Academy should be entered as a risk on the College Register.

It was **RESOLVED** that:-

- (a) the minutes of the meeting of the Risk Management Group held on 12 January 2010 be accepted as detailed and
- (b) the Academy be entered on the College Risk Register as a potential risk.

The representative of KPMG had not arrived at the meeting and it was agreed to change the order of the agenda pending their arrival.

8 Financial Regulations (Agenda Item 9)

A copy of the Financial Regulations had been circulated to members for consideration. The Assistant Director of Finance reported that the Regulations had been reviewed with regard to both the new Instrument and Articles of Government and to changes to practice and had been considered by the Resources Committee at its meeting held 26 January 2010.

A limited number of the minor revisions related to the current terms of reference of committees and were highlighted in the circulated document and it was confirmed that no further revisions were required. It was also reported by the Assistant Director of Finance that as requested by the Resources Committee the External Auditors had confirmed that the College Financial Regulations met requirements. Confirmation was still awaited however on the proposals for approval of the arrangements for travel by the Principal which specified approval by the Chair. Arrangements at other Colleges was being requested and would be reported to the Resources Committee at its next meeting.

It was **RESOLVED** that:-

- (i) the Financial Regulations which meet requirements and were fit for purpose be approved as detailed and
- (ii) further consideration be given to the arrangements for approval of travel for the Principal when information from other colleges was available.

It was agreed that in the continued absence of the internal auditor the assignment reports be considered by members.

9 Internal Audit Assignment Reports (Agenda Item 8)

9.1 Student Information

The work undertaken related to a review of Student Information at The Oldham College and was undertaken in accordance with the approved internal audit plan for 2009/2010. The review had looked at quality assurance arrangements to ensure that adequate

controls were in place over the process and that control objectives had been met to ensure:-

- (i) the accuracy and quality of student information and
- (ii) that the College was complying with guidance related to the ILR and funding only claimed for eligible learners.

Three recommendations had been made to address the identified weaknesses with 2 being Medium and 1 Low. On the Data Protection Statement (Medium Risk) it was confirmed that the current procedure that students only signed a declaration on the enrolment form to state that they had received a copy of the Statement had already been implemented. On the Recording of reason for fee remission (Medium Risk), a test revealed that one student was incorrectly recorded on the student record system as being entitled to fee remission due to this being their first level 2 course but a second sample had revealed that there were no errors. Management had confirmed however that this would be strengthened by better training for staff which would be delivered and take place in June 2010. The Low Risk item was the Efficiency of identifying level 2 fee remission entitlement and the need to improve the work in that area. Members noted that there was a need to claim for certain types of fee remission but stated that there was a need to make clear the action date in the Report and include the date for training of staff i.e. July 2010 and the completion of action.

It was **Resolved** that:-

- (a) the internal auditor be asked to adjust the dates for action to identify actual completion and
- (b) the Report be received and the Committee accepts that the actions effectively address the recommendations detailed.

9.2 IT Disaster Recovery Review

The purpose of the review was to provide assurance that there were adequate controls in place over the management of IT Disaster Recovery. The findings identified three low risk recommendations which all related to documentation. One medium risk item relating to the Relocation of key IT Staff had been included to ensure a complete record although the action on that was complete.

The report identified two key findings relating to there being a significant number of Disaster Recovery Proformas containing latest dates greater than 12 months previously and there being no history kept for IDTR documentation. Members discussed the report and asked that in order to tighten up the controls the name of a responsible officer and completion dates for recommendations should be included. It was confirmed that on the three issues which related to Test Dates; Test Documentation and updating ITDR Documentation the findings were a part of an ongoing process and would never be finally completed. It was suggested however that the report should include the IT Services Manager as responsible officer and 'Variable and On-going' for the date.

It was **Resolved** that:-

- (a) the report be adjusted to include the name of the officer responsible for actions and where no date was practicable the words 'variable and ongoing' and
- (b) the Report be received and the Committee accepts that the actions effectively address the recommendations detailed.

5.30pm – Ms Helen Knowles (KPMG) joined the meeting during the previous item

10. Identification of Health & Safety Issues

None.

11. Identification of Equal Opportunities Issues

None.

12. Any other Business

None.

13. Date of next meeting

Wednesday 26 May 2010 5.00pm – 7.pm

Minutes approved by the Committee:

Signed; _____ Date: _____
Chair

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

Meeting Date & Item No.	Rolling Action List <i>(Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)</i>	Actionee	Reported as Completed at meeting of
20 05 09 Item 10 and 03 02 10 Item 6.1	<u>Annual Report on auditors by other Agencies</u> “Get Oldham Back to Work” audit report to be included as an item at the next meeting of the Audit Committee.	Assistant Director - Finance	
20 05 09 Item 12 and 03 02 10 Item 7	<u>Risk Management</u> (i) Re-establish presentations by members of the Risk Management Group responsible for risks and prepare a Calendar of dates for staff presentations. (ii) Include the Academy as a potential risk on the College Risk Register	Deputy Principal Deputy Principal	
30 09 09 Item 11	<u>Internal Audit Annual Report</u> John Pattison to congratulate staff on behalf of the Governors for their work on reducing the number of actions outstanding.	Clerk to the Corporation	Audit Committee 03 02 10
03 02 10 Item 8	<u>Financial Regulations</u> Authorisation of travel arrangements for the Principal be reconsidered when information from other colleges was available	Clerk to the Corporation	
03 02 10 Item 9	<u>Internal Audit Assignment Reports</u> Dates for action and names of responsible officers to be included /adjusted in the reports	Internal Auditor KPMG/ Assistant Director - Finance	