

Audit Committee 26 October 2010, Committee Room, Ashington Campus

	<p>Present : S Barlow(Chair), P Langton, C Todd</p> <p>In attendance: DSimpkin, Wayne Brown of PWC, Helen Wright,</p>	
Audit/26Oct10/01	<p>Confirmation of eligibility and quorum:</p> <p>The meeting was agreed to be quorate.</p>	
Audit/26Oct10/02	<p>Apologies (please advise Clerk):</p> <p>Apologies were received from Lesley Rickerby and David Cheetham.</p>	
	Auditors and Governors briefing.	
Audit/26Oct10/03	<p>Minutes of the meeting held 22 June 2010:</p> <p>The minutes from the last meeting were agreed to be accurate and were approved.</p>	
Audit/26Oct10/04	<p>Matters arising not otherwise on the agenda:</p> <p>There were no matters arising.</p>	
Audit/26Oct10/05	<p>External auditors annual report – KPMG:</p> <p>Unfortunately the external auditors were not present at the meeting but C Todd provided a verbal update. CT advised the Committee that the accounts had been produced and that there had been no adjustments and that was an improvement from the previous year. CT added that all outstanding issues had been dealt with.</p>	
Audit/26Oct10/06	<p>Internal audit annual report – PWC:</p> <p>WB directed the committee to page 4 of the report and advised that the annual internal audit opinion was based upon a number of considerations which were summarised in the report.</p> <p>WB also advised the committee that the College does not have adequate and effective management, control and governance processes to manage its achievement of the College's objectives. Where significant deficiencies in control processes have been identified, the actions the College's management intend to take will, if implemented satisfactorily, resolve the deficiencies in an appropriate way.</p> <p>WB then briefly reviewed the operational assurance and the new process. It was discussed and suggested that staff who lead on audits provide, as a requirement, a report to the management team. It was also noted that the auditors feel confident that the College is on the right course for improvement.</p> <p>Discussions took place regarding roles and accountability and it was noted that David Cheetham, Interim Principal was working on these two matters with staff.</p>	

Audit/26Oct10/07	<p>Internal audit plan – 2010/11 – PWC:</p> <p>WB highlighted that the Strategic Audit Plan showed that an audit was needed 50 to 55 days per year over a three year period and highlighted the component parts of the plan. The document set out the details of the internal audit service which includes an assessment of internal audit needs. The Committee then reviewed the plan for 2010/11 to 2012/13. It was agreed to assign project leads for each audit. The plan was agreed by the Committee.</p>	
Audit/26Oct10/08	<p>Internal audit reports – PWC:</p> <p><u>Corporate Governance</u></p> <p>WB advised that this audit had been given a moderate assurance. WB advised that there had been 4 findings in total 1 being High, 2 being Medium and 1 being Low. WB then reviewed the findings and recommendations by highlighting the risks arising, the recommendations given and the management response to each.</p> <p>It was noted that there was a problem with ToRs, committees, their structure and purpose. Following discussions it was agreed that a refresh of governance and responsibilities should be looked into. It was also noted that the appointment of a Clerk was in hand.</p> <p><u>Quality</u></p> <p>WB advised that this audit had been given a limited assurance for which he directed the committee to page 4 of the document and advised that there were 11 findings. In the assurance statement, WB advised that there were weaknesses in the design and/or operation of controls which could have a significant impact on the achievement of the key system, function or process objectives but should not have a significant achievement of organisational objectives.</p> <p>WB then directed the committee to pages 7 and 8 which highlighted the high risk rates. HW added that QiP received rigorous scrutiny and referred the committee to the management response. Following discussion it was agreed that a copy of the quality report be sent to Tony Shirley, Chair of Standards for his information.</p> <p>WB then directed the committee to page 9 of the document. It was noted that there would be a follow up audit and that this was work in progress. HW briefly discussed the management response.</p>	
	<p>Any other business:</p> <p>There were no items to report.</p>	
	<p>Confidential items and items for the risk register:</p> <p>There were no items to report.</p>	
	<p>Date of next meeting: 30 November 2010 at 5:30pm – Follow up audit reports to be provided.</p>	

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Minutes agreed at meeting held 30 November 2010

Signed:

Sharon Barlow, Chair of Audit Committee

Date signed: