

## Audit Committee 22 June 2010, Committee Room, Ashington Campus

	<p><b>Present : S Barlow(Chair), P Langton, L Rickerby</b></p> <p><b>In attendance: DSimpkin, Wayne Brown of PWC, Alexandra Keelty of KPMG, Helen Wright, Barbara Holmes, Luke Rutherford, R Ellis-Jones and C Todd</b></p>	
Audit/22june10/01	<p>Confirmation of eligibility and quorum:</p> <p>The meeting was agreed to be quorate.</p>	
Audit/22june10/02	<p>Apologies (please advise Clerk):</p> <p>No apologies were received.</p>	
	<p>Auditors and Governors briefing.</p>	
Audit/22june10/03	<p>Minutes of the meeting held 2 March 2010:</p> <p>The minutes from the last meeting were agreed to be accurate and approved.</p>	
Audit/22june10/04	<p>Matters arising not otherwise on the agenda:</p> <p>There were no matters arising.</p>	
Audit/22june10/05	<p>Internal and External auditors review of performance and re-appointment:</p> <p>A discussion took place regarding the auditors performance and their re-appointment. CT advised that a good relationship had been built and that there may be the possibility of negotiating a lower fee.</p> <p>REJ commented that the auditors had been unnecessarily tough and had on occasions gone beyond their intended scope of work.</p> <p>Following discussions it was agreed that the Audit Committee should be involved in the tendering process when re-appointing auditors.</p>	
Audit/22june10/06	<p>Internal Audit Review 2009-10 and Plan for 2010-11 - PWC</p> <p>WB highlighted the draft strategic internal audit plan for 2010/11 to 2011/12 and the types of review which he advised would be reviewed with management.</p>	
Audit/22june10/07	<p>Audit Strategy – 2009/10 Year End – KPMG:</p> <p>Alexandra Keelty and provided the Audit Strategy and Planning Memorandum for year ended 31 July 2010. She highlighted the objectives of the audit; audit approach; audit risks; who the team were and the fees; the timetable and FE sector developments.</p>	
Audit/22june10/08	<p>Skills Funding Agency – Audits:</p> <p><u>Train to Gain</u></p> <p>It was noted that this report detailed the findings and conclusions arising from the full assurance visit of the audit team during January, February and March 2010. The findings and conclusions were fed</p>	

	<p>back to Helen Wright, Kelly Ramsey and Barbara Holmes on 4 February 2010 with a follow up visit on 2 March 2010.</p> <p>HW commented that there was a weakness around robust evidence to which SB asked for an explanation as to how the evidence was not available.</p> <p>BH commented on the introduction of demand led funding and advised that the paperwork did not address this change at the time which in turn did not satisfy the auditors. She confirmed that this had now been addressed by taking the suggested documents by the SFA which were presented to the Senior Management Team, and which meet the requirements. BH added that this was being trialled and will be rolled out in 2010/11. The documentation will be more robust and will be completed correctly. SB asked if the wrong documentation had been used for several years to which BH agreed this was the case.</p> <p>Discussions took place regarding the recruitment of a Contracts Manager in the new structure and the role they will play in addressing these issues. LR asked how much influence this role will have with regard to responsibility.</p> <p>HW advised that the College is trying to raise peoples awareness of audit, but that there was an education issue with regard to this. However, the main action is making people aware of the new paperwork. BH added that the staff in Work Based Learning would be going out to clients with the assessors to ensure that the documentation is completed correctly and also with learner.</p> <p>Both SB and REJ commented that lessons had not been learnt in order to get funding correct and that there had been a constant clawback over the last three years.</p> <p><u>Apprenticeships</u></p> <p>This report detailed the findings and conclusions arising from the full assurance visit of the North East Audit Team to Northumberland College during January 2010.</p> <p>The auditors fed back their findings and conclusions to Helen Wright, Kelly Ramsey and Barbara Holmes on 4 February 2010.</p> <p>References in this report referred extensively to the LSC which ceased to exist from 1 April 2010. However this report referred to the period when the LSC had responsibility for funding and the reference to the LSC is maintained within the report. For any PFA reviews carried out with a start date from 1 April 2010 reporting will refer exclusively to the Skills Funding Agency.</p> <p><u>Train to Gain (ESF)</u></p> <p>This report detailed the findings and conclusions arising from the full assurance visit of the North East Audit Team to Northumberland College during October 2009.</p> <p>The auditors fed back our findings and conclusions on 2 march 2010.</p>	
Audit/22june10/09	<p>Internal Audit Reports – Business Continuity Planning:</p> <p>WB of PWC advised that the BCP audit had been agreed as part of the Internal Audit plan for 2009/10. He advised that the overall</p>	

	<p>objective of the audit was to assess whether the College had an effective system to ensure the continuity of key operations in the event of unforeseen circumstances. He highlighted the key objectives and the two key elements of Business Continuity Management. He then advised that six recommendations had been identified as highlighted on Page 9 of the report and drew the groups attention to this.</p> <p>He then went through further pages of the document relating to Business Impact Analysis, recovery strategies and issues around disaster recovery plans.</p> <p>CT commented that the cycle indicated in the document was helpful in that it gave a steer as to how to rectify the position. Concerns were raised and discussed with regard to the consultants used for BCM.</p> <p>LR commented that this was a global plan which the whole college needs to buy into with smaller plans underpinning this. LR asked why this work had been not been carried out before? REJ advised that the College had had a simplistic model, but wanted to move towards something more robust. LR added that the college was aware of what was needed but timescales were not appropriate. However, this should be different within five to six months. REJ highlighted the three incidents where the team had performed where required.</p>	
	The auditors left the meeting at 6:30pm.	
Audit/22june10/10	<p>Risk Management:</p> <p>The Business Continuity Planning audit had been agreed as part of the Internal Audit plan for 2009/10.</p> <p>The report summarised the findings of the auditors review of BCP. Each of the issues identified had been categorised according to risk.</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>	
	Date of next meeting: 26 October 2010 at 5:30pm	