

**MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

held on Monday, 4th October 2010 at 9.05 a.m.

- Present: Ms Suzie Bridges, Dr Diana Cassell, Mrs Vivien Chaffin-Laird, Mr Colin Eley,
Mrs Carolyn Watson
- Apologies: Mr Mark Watts
- In attendance: Ms Kate Blenkinsop (Grant Thornton), Mr Ian Dumbleton, Dr Jackie Johnston,
Ms Nicola Whitehead (Clerk)
- In the Chair: Mrs Vivien Chaffin-Laird

1. Declarations of interest

There were no declarations of interest.

2. Minutes (Parts I and II) of the Meeting held on 21st June 2010 were approved.

3. Matters arising None

4. Implementation of internal audit recommendations

Paper: Implementation of internal audit recommendations October 2010

The Director of Finance explained that the IAS recommendations were all ‘merits attention’ and therefore pointers to good practice rather than expressions of concern. All such points had been agreed by the college and the majority now implemented with the remainder scheduled to be completed over the year. Ms Blenkinsop confirmed that the college was starting from a high base and had been exemplary in its timely response.

5. Internal Audit Annual Report 2009-2010

Paper: Draft Internal Audit Annual Report 1 August 2009 to 31st July 2010.

Ms Blenkinsop explained the format of the report in summarising the work over the year and in giving overall assurance as to the adequacy of the college’s risk management, governance and control processes both in terms of their design and implementation. No fundamental issues or common or significant weaknesses had been identified.

Action: Grant Thornton to consider the presentation of the report in conjunction with the Director of Finance and Clerk in order to clarify the nature of the recommendations over the year so that the report would better serve as a standalone document when being submitted to the whole Governing Body.

Recommendation: The Governing Body should approve the amended Internal Audit Annual Report at its next meeting.

6. Review of performance of IAS 2009-2010 and performance indicators for 2010-2011

Paper: Performance indicators 2009-2010

The Director of Finance confirmed that the college was able to give a positive response to the performance indicators for the IAS. Recommendations were generally followed through and discussions of their practicability constructive. It was noted that the LSC referred to in

indicator 12 had ceased to exist from April but that any new requirements from either the local authority, YPLA and SFA were not yet clear. The Principal commented that the IAS could add most value for the college in helping them understand the new relationships and requirements. Ms Blenkinsop explained that education account managers such as herself had a weekly conference call with David Barnes as head of the education division at Grant Thornton in order that such information could be disseminated as soon as available. She would consult this network for further information, for example in respect of the more detailed requirements of the new Joint Audit Code of Practice expected this autumn.

It was agreed that the performance indicators for 2010-2011 should be the same as for 2009-2010 with the exception of the reference to the LSC.

[9.25a.m. Ms Blenkinsop left the meeting]

7. Appointment and remuneration of internal auditors 2010-2011

Members valued the assurance provided by the IAS on compliance issues and acknowledged the difficulties for the IAS in adding value when the college was operating effectively. Benchmarked against other colleges, Collyer's was at the lower end of days spent on audit but this seemed appropriate given the nature of the college, its financial health and relatively straightforward property situation. The cost of the IAS continued to be competitive as it had been on appointment but it would be helpful to be clearer on what basis (e.g. CPI/RPI) the proposed charges had been calculated.

Recommendation: The Governing Body should approve the reappointment of Grant Thornton for 2010-2011 subject to the clarification on charges.

[9.35a.m. Ms Blenkinsop rejoined the meeting]

8. Internal audit needs assessment , strategic plan and annual plan 2010/2011

Paper: Draft Annual Internal Audit Plan 2010-2011

Members considered the proposals put forward by the IAS. They noted that specialists would be used for the informative reviews but that the proposed cost was still relatively high compared with 2009/10. A number of modifications were agreed:

- i) Given the college's effective response to earlier recommendations, the day allocated for follow-up could be dropped;
- ii) The days allocated for long term planning should be reduced by one given that any constraints on long-term planning were largely owing to external rather than internal factors;
- iii) Administration days to be reduced by one to bring these more in line with previous years;
- iv) There was no need to carry forward a day from previous years

This would bring the total number of days to 18.

Action: Grant Thornton to provide revised plan and costings to reflect the discussion with particular attention to an appropriate mix of staff according to the needs of the work.

Recommendation: The Governing Body should approve the amended internal audit strategy for 2010/2011 at its next meeting.

[10.05a.m. Dr Johnston and Mr Dumbleton left the meeting]

Before finalising arrangements for the coming year members were keen to seek the views of Grant Thornton without the presence of senior management. Ms Blenkinsop confirmed that the relationship between the IAS and the college was good with ready access to staff and information afforded to them. Discussion of recommendations was frank and pragmatic with conclusions reflected openly in reports.

[10.10a.m. Dr Johnston and Mr Dumbleton rejoined the meeting

9. AoB

The Principal updated members on the college's positive performance on examination results and student enrolment (including international students) and their implications for future funding for the college.

10. Meeting assessment

Paper: Audit Committee Quality Framework

The members were satisfied that discussion of the agenda items had been robust and constructive with attention devoted to both the presentation of information and its content to ensure value for money in a key area of the college's services. They welcomed the background information on students and funding as central to the role of the college, if not the remit of the Committee.

11. Date of the Next Meeting – Monday, 15th November 2010 at 9.00 a.m.

The meeting ended at 10.20 a.m.

Chairman.....

Date.....

NCW 04/10/10