



HADLOW  
COLLEGE

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## MINUTES OF THE AUDIT COMMITTEE HELD ON 22 MARCH 2012

Present: Mr N Coffin  
Mr J Boxall  
Mr B McNicoll

In attendance: Mr M Lumsdon-Taylor-Director of Finance  
Mr D Morris -MacIntyre Hudson

The meeting commenced at 09.30.

### WELCOMES, APOLOGIES & DECLARATIONS OF INTEREST

51. Apologies were received from Mr J Allen. There were no declared interests against any of the agenda items. It was confirmed that the meeting was quorate.

### MINUTES

52 **RESOLVED** - that the minutes of the meeting of the Audit Committee held 224 November 2011 be approved as a correct record and signed by the Chair.

### SUMMARY ACTION LIST & MATTERS ARISING

53. The College report '*Summary Action List*' was received (copy attached to the signed minutes).

Minute 35: Changes to the Risk Register agreed at the last meeting have been completed.

Minute 48: It was confirmed that the Financial Regulations have been updated to take into account the Bribery Act and the changes to the Financial Regulations were approved by the Finance, Commercial & Resources Committee at its meeting held 15<sup>th</sup> March 2012. Made available for information purposes was professional advice from the College's solicitors on the steps required to embed the Bribery Act (copy attached to the signed minutes). The immediate next stage will be to nominate a lead for cascading the Bribery policy and to train key College personnel. A further update will be made available at the summer term meeting.

54. It was **RESOLVED** to note the Summary Action List and the supplementary report on Floristry.

### AUDIT ROLL FORWARD ACTION PLAN

55. The Audit Committee received the '*Audit Roll-Forward Action Plan*' listing progress against all outstanding audit recommendations (copy attached to the signed minutes).

56. Of the 5 audit recommendations as at February 2012, all are currently on progress for completion against the agreed target date. Two of the five recommendations relate to the current internal audit which is a later agenda item. The

two high risks relating to Commercial Floristry and Fisheries were both subject to a supplementary report that was reviewed by the Committee.

57. It was **RESOLVED** to note the Audit Roll Forward Action Plan.

### INTERNAL AUDIT 1<sup>ST</sup> VISIT

58. The '*Internal Audit 1<sup>st</sup> Visit Report*' was received (copy attached to the signed minutes). The report was presented by Mr D Morris (MacIntyre Hudson). The visit summary confirmed the following outcomes:

Area Reviewed	Audit Opinion	High	Medium	Low	Total
Corporate Governance	Substantial Assurance	0	0	0	0
Risk Management	Substantial Assurance	0	0	0	0
Key Financial Controls	Substantial Assurance	0	0	0	0
Marketing	Satisfactory Assurance	0	1	0	1
Catering	Satisfactory Assurance	0	0	1	1
		0	1	1	2

59. The medium recommendation on marketing related to the involvement of the Marketing Manager to join the Curriculum Planning Review Group and it was confirmed in the management response that this will be considered with agreement required from the Vice Principal. The low recommendation on catering related to the reintroduction of the catering student forum group and management response agreed to implement this.

60. It was **RESOLVED** to note the report.

### FINANCE DIRECTORATE INTERNAL CONTROL SYSTEMS FRAMEWORK

61. The report from the Finance Directorate on '*Internal Control Systems Framework*' was received (copy attached to the signed minutes). To support the monitoring of College performance at an audit review level, an internal control and systems framework is used as a monitoring tool to keep the Committee informed in underlying control adherence in line with the Financial Regulations and audit best practice. The report is presented quarterly and reports on headline fiscal data covering the College's financial position and cashflow, with operational monitoring in the three areas of income, expenditure and global.

62. The Committee **RESOLVED** to welcome and note the opinion offered in the report that the College systems control framework is in operation and working within agreed norms and that there were no issues to report to the Audit Committee.

### TERMLY REPORT ON RISK MANAGEMENT

63. The Committee received the minutes of the Risk Management Meeting held 8<sup>th</sup> February 2012 and the College's 'Global Risk Register' that incorporates the risk management scoring system, use of a traffic light system for each identified risk, an executive summary with a headline summary provided of all high risks identified. Any risk over a score of 10 is confirmed as a high risk and the risk, along with the actions

proposed to mitigate the risk, are summarised in the headline summary table of all high risks identified (copy attached to the signed minutes).

64. The Headline Summary of Key Risks confirmed the following high risks:

- Retention & Achievement
- Inadequate management information
- Changes in funding
- Profitability and loss of other sources of income
- Work Based Learning – Failure to improve framework achievements

65. The Committee reviewed in detail each of the identified high risks and the actions being taken to mitigate the risks.

66. It was **RESOLVED** to note the termly report on Risk Management.

### **MONITORING OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK**

67. The College report '*Monitoring of College Performance & Assessment of Risk*' was received (copy attached to the signed minutes). The Audit Committee is responsible for making assessments in the area of audit. Assessments are to be carried out at each meeting of the Committee through a standing agenda item '*Monitoring of College Performance & Assessment of Risk*' with an overall assessment for audit being made available to the Board.

68. The Committee noted and welcomed the assessment of 'no concern/no risk' made against each of the 9 audit performance indicators.

69. It was **RESOLVED** to inform the Board of the following overall assessments:

Audit	<b>No Risk/No Concerns</b>
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### **DATE OF NEXT MEETING**

70. Friday 29<sup>th</sup> June 2012 @ .09.30

The meeting closed at 11.00

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