



**Minutes of the Meeting of the
AUDIT COMMITTEE**

**held in WF122, Fawcett Building, Willesden Centre,
at 3pm on Wednesday 13 May 2015**

MEMBERS**Name****Category**

**Present [2]
[2/5 : 40%]**

Tracey Connage

Independent

Jeff Lee

Independent

Vacancies [2]

IN ATTENDANCE**Name****Office**

Fiona Chalk

Clerk to the Corporation

Stephen Holley

Vice-Principal Finance

Anthony Moore

Financial Accounting Manager

James Sherrett

Mazars

James Aston

BDO

Luke Holt

BDO

Andy Cole

Principal

Vineeta Manchanda

Governor

[Action]

1 APOLOGIES FOR ABSENCE

Apologies were received from Ann John OBE

2 DECLARATIONS FOR INTEREST

No declarations were made.

3 MINUTES OF THE PREVIOUS MEETING

It was noted that no members from the November meeting were in attendance at this meeting, therefore the minutes will be taken to the June meeting for approval. **Clerk**

4 MATTERS ARISING

There were no matters arising that are not covered in this agenda.

5 INTERNAL AUDIT – REPORT ON FINAL REPORT 2013/14

It was noted that this is a summary of the findings from the previous Internal Auditors. It was noted that:

- 23 recommendations
- 19 have been implemented, 3 are in progress, 1 superseded
- 3 in progress for Performance Management – staffing have been updated

[Action]

with revised implementation date of October 2015

- The superseded recommendation is now no longer feasible due to insufficient resources to implement the recommendation.

Members asked if there are any significant risks in not implementing this recommendation as it was a high level recommendation. The IAs recommended it be revisited in the Autumn to decide if it should be included in the Audit Plan for next year.

Clerk/
Mazars

6 INTERNAL AUDIT - REPORT OF VISIT NO 1 OF 14/15

The IAs explained the timetable and the commencement of work covering Core Financial systems and Value for Money.

1. Value for Money – Procurement/Staff utilisation: The in-house procurement team is very professional and consistent savings are generated. There are 4 recommendations, 2 significant and 2 housekeeping. Controls are documented in the Risk Register and are working well.
 - The College should develop a formal documented Value for Money strategy
 - The College should consider producing a Value for Money Action Plan to underpin delivery of the Strategy
 - A target or performance measure should be identified for space utilisation
 - The College should pursue shared services with other London Colleges i.e. payroll, HR

A review of sessional agency staff could be added to next year's IA Plan. The IA's were advised that EMT are looking at modelling of delivery and staff utilisation and the purpose of the agency staff and how it is allocated to curriculum areas.

2. Financial Forecasting. The reasons for the forecasted deficit and the expenditure were noted. It was noted that a control framework, including a deficit plan is in place. There are 6 recommendations, 2 significant and 4 housekeeping.
 - A review of the Financial Regulations should be undertaken
 - Dates of amendments to the regulations should be shown on the front page
 - Responsibility for finance items to be noted in process and procedure documents
 - Implement a formal timetable for monthly and yearly financial cycle
 - More detail to be given to the deficit plan, down to departmental level
 - Details on the Bank Covenant/Loan position to be presented to the Corporation

The Committee **NOTED:**

- a) The report and its recommendations
- b) Future IA Plan to have fixed dates for visits
- c) VfM Strategy to be implemented by EMT and presented with Action Plan and Annual Report to the Audit Committee. IAs to send examples to EMT.
- d) Consider adding Agency staffing to next year's IA Plan
- e) Bank Covenant/Loan position to be reported to the Corporation
- f) A meeting with the Bank to discuss the above is to be held in June

Mazars
VP Finance/
Clerk/
Mazars
VP Finance/
Clerk

7 RISK MANAGEMENT MONITORING

[Action]

The Vice-Principal Finance and Resources advised that the Risk Register has been revamped. The top 12 risks (all high risks) were noted.

The method of implementing and noting completion of the mitigation actions was discussed. It was noted that:

- 1.6, 1.9 and 3.1 are standing items which are on-going and under constant monitoring
- 3.3 – a good grade at re-inspection is essential to encourage students and provide assurance to the bank
- 4.3 – the importance of students achieving in English and Maths is a priority
- 4.6 – recruitment of student numbers is under pressure due to competitive market and shrinking /mobile London market. The new building will attract learners in the long term
- 4.7 – 16-18 recruitment needs to be increased
- 9.8 – Consideration to be given to local disruptions to staffing, as well as national issues
- 11.6 – Finances are under constant review

The Committee **NOTED:**

- 8 of the high risks have been reduced to either medium or low as a result of mitigation actions.
- The Bank Covenant be added to the Risk Register
- Under 9.8, Local issues be added to National ones
- The New Build to be added to the risk register

VP Finance
VP HR
VP Finance

8 EXTERNAL AUDIT – VERBAL REPORT

BDO advised that a Planning Paper would be presented to the Audit Committee on 24th June, following a meeting with the Vice Principal Finance and Resources on 2nd June. Items including sustainability, financial planning and Bank Covenant renewal will be addressed. It is anticipated that their work will commence in early October and finish at the end of October.

BDO

9 ANY OTHER URGENT BUSINESS

None.

10 DATE & TIME OF FUTURE MEETINGS

Wednesday 24 June 2015 commencing at 5pm.

The meeting closed at 4.00p.m.

Signed.....
(Chair of the Committee)

Date.....