

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the meeting of the Audit Committee of the Board of Governors held
on Wednesday 11 May 2011 at 3.30pm in Room 255, Wellington Road

PRESENT

Mr D Swingwood (Chair) Ms M Hunt
Mr B Moore

Ms S Meddings (Clerk)

IN ATTENDANCE

Ms A Buick (RSM Tenon)
Mr P Green (RSM Tenon)
Ms E Payne
Mr P Polowyj

APOLOGIES FOR ABSENCE

Apologies for absence were received from Dr M Hardacre.
Mr Ian Millard and Mr Paul Oxtoby (Baker Tilly) also sent apologies.

01/11 MINUTES OF THE PREVIOUS MEETING – 1 DECEMBER 2010

Resolved:

That the minutes of the previous meeting held on 1 December 2010 be approved as a correct record.

02/11 INTERNAL AUDIT REPORTS 2010/11

Ms A Buick from RSM Tenon presented 6 Internal Audit reports to the Committee, commencing with a summary progress report on work completed on the Internal Audit operational plan. It was noted that delivery against the operational plan was on track.

The Committee considered a number of Client Briefings appended to the progress report. In respect of the “Ensuring Value for Money” client briefing, discussion arose on the usefulness to the College of RSM Tenon’s “e-Auction procurement services.

The Vice Principal Resources reported that the College had already engaged Expense reduction analysts who were focusing on specific areas within the College. Furthermore the College was currently exploring shared services in respect of College procurement.

In respect of the client briefing on the “Bribery Act 2010 Update”, the Clerk suggested that the implementation of adequate College procedures in response to the legislation could be included in a review of the College’s fraud and whistleblowing procedures as part of the 2011/12 Internal Audit Plan.

The following internal audit reports were presented for consideration by the Committee:

- Health and Safety Management
- Estates Strategy & Management
- Carbon Management
- Key Financial Controls
- Learner Number Systems
- Governance and Risk Management – Assurance Stocktake

The Committee were pleased to note that the reports on Health and Safety Management, Key Financial Controls and Learner Number Systems all received a “Green” opinion, i.e. substantial assurance.

The reports on Estates Strategy & Management, Carbon Management and Governance and Risk Management were Advisory reviews, i.e. no assurance level was given.

In respect of the review of Carbon Management, the Vice Principal reported that the College had a framework and policy in place but there was more to do around culture change. It was recognised that the College needed to quantify current practice in order to measure future carbon reduction.

In discussing the audit report on Key Financial controls, the Chair asked for an update on College Debtors and cashflow.

The Vice Principal reported that in respect of cashflow, the period from December to March was the most difficult because the cash advances from the YPLA and SFA were slightly below payroll during this period. However the College had managed this year not to tap into the overdraft facility by more actively managing payments to creditors. It was acknowledged that this had affected the College’s reputation.

In respect of Debtors, it was reported that the College’s credit controller produced a monthly report and that debt management was more actively reviewed. The position vis a vis the University was much improved and small balances with individual customers had reduced.

It was noted that the College’s level of assurance on Key Financial controls compared favourably with its peers when benchmarked against comparative data provided by RSM Tenon.

03/11 PROVIDER FINANCIAL ASSURANCE UPDATE – REVIEW ON ESF TRAIN TO GAIN

The Committee received the “final” report on the PFA review of the ESF Train to Gain project (contract value £1.693m) which was underway at the time of the previous Audit Committee meeting in December 2010.

It was reported that the PFA review was in effect a 100% check on all learners benefiting from the project. The 100% check had been deemed necessary because the errors found in the July 2010 visit were more than 5% of the sample taken at that time.

The Committee noted that the SFA concluded in the report that the College had “substantially met the contractual requirements attached to the payments and have used the money received from the Skills Funding Agency in a way that is consistent with the purposes for which it is intended.”

The SFA calculated that a “repayment” of £19,943 was required of the monies already received. It was noted however that this adjustment had already been undertaken in the last but one claim against this cohort of learners. The project finished at the end of December 2010.

04/11 RISK MANAGEMENT FRAMEWORK – TERMLY REPORT

The Committee considered a proposal for changes to the way in which the Strategic Risk Register is presented to Governors.

The Committee were reminded that the proposal arose from discussions at the previous Audit Committee meeting on how to ensure that the College’s risk management framework was robust in the context of current (and future) economic and funding climate. The Committee had agreed at that meeting to take this forward with input from the Internal Audit Service.

It was reported that Mr P Green had attended a meeting of the College Executive Leadership Team to brief Senior managers about risk management and to present options and that the proposed revised framework for reporting risk had been developed as a result.

It was noted that the proposed changes would become effective for the 2011/12 academic year.

Resolved:

That the Committee endorses the proposed new framework for presenting the Strategic Risk Register.

05/11 INTERNAL AUDIT RECOMMENDATIONS – IMPLEMENTATION PROGRESS REPORT

The Committee received a summary of progress on the implementation of internal audit recommendations reported during the 2007/08, 2008/09, 2009/10 and 2010/11 academic years.

It was reported that a total of 33 internal audit recommendations had been reported during 2007/08 of which 2 were outstanding but in progress. It was noted that both recommendations were related to procurement, one of the areas under review by College management in the context of shared services.

In respect of 2008/09, a total of 36 internal audit recommendations had been reported of which 1 was outstanding but in progress.

38 recommendations were reported to the Audit Committee in 2009/10 of which 34 had been implemented. All 4 of the outstanding recommendations were in progress.

In respect of the current year, 2010/11, 7 recommendations were reported to the Audit Committee in December 2010 of which 1 has been implemented. The 6 outstanding recommendations were in progress.