

HERTFORD REGIONAL COLLEGE
AUDIT COMMITTEE MINUTES
24th February 2014.

Present: Brian Hassell (Chair)
Ken Ayling
Fouzia Sillett
Jan Wing

In Attendance
Barry Ward (Baker Tilly)
Desdra Kingdon (Deputy Principal Finance & Resources)
Andy Forbes (Principal)

John Fowl (Clerk to the Corporation)

523. To Receive Apologies For Absence.

Apologies were received from Rakesh Shaunak.

524. Declaration of Interests.

None.

525. To Meet Auditors Without Officers Present.

There were no matters under this item.

526. To Approve the Minutes of the Meeting Held on 11th November 2013.

The minutes were approved.

527. Matters Arising.

Members were informed that PlaySomething had developed a separate 'brand' named 'Hertford College of Music' but remained as a single business entity.

528. Internal Audit Reports 2010-11.

a) Financial Regulations

The IAS had been asked to look at the regulations on an advisory basis to see whether the document could be reduced in size (number of pages). It had been noted that the document included a number of procedures which did not need to be included in the Regulations and so the IAS had recommended that they be stripped out. The revised Financial Regulations will be issued to SLT to review and confirm agreement.

A number of policies had also been historically included in the Financial Regulations and these also have now been taken out to become standalone documents which will be included in a schedule showing the date of last review and the date when due again for review.

b) Exams

The auditor had given this area of operation a 'GREEN' opinion with just 2 low level recommendations being made.

c) Finance System Review..

The IAS had undertaken an advisory review at the request of the College. There had been a limited amount of testing but this had been sufficient for the auditor to form the view that the system had been well implemented within a very short period of time.

Desdra Kingdon outlined some of the issues that had been encountered by staff as they learnt how to use the system together with the inbuilt controls.

The Finance Team had dealt with the issues well and the Committee recorded their thanks to them.

d) Student Attendance, Retention & Review.

The auditor had given this area of operation a 'GREEN' opinion with just 1 low medium recommendation being made in respect of the handling of student ILPs.

e) Follow up of Previous Years Audit Recommendations.

Of the 43 recommendations made 38 have now been implemented. It was noted that whilst the Board had agreed that self-assessment should be carried out not all governors had responded. The Clerk confirmed that the self-assessment process will be undertaken again during the Summer 2014 term.

f) Internal Audit Progress Report.

Barry Ward informed the Committee that despite the Red/Amber grading for the Health & Safety audit this there was not a concern. The issues highlighted were all being dealt with by the College H&S manager and Director of HR & Corporate Development with all the recommendations being implemented by June 2014.

It was **Resolved** that the Report be Received.

529. Update of Internal Audit Work.

Desdra Kingdon presented a tabular report to show that of the 43 recommendations made 38 have been fully implemented. There were four IT/Network recommendations made which were dependent on making key staff appointments.

It has been agreed that the 'Funding Audit' will be offered for tender to KPMG & Baker Tilly.

It was **Resolved** that that Report be Received.

530. Risk Management Update.

The activity in the College on Risk management is better and members noted the actions taken in each academic area.

The Strategic Risk Register had been discussed by the SLT on 5th March 2014 and it had been agreed that the Ware Phase 2 project risk register will be reviewed by the project steering group that would then report any primary risks to the SLT on a monthly basis.

The Committee considered the 2 Primary Risks in the College Risk Register together with the actions being taken to minimise them.

There is a concern that student numbers are reducing but research had shown that just one additional student per course would generate enough income to cover the current deficit. College staff are being made aware of this.

Governors were told that the reduced student numbers was due to a number of factors the main 2 being students staying on at school or going to neighbouring colleges.

Members discussed the recruitment process and it was accepted that speed of response to students after their initial interview was a key factor. Low student numbers has been left as a primary risk as the College has not hit its funding target for the year.

A second primary risk is seen as the current course offer is not suitable and does not reflect current market trends.

It was **Resolved** that the Report be Received and that the primary risks will be reported to the Board on 20th March 2014.

(Barry Ward left the meeting at this point.)

531. Internal & External Audit Tender Process.

It had previously been agreed that both audit services would be put out to tender for the year 2014-15 onwards, however with the many other issues being dealt with such as the HRC restructure and acquisition of CK Assessment it was now felt that the 3 month timescale to conduct such a tender process would not be achievable.

After consideration the Committee agreed to reappoint the current auditors (Baker Tilly –Internal Audit and MacIntyre Hudson – Financial Statements Auditor) for the coming year and that the tender process to seek both Internal and External audit services should be started in January 2015 with the intention of appointing auditors from May/June 2015.

532. Any Other Business.

There was no other business

533. Date of the next Meeting.

The next meeting will take place on 12th June 2014.

Signed.....
(Chairman)

Date.....