

Minutes of the meeting held at 5.00pm on 28 November 2013

Present: K Golding
C Manning
N Roberts
W Burrlock

In Attendance: D J Howells, Deputy Principal
P Ewan, Head of Finance
C Sutherland, Baker Tilly
P Goddard, Scrutton Bland
J Bridges, Clerk to the Corporation

No interests relevant to items on the agenda were declared by members.

Action

1 Election of Chairman

K Golding was nominated as Chairman of the Committee for 2013/14. The nomination was proposed by W Burrlock and was seconded by C Manning.

2 Apologies for absence

Apologies for absence were received from S Gravener of Scrutton Bland and Hannah Catchpool of Baker Tilly.

3 Minutes of the meeting held on 24 September 2013

The minutes of the meeting were confirmed as a correct record.

4 Matters Arising

From the minutes of the meeting held on 24 September 2013:

4 Matters Arising – Item 11 Audit and Accountability Annex to the Foundation Code of Governance

The Clerk will make contact with the Clerk at Tresham College and will carry out the assessment of the Audit and Accountability Annex for the meeting to be held in March 2014.

6 Internal Audit Recommendation Tracking Report

Fire marshal volunteers have been identified by the Heads of Faculty for their areas of responsibility.

The tracking report is updated by the Clerk and has been added as a regular agenda item for the Committee meetings.

9 Preparation for Committee Annual Report

The Clerk received four out of the five performance indicators satisfaction questionnaires and has used the responses to compile the draft report. This item is covered in more detail under item 7 of this meeting.

10 Assessment of Internal Control Systems

The sections of the assessment requiring a grade have been removed from the template. The final version will be appended to the Annual Report of the Committee that is presented to the Corporation at the 13 December 2013 meeting.

5 Draft Committee Annual Report

The report has been prepared in consultation with the former Chairmen of the Committee. Members agreed the report and the performance indicator scores for the auditors and this will be submitted to the Corporation for approval at the 13 December 2013 meeting.

6 Audited Accounts for the year ended 31 July 2013

As required by the SFA Joint Audit Code of Practice the annual report and financial statements for 2012/13 were provided to the Committee to inform its consideration of the findings of the external auditors.

Members noted that there has been no change in the financial objectives listed on page 2 of the document since the 2011/12 year end accounts. The assumptions were unchanged as the College strategic plan was still current and remained appropriate however given the current economic downturn the Finance and Property Committee will be tasked to review the financial objectives to ensure that they are relevant and appropriate for 2013/14 and beyond.

DJHowells

Members were advised that the following paragraph will be included in the Statement of Corporate Governance and Internal Control section on page 12: "based on the advice of the Audit and Risk Management Committee and the Principal, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Although not the responsibility of this Committee to scrutinise the figures in the accounts members expressed their concern of the decline in income and risk of resulting deficit accounts and adjustments in relation to FRS17 pension contributions. The concerns of the Committee will be put forward to the Finance and Property Committee for consideration.

DJHowells

Members were asked to acknowledge their consideration that the College has adequate resources to continue in operational existence for the foreseeable future (refer to page 17, Going Concern). Subject to amendments put forward on page 13 concerning membership and changes in committee structures the Committee confirmed their agreement of the Audited Accounts for the year ended 31 July 2013 and will present the accounts to the Corporation for approval at the 13 December 2013 meeting.

7 External Auditor's Report for the year ending 31 July 2013

The audit of the financial statements and annual accounts for the year ending 31 July 2013 received an unqualified opinion. The external auditor's report summarises the key findings in connection with the audit of the financial statements and subsidiaries and the regularity audit of the College.

Members were pleased to learn that the potential debtor identified from UCS will not affect the income and expenditure accounts. The £62K will be left unadjusted as in the opinion of the external auditors the amount was not material.

Completion of the audited accounts is subject to receipt of the final reconciliation from the SFA (Skills Funding Agency). This has been confirmed to be an additional £93K income based on the College's final student record data submitted in November 2013.

The actuarial report in respect of the FRS17 valuation shows an increase in pension scheme members in the year from 747 to 838 but this appears to be inconsistent with the changes in employees in the year.

The Regularity Review undertaken resulted with no matters arising.

Members were advised that the proposed judgemental adjustment of £94K in respect of capitalised costs in the year on Suffolk House will not be made. No account has been recognised or disclosed in respect of the extension of time claim made by the contractor of the Gateway building as disclosure is made only if probability of a claim exists.

It was agreed that the statement made concerning the decision not to go ahead with a new Engineering Block (page 7) should be amended to reflect that the College is still considering whether to progress with a new engineering facility and that any feasibility costs incurred to date are included within fixed assets.

CSutherland

In section 5, Observations on internal control, the Head of Finance will consider the recommendation made to simplify the reconciliation process for accounting grant income.

PEwan

It was confirmed that the fees charged during the year are consistent with those contained within the auditor's plan and the performance indicators suggested have been used to inform the findings of the Committee's annual report.

Subject to the amendments discussed at the meeting the Committee confirmed that a recommendation that the letters of representation for the Financial Statements and Regularity Audits be signed and the auditor's report be approved at the 13 December 2013 Corporation meeting.

KGolding

It was noted that the consultation concerning FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland has concluded. Baker Tilly submitted their response last week and will advise the College of the key changes when available.

CSutherland

8 Internal Audit Recommendation Tracking Report

It was reported that a significant number of recommendations arising from the 2012/13 internal audits are now complete. The few remaining recommendations marked as partially complete should be fully complete by the March 2014 Committee meeting.

9 Internal Audit Charter

Members confirmed their agreement of the charter. The document was countersigned by the Head of Internal Audit for Scrutton Bland, P Goddard.

10 Draft Internal Audit Report

i. Workplace Learning and Academic Finance Performance and Additional Learning Support Staff Utilisation

The objective of the internal audit was to ensure that both the financial performance achieved within WBL and the utilisation of Additional Learning Support staff is optimised. Management responses to the recommendations made are yet to be considered so the final report will be presented to the Committee at the meeting to be held in March 2014.

Members were interested to learn of the purchase of 'One File'. This is

Employer Responsive specific software, designed to centrally co-ordinate both the administration and learner activity, including the allocation and more timely reporting of caseloads. This has for the first time enabled real time data to be available in this area and despite resistance to implement and use the software it is being rolled out across all areas of WBL.

Overall the internal audit work concluded that members could take reasonable assurance (3 out of 5 – yellow status) that governance, risk management and control arrangements provide reasonable assurance that the material risks reviewed are managed effectively. There are some areas where adequacy or operation of controls in practice could be improved further and these were highlighted in the action plan that identified two medium and three low recommendations to take forward.

11 Progress Report

The report detailed the planned internal audit dates for completion and the scope of the work to be completed. It was noted that the proposed fieldwork to physically spot check academic timetables against room utilisation has been cancelled as this assurance has been found by the MIS team and timetabling errors resolved in the half term. The Committee agreed the remainder of the internal audit plan.

The Clerkship was handed over to the Deputy Principal for the following items

12 Risk Management Update

The risk register for 2013/14 is currently under review by the Senior Management Team and will be presented to the Corporation for consideration at the 13 December 2013 meeting.

The Clerk resumed Clerkship from the Deputy Principal.

13 Committee Self Evaluation

The Committee has reviewed the results of the self-evaluation and concluded that they are keen to fill the vacancy that exists on the Committee. It is felt that training will not help members understand the role in its entirety but suggested that a half hour slot prior to each meeting to talk through the papers would help members to identify the challenges and issues arising from reports. The Clerk will organise the arrangements to facilitate this.

JBridges

14 Any other business

Members were asked if they would like to meet in an alternative room for Committee meetings. It was agreed that the Committee will continue to meet in TG1.16 as planned.

Date of next meeting

Tuesday 4 March 2013 at 5.00pm. Room TG1.16.

The meeting closed at 7.15pm