

**AU(09)M1**

**Audit Committee**

**Minutes of the Forty-Seventh meeting of the  
Audit Committee  
held on Tuesday, 24th February 2009 at 18.00hrs**

Members present: Ms H Oliver (Chair)  
Mr W Archibald  
Dr M Bateman

In attendance: Mrs B Billings (Clerk to the Corporation)  
Mr G Blagdon (Director of Finance and Corporate Services)

**19-08/09 Apologies for Absence**

Apologies for absence were received from Ms S Hopkins.

**20-08/09 Minutes**

The minutes of the meeting held on 19 November 2008 (AU(08)M3) were approved and signed as a correct record.

**21-08/09 Actions Taken or Outstanding**

The Committee noted a report on actions taken or outstanding since the last meeting (AU(09)1). With reference to minute 8-08/09 (c) of AU(08)M3, the Director of Finance gave an oral update on the preparation of a plan for dealing with the capitalisation of the College's assets. He reported that the recent government decision to "freeze" approval of capital projects, pending a review of the situation, had introduced much uncertainty with regard to the future of capital projects and as a result he proposed to defer preparation of the capitalisation plan until the anticipated new LSC guidance on capital projects had been issued. The Committee agreed to support this proposal.

**Action: The Director of Finance**

**22-08/09 Implementation of Actions/Recommendations**

The Director of Finance reported and the Committee noted that all those actions/recommendations arising from the 2007/08 Management Letters and 2007/08 Internal Audit Reports had been completed.

**23-08/09 Interim Internal Audit Report – Risk Management**

- (a) The Director of Finance introduced and the Committee noted a document on the recent internal audit of risk management at the College (AU(09)2). He reported that a full report on the audit would be received in due course and that it would include three “merits attention” recommendations which had been accepted by the College. During the ensuing discussion the following points were made:
- (i) The three merits attention recommendations concerned the length of the risk register; the fact that it did not include the key risks associated with the College’s capital projects and the fact that quantifiers were not used to ensure a “level-playing field” with regard to the scoring of risks;
  - (ii) The Principal and Director of Finance were shortly to prepare a section for the risk register regarding the key risks associated with the College’s capital projects and the Risk Management Committee would be endeavouring to reduce the overall number of risks on the register; and
  - (iii) The Director of Finance was asked to try to ascertain the sorts of quantifiers used by other Colleges in relation to how they allocated scores to the risks on their risk registers.

**Action: The Director of Finance**

- (b) It was agreed to recommend the report to the Corporation for approval.

**Action: The Clerk**

**24-08/09 The Corporate Manslaughter and Corporate Homicide Act 2007**

- (a) The Director of Finance gave an oral briefing on the Corporate Manslaughter and Corporate Homicide Act 2007 and a recent course he had attended on this subject. He reported that work had commenced on disseminating relevant information to the College managers, the key message of which surrounded the need for all managers to be aware of their role with regard to health and safety matters and to not just assume it was someone else’s responsibility. During the ensuing discussion the following points were made:
- (i) The College had a robust risk assessment process with regard to College trips; and
  - (ii) The Corporation had opted not to have a specific Corporation member with responsibility for health and safety matters as it did not want to detract from the Corporation’s collective responsibility in this area. The Corporation received regular reports, including an annual report reviewing the year, on the activities of the College Health and Safety Committee. It was agreed to request that the College Health and

Safety Officer attend the relevant meeting of the Corporation when the annual report of the Health and Safety Committee was being considered.

**Action:           The Clerk**

- (b) The Committee noted a Briefing Note on the Corporate Manslaughter and Corporate Homicide Act 2007 produced by the Clerk for the Corporation in March 2008.
- (c) The Director of Finance introduced and the Committee noted the College's policy on Staff Business Travel (AU(09)3). He was asked to investigate the implications of a potential scenario where the College was aware a member of staff had a significant number of points on their driving licence and yet this person was allowed to drive a colleague/colleagues on a business trip during which a crash resulting in the fatality of a colleague occurred.

**Action:           The Director of Finance**

**25-08/09           Risk Management Framework**

- (a) With reference to minute 7-08/09 (c) of AU(08)M3, the Committee gave further consideration as to how it should monitor, review and utilise the Risk Register in the future. During the ensuing discussion the following points were made:
  - (i) The Committee had a role in ensuring that the College's risk management processes were robust;
  - (ii) The Committee needed to be able to concentrate its efforts on ensuring that within the risk management process the major threats facing the College were being identified and dealt with appropriately. The Risk Register was a lengthy document and Risk Action Plan might be a better tool for achieving this; and
  - (iii) The existence of an independent Clerk to the Corporation who also acted as Clerk to the Risk Management Committee helped to provide the Corporation with reassurance regarding the risk management process.
- (b) The Committee agreed the following:
  - (i) It should concentrate its efforts on reviewing and monitoring the implementation of the Risk Action Plan as this document highlighted the greater threats to the College;
  - (ii) The format of the Action Plan should be amended to include an indication of the Corporation Committee within whose remit a particular risk fell;

**Action: The Clerk**

- (iii) Corporation Committees should be made aware of the risks on the Action Plan that came within their remit;

**Action: The Clerk**

- (iv) In future the Audit Committee should receive copies of a document which highlighted changes made to the Action Plan during its operation; and

**Action: The Clerk**

- (v) The Director of Finance should endeavour to ascertain the role played by the Clerk to the Corporation at other colleges in terms of the risk management process.

**Action: The Director of Finance**

- (c) The Committee noted a report on the most recent meeting of the Risk Management Committee held on 10 February 2009 (AU(09)4).
- (d) The Committee noted the latest version of the College Risk Register (AU(09)5). With reference to minute 17-08/09 (c) of AU(08)M3, it was reported that work on the section in the Risk Register, to be drafted by the Director of Finance and the Principal, on some of the relevant key risks associated with the capital projects, would commence shortly.
- (e) The Committee noted the latest version of the Risk Action Plan 2008/09 (AU(09)6).
- (f) With reference to minute 14-02/03 (b) of AU(02)M3, the Committee considered whether any issues raised at the Audit Committee meeting impacted on the Risk Register or Action Plan and agreed that they had not.

#### **26-08/09 Financial Management and Control Evaluation (FMCE)**

The Director of Finance introduced and the Committee noted the draft version of the College's Financial Management and Control Evaluation (AU(09)7; tabled). It was agreed to recommend the FMCE to the Corporation for approval.

**Action: The Director of Finance**

#### **27-08/09 Review of the Work of the Auditors**

The Committee reviewed the work of the Internal Auditors, using its previously agreed performance indicators (AU(09)8). It was noted that performance against all the indicators had been good. The Director of Finance gave an oral update on a recent internal audit of the College Management Information Service Department which had gone extremely well. In response to a question he also outlined the steps which had been taken to increase staff resources in this area and that of the

Examinations Office. It was commented that the College had also recently introduced a talent development programme for the staff.

### **28-08/09 Committee Priorities – Progress**

- (a) With reference to minute 14-07/08 (b) of AU(07)M3, the Committee reviewed progress with regard to its priorities for the year which were ongoing, in addition to its normal terms of reference and comprised:
- Ensuring the appropriateness of contract management and allocation in relation to the capital development projects and any other contract arrangements arising from business planning processes
  - Ensuring that the risks associated with the capital projects, particularly regarding impact on the College's usual business operations, were managed appropriately
  - Ensuring continued efforts in relation to embedding of risk management within the College
  - Ensuring appropriate activities were being undertaken to ensure business continuity at the College
  - Review of the updated Disaster Recovery Plan
  - Helping any new members to settle into their role on the Committee.
- (b) It was commented that the current delays with regard to the College's capital building projects were as a result of government actions.

### **29-08/09 Spring Training**

See confidential minute.

### **30-08/09 Date of Next Meeting**

Wednesday, 17 June 2009 at 18.00 hrs

3(b)  
BB/BB  
G:Audit/agenda&mins/AU(09)M1