

Minutes of the Audit Committee of Tresham Institute of Further and Higher Education held on Thursday 5 March 2009 at 14.30 hours in the Old Cytringanians Room, Kettering Campus.

Present: M Lumsden (Chair)
P Wardle
A P Blunt

In attendance: S Kind (Director of Finance)
Chris Robinson (Clerk to the Governors)
P Capener (Grant Thornton)
C Hole (Director of Resources)

A01/09 Apologies

1 A McGlyn.

A02/09 Minutes of meeting held on 4 December 2008

2 The minutes were approved and signed.

Matters Arising:

Item A52/08, regarding the monitoring of Capital Projects by the Audit Committee, the Chair said that the reporting procedures needed to be clarified and asked for an agenda item at the next meeting to consider this.

A03/09 Health and Safety

- Health and Safety Policy

3 The Clerk read out a message he had received from A McGlynn concerning his observations on the Health and Safety Policy, (Attached to minutes). C Hole presented the Health and Safety Policy and said that not only was it concerned with meeting the Institute's statutory obligations but with ensuring that health and safety is embedded across the Schools and with managers. A great deal of effort is being taken to ensure that all areas of the college review their health and safety procedures. C Hole and the Health and Safety Manager are testing and evaluating the health and safety statements from the Schools. In response to questions from the Committee, C Hole said that on a scale from 1-10, with 7 being satisfactory, he estimated that the embedding was grade 6. He said there was further work to be done and there is shortly to be another college wide external audit of health and safety. After further discussion the Committee unanimously agreed to *approve the Health and Safety Policy and recommend it to the Board.*

- Health and Safety Action Plan – Interim Report

4 C Hole presented the interim report on the Health and Safety Action Plan. This was noted by the Committee who requested that it be given regular updates on progress in the implementation of the plan.

A04/09 Internal Audit

- Progress Report

5 P Capener of Grant Thornton presented the Internal Audit Progress Report to the Committee. He noted that there had been no changes to the 2008-09 plan since the last Audit Committee meeting although there had been a delay in delivering a review of UFI activities because UFI would not allow access to on-line learner records. This matter is now being addressed. P Capener referred to the performance measures approved by the Audit Committee to assess the effectiveness of the Internal Audit Service, the Committee discussed the KPI's and agreed that they were a useful measure to judge the effectiveness of the Internal Audit Service. P Capener said that a further objective was to issue draft reports within 20 working days.

- Cash Misappropriation Report

6 P Capener informed the Committee of the findings of the Cash Misappropriation Report, Paper D. He said that the auditors had been asked to undertake a special investigation concerning missing cash, amounting to £3,600, collected for students clothing and trips on 17 July 2008 at the Motor Sports Centre and to assess the adequacy of the audit arrangements. He said the auditors interviewed key individuals involved and after an

exhaustive investigation were unable to identify the culprit, he noted that the report identified discrepancies in accounts between individuals and a litany of foolish behaviour. The report noted that it would have been helpful if the Internal Audit had been called in earlier. After the Committee discussed the report, the Chair said the Committee accepted the report and noted that that the Institute was to fully adopt all the recommendations and action plan to prevent a recurrence of the incident.

- Core Financial Controls

7 Introducing the report on Core Financial Controls P Capener noted that the overall conclusion of the report was that Core Financial Controls were satisfactory and gave a good level of assurance. There were however recommendations in the report that identified opportunities for improvement in the areas of Budgetary Control and Creditor Payments. The Committee discussed the recommendation that an approved suppliers list is produced and S Kind noted that consideration should be given to the appointment of a full time procurement officer. The Committee noted and *accepted* the reports, the Chair requested that the Committee be informed of the progress and completion of the action plans contained in the reports

- Risk Management

8 P Capener informed the Committee that they could be comfortable that the auditors considered that there is an adequate risk management system in place. He noted that the Committee needed to ensure they received regular reports and most importantly scrutinise the risk management action plan. It would also be useful for the Committee to examine external reports to judge whether risk management is effective.

A05/09 **Risk Management**

9 The Director of Finance informed members that the Committee would receive a full report on risk management at the June meeting. He said there had been a culture change in the management of risk, risk management was now embedded in the College Leadership Group with each manager having responsibility for one of the eight key areas and the auditors are supportive of this approach.

A06/09 **Any Other Business**

10 There was no other business.

A56/08 **Date of next meeting**

11 Thursday June 4 2009 at 13.30 hours. (Lunch will be provided)