

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## AUDIT COMMITTEE

Minutes of the meeting held on 6 April 2011

Membership: M Ray  
\*M A-Messaoud  
\*P Bartlett (Chair)  
\*V Goddard  
\*M Prodger

*\*denotes present*

In attendance: R Allanach, Deputy Principal (Finance)  
D Harris, RSM Tenon  
D Sheridan, Clerk to the Corporation

### 492 Apologies for absence

Apologies for absence were received from Mick Ray. Myrtle Prodger was welcomed to the meeting.

### 493 Declaration of Interests

There were no declarations of interest

### 494 Minutes of the Previous Meeting

The minutes of the meeting held on 8 December 2010 were approved as a correct record.

### 495 Matters Arising from the Minutes

495.1 SRF Report  
The Clerk will circulate the report to members of the Committee.

495.2 External Audit Performance Indicators  
These will be considered at the next meeting of the Committee.

### 496 Internal Audit

496.1 1-10/11 Business & Strategic Planning  
The Audit Committee received and considered the internal audit report on Business and Strategic Planning. The Committee noted that the Corporation can take reasonable assurance that the controls upon which the College relies to manage this area are suitably designed, consistently applied and effective. Dan Harris from RSM Tenon confirmed that three low priority recommendations were made.

496.1       Governors noted the Audit identified as good practice the meetings held by the Principal with members of staff to ensure they are aware of the key issues contained with the Strategic Plan.

The Audit Committee approved the internal audit report on Business and Strategic Planning.

496.2       Key Financial Controls

The Audit Committee agreed to postpone consideration of this item.

496.3       IT Service Delivery

The Audit Committee received and considered the internal audit report on IT Service Delivery. Dan Harris provided Governors with updated recommendations and management responses. Governors noted that the Corporation can take some assurance from the controls to manage IT Service Delivery. However, issues were identified that increase the likelihood of risk materialising.

Governors discussed a number of the recommendations contained in the report and noted the intention of management to document an IT strategy. The Deputy Principal outlined the priorities of the IT team which included the transfer of existing suite of MS Office programmes to the latest version and commission the IT system and network for the new HE Building.

Governors approved the internal audit report on IT Service Delivery. The Deputy Principal agreed to report back to the Committee on the development and implementation of the IT strategy.

496.4       Internal Audit Progress Report

Dan Harris tabled the Internal Audit Progress Report. Governors noted the work in progress and audits yet to start.

## **497       Tracker Report**

The Audit Committee received and noted the Tracker Report

## **498       Risk Register**

The Audit Committee received and considered the Risk Register and noted:

1. The three new and significant risks
2. The three risks with an increased risk rating
3. The four significant risks whose risk rating had been reduced. Governors noted that one of these risks – “A new post-16 provider sets up business in Harlow” – had now become a significant risk again following the receipt of information from the Principal prior to the commencement of the meeting.

Governors discussed items on the risk register, in particular those with the lowest gross scores, including safeguarding, theft and student fatality. Whilst agreeing that these are substantial risks to the College, the Deputy Principal and Dan Harris explained that the level of high level of internal controls and the frequency of audit and testing bring the likelihood of occurrence down. The Committee asked that the reputation risk for safeguarding be raised from 2 to 3. The Committee further asked that the risk control measures be mapped against the internal audit plan in order that Governors can identify the spread of risk controls being tested.

The Committee noted that the level of risk appetite will be considered by the Audit Committee at its next meeting with a report and recommendations to be made to the Corporation on 7 July 2011.

#### **499 Financial Management Control Evaluation**

The Audit Committee received and noted the final report by the Provider Financial Assurance Team on the validation of the Financial Management Control Evaluation.

#### **500 Any Other Business**

There was no other business

#### **501 Dates of Future Meetings**

Summer Term 2011      Tuesday 21 June 2011      08.30am