

# Chichester College

Minutes of the Meeting of the Audit Committee  
held on Wednesday 4 March 2009

Present:

Mr David Grove (Chairman)  
Mr Andrew Dunlop Dr John Jarvis  
Mrs Jayne Roberts

In Attendance:

Mrs Shelagh Legrave, Chief Financial Officer  
Dr Richard Parker, Principal  
Mr David Smith, Clerk to the Governing body  
Ms Tina Thorne, Hampshire Audit Services  
Miss Catherine Vinall, Senior Administrator

## APOLOGIES FOR ABSENCE

46. An apology for absence was received from Alastair McLean.

## MINUTES

47. The Minutes of the Meeting of the Committee held on 24 November 2008 were taken as a correct record and signed by the Chairman.

## MATTERS ARISING

48. The Committee received and noted a schedule outlining responses to action points from the Minutes of the previous Meeting of the Committee.

(Copy attached at APPENDIX 1 to the Minute Book copy)

## INTERNAL AUDIT

### a) Hampshire Audit Services Internal Audit Report

49. The Committee received for consideration the internal audit report from Hampshire Audit Services following their January review.

(Copy attached at APPENDIX 2 to the Minute Book copy)

50. Tina Thorne stated that the audit included a review of the areas of learner number systems, asset controls, information management and student support. The Audit had concluded that appropriate frameworks of control were operating in all areas with some recommendations for improvement.
51. With regard to learner number systems, Tina stated that whilst three recommendations had been made, it was not an indication that systems were weak. The recommendations related to typical errors, generally due to human error which would normally be picked up by the end of the year. In response to a question from Andrew Dunlop, Tina stated that the errors found were of a very low risk, and unlikely to incur a penalty from the LSC. Richard Parker confirmed that the LSC had a three per cent tolerance rate before imposing any penalty. Richard added that the College was conscious of the increasing relationship between funding and the management of the learner number system and as such had changed the line management for the Registrar and the Performance and Planning Manager, who were now managed by the Chief Financial Officer.
52. Tina reported that the review of asset controls was the first to take place under the new system. Only two recommendations had been made, and no changes were needed to improve control mechanisms. In response to a query from Andrew Dunlop, David Smith reported that vehicles used by motor vehicle students were covered under the College's general cover rather than its motor vehicle policy as they were not taken on the road. In response to Andrew, Tina confirmed that laptops were not registered as fixed assets and would be considered in the IT review in 2010. David Smith confirmed that laptops are called in for inspection by IT every year.
53. David Grove noted that a recommendation regarding staff records had resulted from the information management review. Shelagh Legrave responded that staff health records were retained for seven years, unless issues were ongoing, in which case records would be kept for a longer period. In response to a query from David Grove, Shelagh confirmed that the CSU held a license for software used at the College. John Jarvis said that it might be necessary for the College to remind staff and students of the importance of copyrights when downloading free software. Richard confirmed that the College monitored for inappropriate use of IT equipment.
54. With regard to the review of student support, Tina reported that the audit team were satisfied that appropriate controls were in place in all areas and had no recommendations to make. After a brief discussion it was

### Resolved

That the internal audit report from Hampshire Audit Services on the outcome of the January 2009 visit, as set out in APPENDIX 2, be adopted and that the Executive Summary be presented to the Governing Body.

#### b) Outstanding Items - Termly Report

55. The Committee received for consideration a report detailing the action taken in respect of items left outstanding from previous audit reports.

(Copy attached at APPENDIX 3 to the Minute Book copy)

56. Catherine Vinall stated that the final outstanding item regarding the collection of cash from the coin-box at the library at Brinsbury had been completed.

### RISK MANAGEMENT

#### a) Risk Management and the Breakdown of Strategic Governance

57. The Committee received for consideration a report by Shelagh Legrave on the failure of Strategic Governance and early warning indicators.

(Copy attached at APPENDIX 4 to the Minute Book copy)

58. Shelagh stated that the proposals focussed upon the risks to relationships breaking down between the Principal, SMT and Governors. David Grove said that risks relating to strategic governance could also arise if the Governing Body did not exercise its power appropriately and managers were able to run the College with minimal governor involvement. Andrew Dunlop said that risks could arise if the relationship between the Governing Body and College management team became too comfortable, and the College was not monitored and challenged appropriately. David Smith reported that the Governing Body acted well in the role of critical friend to the College and the managed turnover of Governors also meant that a fresh outlook was maintained. A further risk identified by John Jarvis was that the Governors could become internally focussed and lose sight of the need to scan the sector to keep appraised of current issues. The Committee noted that the Governing Body used a number of methods to manage this risk, including Governor Development Events. John agreed that the risk was covered but felt that it needed to be formalised.

59. Shelagh reminded the Committee that risks were scored for likelihood and impact. After further discussion it was suggested that the total score for the failure in strategic governance should be five, whereupon it was.

**Resolved**

- i) That a sub-risk be added to note that the relationship between the Governing Body and College management team could become too comfortable and the Governing Body fail to monitor and challenge the College appropriately as a result;
- ii) That a sub-risk should be added that the Governing Body could become too internally focused and consequently lose sight of current issues in the FE sectors, and
- iii) That poor attendance of Governors at meetings and lack of engagement of Governors at meetings be added to the early warning indicators.

**b) Capital Project**

60. Shelagh Legrave stated that capital project had become one of the most significant risks to the College due to the LSC's review of capital projects. By the end of March 2009 spending on the capital project would reach £6 million and there was now no guarantee that the College would receive any investment from the LSC. David Grove said that the situation was a great disappointment for the College, particularly as the College had been encouraged to be ambitious in its capital plans. Shelagh Legrave confirmed that the College had revised its risk rating in relation to the capital project, and noted that it might be necessary to revise the score further. After a brief discussion it was

**Resolved**

- i) That the risk to the College in relation to the capital project should be further revised if necessary, and
- ii) That the Governing Body be informed of the increased risk the capital project presented given the likely shortfall in LSC capital funding.

## HEALTH & SAFETY

61. The Committee received for consideration the Health and Safety Annual Report for 2007/08 and the Health and Safety Management Plan for 2008/09.

(Copy attached at APPENDIX 5 to the Minute Book copy)

62. David Smith said that Kirsty Hornsey was unable to attend the meeting due to a regional Health and Safety meeting.
63. David Smith reported that while there had been an increase in accident reports it was the view of the Health, Safety and Environmental Officer that this was due to a better reporting system. As Risk Champion for the Governing Body, David Smith drew attention to the 40 per cent increase in accidents reported at Brinsbury and suggested this might be an area for the Committee to investigate further. In response to a question from David Grove, Shelagh Legrave agreed to check whether there had been a significant cost to the College in trying to install the Accident and Incident Management System software provided by the AOC. John Jarvis suggested that it would be good practice for the College to see immunisation certificates for students working in the equine centre and to record that they had been seen. In response to a question from David Grove, Shelagh Legrave stated that she would investigate whether the College was required to pay for Fire Service Inspections. In response to a further question from David Grove, David Smith stated that he would ask Kirsty Hornsey to report on the health and safety requirements placed on contractors working on College premises. After further discussion it was

### Resolved

- i) That the Health & Safety Report for 2007/08 and the Health & Safety Management Plan for 2008/09 as set out at APPENDIX 4, be adopted;
- ii) That a further report be presented to the Audit Committee to show a breakdown in the rise in accidents reported on the Brinsbury campus;
- iii) That the Committee receive further information regarding the payment for Fire Service Inspections and
- iv) That a report be presented to the next meeting of the Committee on the health and safety requirements in respect of contractors working on College premises.

## STUDENT UNION FINANCIAL STATEMENTS 2007/08

64. The Committee received for consideration the Student Union Financial Statements for 2007/08.

(Copy attached at APPENDIX 6 to the Minute Book copy)

65. In response to a concern from Andrew Dunlop, David Smith stated that whilst the Student Union accounts had not been audited the Committee had, in the past, acted as an extra level of check, before sign off by the Governing Body. Shelagh Legrave stated that Tenon Audit checked through some of the Student Union transactions but were not required to sign off the accounts. After a brief discussion it was

### Resolved

That the Student Union Financial Statements for 2007/08 be presented to the next meeting of the Finance and General Purposes Committee for consideration.

## DATE OF NEXT MEETING

66. It was noted that the next meeting of the Committee, would be held on Wednesday 10 June 2009 at 9.30 am.

## REVIEW OF THE BUSINESS OF THE MEETING

67. David Grove invited Governors to consider whether any items of business discussed at the meeting might have been dealt with in a different or more appropriate manner. Members were content with how all items had been dealt with.

\_\_\_\_\_  
Chairman

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Date