



THE CORPORATION

UNCONFIRMED MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON WEDNESDAY 17 NOVEMBER 2010

Present:

Ms My-Anh Chong
Mr N A Hudson
Ms S Medd
Mr A D Morris

Independent member
Co-opted member
Support staff member
Co-opted Committee member

Present
Apologies
Present
Apologies

Clerk to the Corporation:

Mr C Bond

Also Present:

Mr D Ball Vice Principal (Corporate Services)
Mr H Swainson Buzzacotts
Mr R Shaunak McIntyre Hudson

Present
Present (from 7.16 to 7.50)
Present (from 7.59 to 8.16 pm)

Minute MA/18/10 (7.16pm)

Declarations of Interest

There were none

Minute MA/19/10 (7.17pm)

Apologies for Absence

Apologies were received from Noel Hudson

Minute MA/20/10 (7.18 pm)

Election of Chair and Vice-Chair of the Audit Committee to serve until the first meeting of the autumn term 2011

Noel Hudson was elected in his absence to serve as Chair of the Committee until the date of his term of office as a member of the Corporation is concluded. My-Anh Chong was elected to serve as Vice Chair of the committee until the first meeting of the autumn term 2011.

Minute MA/21/10 (7.20 pm)

Unconfirmed minutes of the meeting of the Audit Committee held on 26 May 2010

(Document DA/12/10)

The minutes were approved as an accurate record of the meeting

Minute MA/22/10 (7.22 pm)

Matters arising from the confirmed minutes of the meeting of the Audit Committee held on which are not the subject of separate items on this agenda

a) Tender for Audit Services.

It was noted that the Corporation had approved the committee's recommendation at the meeting on 2 July 2010 to tender for External Audit Services during this academic year. It was agreed that the process should commence once the new Clerk had taken up his post in January.

Minute MA/23/10 (7.25 pm)

Opportunity for the Committee to meet auditors with officers not present

David Ball: Vice Principal Corporate Service withdrew for this item. Members put questions to Mr Swainson who reported that the working relationship with the officers of the college was productive and effective and that there were no issues he wished to draw to their attention.

Minute MA/24/10 (7.31 pm)

Post Audit Management Letters

(Document DA/14/10)

a) Financial Statements Audit (Document DA/14^A/10)

Mr Swainson presented the documents to members drawing their attention in particular to

- Summary of Financial Results
- Comparisons against Sector Averages
- Enhanced Pension Provision
- Accounting Systems Internal Controls

b) Regularity Audit (Document DA/14^B/10)

Mr Swainson presented the report. He stated that there were no specific matters to which he wished to draw the attention of the committee

Minute MA/25/10 (7.41 pm)

Draft year-end financial statements 2009-10

(Documents DA/15/10 and DA/15^A/10)

David Ball presented the report

Income & Expenditure Account

The financial statements show a surplus of £81k (2009: deficit £29k) after charging pension adjustments. The surplus used to calculate financial health (which ignores accounting adjustments for pension costs) is £192,000 (2009: £91,000).

The overall draft surplus at the Corporation meeting was £322,000. This has changed to £81,000 due to Accounting Urgent Issues Task Force reclassifying Past Service Gains from the change from RPI to CPI as items that should be put through the Statement of Recognised Gains and Losses, rather than the Income and Expenditure Account. This has reduced the surplus by £241,000

The underlying operating surplus of £192,000 has not changed.

Audit Opinion

There are no issues raised in the audit opinion.

Overall

Overall the College is health group 2 (out of 4) and remains in a healthy financial position

To committee agreed the audit opinion and recommended acceptance of the Financial Statements to the Corporation.

Minute MA/26/10 (8.03 pm)

Internal audit annual plan 2010-11

(Document DA/16/10)

The committee unanimously endorsed the plan for recommendation to the Corporation.

Minute MA/27/10 (8.03 pm)

Internal Audit Service annual report 2009-10

(Document DA/17/10)

The Committee agreed to receive the report noting the auditors' opinion and unanimously recommended that the Corporation should receive the report.

Minute MA/28/10 (8.07. pm)

Progress with internal audit recommendations 2009-10

(Document DA/18/10)

The committee received the report and noted progress against all recommendations

Minute MA/29/10 (7.50 pm)

Draft report from the Audit Committee to the Corporation and Principal 2009-10

(Document DA/19/10)

This was agreed by the Committee and would be sent to the meeting of the Corporation on 8 December.

Minute MA/30/10 (7.53 pm)

Risk management

a) Risk Management Report, Autumn Term 2010 (Document DA/20/10)

Operation of the Risk Management System

The College has operated the first Risk Management cycle of year 4 and has revised the report on the top risks to the College. The College has anticipated agreement with the recommendations in item 11 and not asked for curriculum team updates (this is also due to stress issues from the monitoring visit).

These are the major changes:

- The item on Local Authority control has been deleted following the withdrawal of Machinery of Government changes by the new government.
- Item 2 on AS grades has been significantly updated.
- Item 3 on funding changes due to the new government has been significantly updated.
- Item 4 on Senior Leadership capacity has been added.

In addition the narrative has been updated, minor wording changes made. and changes to responsibilities to reflect staffing have been made.

Whilst the amendments do not look significant they have considerable changes within them due to the new political environment and pose changed risks to the College. Unfortunately these risks are external and beyond the College's control.

The committee noted the College's top risks and the changes made this term. The committee resolved to recommend the list to the Governing Body for approval.

b) Risk Register, Autumn Term 2010 (Document DA/21/10)

The committee received the Risk Register

c) Draft Report on Risk Management from the Audit Committee to the Corporation for the Year 2009-10 (Document DA/22/10)

The committee received the report on Risk Management and resolved to recommend that the report be received by the Corporation at the meeting on 8 December

Minute MA/31/10 (7.58 pm)

Senior post-holder expenses claims

(Document DA/23/10)

The Committee is asked to reviewed the claims set out in the paper. The committee noted that the claims seemed reasonable and were happy to note the low levels of expenses claimed by Senior Post Holders

Minute MA/32/10 (7.59 pm)

Any other business

No items were raised

Minute MA/33/10 (8 01. pm)

Future items for the agenda

Members wished to place the deferred decision on training for audit committee members and the Data Audit as future items on the agenda.

Minute MA/34/10 (8.02 pm)

Date of next meeting

The next meeting of the Committee is scheduled for Wednesday, 16 February 2011 at 7.00 pm

The meeting closed at 8.17 No items are to be the subject of a separate confidential minute.