

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

Minutes of a Meeting held on Wednesday 11 June 2008 at 5.00pm

Membership:	* Charles Cardiff	Member	Chairman
	* Graham Heath	Staff Member	
	* Lynden Jones	Member	
	* Andy Williams	Co-opted Member	
	* Pamela Woolgrove	Member	
Quorum:	3 Members required	5 present	Meeting quorate
In Attendance:	* Judith Armstrong	Principal	
	* Simon Burrell	Clerk to the Corporation (Clerk)	
	* Bill Blythe	Head of Finance (HOF)	
	* Gill Livingstone	Bentley Jennison (Internal Auditor)	
	* Chris Mantel	Tenon (External Auditor)	
	* David Moir	Deputy Principal - Finance & Resources (DPFR)	
	* Present at meeting		

PART 1 – NON CONFIDENTIAL MATTERS

87. PRE MEETING DEVELOPMENT SESSION

Members held a 'Members Only' pre-meeting development session to consider the role of the Committee.

(The Clerk took the Chair)

88. APOLOGIES FOR ABSENCE

None received.

89. ELECTION OF CHAIRMAN FOR THE MEETING

Charles Cardiff was elected Chairman of the Committee for a two year term of office commencing 11 June 2008.

(Proposed by Pamela Woolgrove, Seconded by Lynden Jones)

(Charles Cardiff took the Chair)

90. DECLARATIONS OF INTEREST

There were no declarations of interest made.

91. WELCOME

Bill Blythe, the newly appointed Head of Finance was welcomed to the meeting.

92. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

93. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 12 March 2008 were confirmed as a correct record, and were signed by the Chairman.

94. MATTERS ARISING

There were no Matters Arising discussed.

95. PROGRESS REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS AUDIT REPORTS

A written report was received and considered. The DPFR took Members through the report and updated them on progress made to each of the items contained within it. He advised that the report was updated to include 'new' recommendations made by the Internal Auditor and Financial Statements Auditor since the previous meeting of the Committee. It was noted that, of the 16 outstanding recommendations (reduced from 32 in the previous report), 7 had been completed, and 8 were due for completion by August 2008. With regards to one specific item related to the business continuity plan, it was noted that it was planned to complete this item by June 2009, and that a progress report would be made at the next meeting of the Cttee. **ACTION: DPFR**

Members were pleased to note the progress achieved on completing outstanding recommendations.

96. INTERNAL AUDIT SERVICE REPORTS

Written reports were received and considered.

1. Learner Numbers – Enrolment & Registers (05.2007/08)

The Internal Auditor advised that, in her opinion, the controls currently in place provided substantial assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. There were no recommendations arising from the review.

However, the Internal Auditor stressed that, notwithstanding the substantial assurance given, whilst robust controls and monitoring of data discrepancies existed in the Student Records Team, the withdrawal and course amendment forms were often submitted in an untimely manner by some Course Tutors. The Internal Auditor had discussed this matter with the SMT and was satisfied that appropriate actions had been put in place to address it.

The Internal Auditor was also pleased to report that, against national benchmarking data for learner numbers, the College was performing well. The report was noted.

2. Governance (08.2007/08)

The Internal Auditor advised that, in her opinion, the controls currently in place provided adequate assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. There had been four recommendations made arising from the review, all accepted and actioned by SMT and the Clerk.

3. Key Financial Controls (07.2007/08)

The Internal Auditor advised that, in her opinion, the controls currently in place provided substantial assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. The Internal Auditor had made two recommendations arising from the review, both of which had been accepted and actioned by SMT.

4. Creditors (06.2007/08)

The Internal Auditor advised that, in her opinion, the controls currently in place provided adequate assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. The Internal Auditor had made two recommendations arising from the review, both of which had been accepted and actioned by SMT.

96. (cont)

It was noted that this report related to the matter highlighted by the Internal Auditor at the previous meeting, and that the Internal Auditor was satisfied with the processes put in place to prevent any further occurrence of a similar matter in the future. The DPFR also confirmed that he had investigated this matter personally and was satisfied that there had been no fraud undertaken, and that the recipient of the cheque concerned had promised to return the funds to the College. The DPFR would advise the Ctte when the funds had been received. **ACTION: DPFR**

5. Internal Audit Progress Report 2007/08

A written report was received and considered. The Internal Auditor advised that the report outlined the work undertaken during the current year. The report was noted.

6. Internal Audit Plan 2008/09

A written report was received and considered. The Internal Auditor advised that the Plan for 2008/09 was based on 50 days at a cost of £19,708.70 (excl VAT).

Members considered the areas highlighted for inclusion in the Plan and proposed that the review of the Strategic Plan be deferred to 2009/10, but that a review of the property strategy should be added to the Plan for 2008/09.

The Chairman of the Ctte also advised that in their pre-meeting Development Session, Members had raised the need for the Corporation to consider setting aside a separate allocation to allow the Committee to commission additional reports if it deemed appropriate. **ACTION: Chairman of the Ctte**

It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Plan 2008/09, based on 50 days, at a cost of £19,708.70 (excl VAT) be agreed, subject to the deferment of the review of the Strategic Plan to 2009/10, and the inclusion of a review of the property strategy.

97. **FINANCIAL STATEMENTS AUDIT SERVICE**

1. Regularity Audit SAR 2007/08

A written report was received and considered. The DPFR advised on the completion of the Regularity Audit SAR 2007/08.

It was RESOLVED to RECOMMEND to the CORPORATION that the Regularity Audit SAR 2007/08 be agreed.

2. Audit Planning Memorandum 2007/08

The Financial Statements Auditor tabled a copy of the Audit Planning Memorandum for 2007/08. He took Members through the report and outlined the timetable for the review of the 2007/08 accounts. He also outlined on the level of Audit Materiality and proposed the level be agreed at £190k. The cost of the financial statements audit and regularity audit was noted at £14,880 (excl VAT).

98. **OTHER AUDIT REPORTS**

There were no other audit reports received for consideration.

99. **RISK MANAGEMENT**

1. Risk Management Report 2007/08

A written report was received and considered. The DPFR advised that following changes within the SMT, responsibility for risk management had been transferred to the DPFR. He took Members through the report and the updated Risk Register that had been reviewed by the SMT, and highlighted a number of changes that had been made since the last meeting of the Ctte. It was proposed that an addendum to cover the property strategy should be added to the Risk Register.

ACTION: DPFR

99. (cont)

(Lynden Jones left the meeting)

The Chairman also suggested that the comments in the Risk Register relating to reputation should be reviewed in the light of previous comments made at the meeting. **ACTION: DPFR**

It was RESOLVED to RECOMMEND to the CORPORATION that the Risk Register, as amended, be agreed.

2. Insurance Renewal 2007/08

A written report was received and considered. The DPFR updated Members on the insurance portfolio cover the College currently had in place. He outlined the proposals for 2008/09, based on the existing level of cover.

It was RESOLVED that insurance cover be continued on the basis set out in the report, within the existing levels of insurance cover.

100. APPOINTMENT OF INTERNAL AND FINANCIAL STATEMENTS AUDIT SERVICES 2008/09

A written report was received and considered. The DPFR took Members through his report.

It was RESOLVED to RECOMMEND to the CORPORATION that Bentley Jenson be appointed as Internal Auditor and Tenon as Financial Statements Auditor and Regularity Auditor for the financial year 2008/09.

101. DRAFT PERFORMANCE INDICATORS FOR AUDIT SERVICES

A written report was received and considered. The DPFR highlighted the proposed PIs for 2007/08.

It was RESOLVED that the draft performance indicators for the Internal Audit, Financial Statements Audit and Regularity Audit be agreed.

102. COLLEGE FINANCIAL STATEMENTS 2007/08 – GOVERNANCE STATEMENTS

A written report was received and considered. The DPFR advised that the proposed wording for the Financial Statements incorporated the requirements of the LSC and the professional accounting bodies. He also advised that the Statements were based on those agreed for 2006/07, with minor changes highlighted.

It was RESOLVED that the Statement of Corporate Governance and Internal Control 2007/08, and the Statement of Responsibilities of the Members of the Corporation 2007/08 be agreed.

103. USE OF COLLEGE SEAL

The Clerk advised that the Seal had not been used in the period since the last meeting.

104. ANY OTHER BUSINESS

There were no items of Any Other Business discussed.

105. DATE OF NEXT MEETING

Wednesday 26 November 2008

Confirmed as a correct record

Signed:..... Date:.....

Chair's
Initials:.....