

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

Minutes of a Meeting held on Wednesday 3 March 2010 at 5.00pm

Membership:	* Charles Cardiff	Member	Chairman
	* Andrew Bishop	Member	
	* Lynden Jones	Member	
	* Mary Orsborn	Staff Member	
	* Andy Williams	Co-opted Member	
	* Pamela Woolgrove	Member	
Quorum:	3 Members required	6 present, meeting quorate	
In Attendance:	* Anthony Bravo	Principal	
	* Simon Burrell	Clerk to the Corporation (Clerk)	
	* Gill Livingstone	RSM Tenon (Internal Auditor)	
	Chris Mantel	RSM Tenon (Financial Statements Auditor)	
	David Moir	Deputy Principal - Finance & Resources (DPFR)	
	Richard Plumb	RSM Tenon (Internal Auditor)	
	* Brian Theobald	Head of Finance (HOF)	
	* Present		

PART 1 – NON CONFIDENTIAL MATTERS

188. WELCOME/APOLOGIES FOR ABSENCE

Brian Theobald, the recently appointed Head of Finance, was welcomed to the meeting.

Apologies: Richard Plumb (RSM Tenon), Chris Mantel (RSM Tenon), David Moir (DPFR).

189. DECLARATIONS OF INTEREST

The Internal Auditor made a Declaration of Interest with regards to Agenda Items 2 and 10 – Appointment of Internal Auditors.

The Clerk made a Declaration of Interest with regards to Agenda Item 9 – Governance Review.

190. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

191. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 25 November 2009 were confirmed as a correct record, and were signed by the Chairman, subject to the following amendment:

Minute 174, line 5, amend to read "... February 2010 and April 2010."

192. MATTERS ARISING

There were no Matters Arising discussed not covered elsewhere on the Agenda.

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

A written report was received and considered. The HOF took Members through the report and updated them on progress made. It was noted that of the 9 recommendations contained in the report, 4 had been completed, with the remaining 5 due to be completed between April 2010 and July 2010.

On behalf of the DPFR the Clerk tabled a copy of an update in relation to the recommendation relating to the testing of the business continuity plan. He advised that a number of tests had been undertaken between April 2009 and February 2010 and systems updated as appropriate.

In response to a question from a Member regarding the recent poor weather (snow) conditions, the Principal advised that the College's intranet systems had worked well, with both students and staff being able to gain remote access. Staff had uploaded work assignments for students to complete whilst the College was closed.

The Cttee was very pleased to note the continuing progress achieved on completing outstanding recommendations.

194. INTERNAL AUDIT SERVICE

1. Merger of Bentley Jennison (Internal Auditor) and Tenon (External Auditor)

A copy of a letter from the LSC was received. The Clerk advised that the LSC had noted the merger of the two companies and issued advice with regards to those colleges where the merged company (RSM Tenon) now operated both internal and external audit to a College. It was noted that the College was currently undertaking a tender renewal for internal audit and that any potential 'problems' could be resolved during that process.

The Internal Auditor advised that, following the merger of the two companies, internal processes had been put in place to ensure that there were no changes to their own internal reporting processes.

2. Internal Audit Reports 2009/10

[Internal audit reports are graded on a three-tier structure – Fundamental (highest priority), Significant, Merits Attention (lowest priority)]

1. Governance (05.09/10)

A written report was received and considered. The Internal Auditor advised that as a result of her work the Corporation could take substantial assurance that the controls upon which the College relied to manage this area were effective. She had made 4 recommendations (all graded 'Merits Attention'), three of which had been accepted by College Management. The Internal Auditor accepted the reason given for the recommendation that had not been accepted.

The Principal advised that following the recent Corporation Development Day investigations were currently in hand with regards to the possibility of the Corporation using the services of the Governor Training Dept of Hampshire LEA. **ACTION: Clerk**

The report was received and accepted.

2. Asset Management Process (02.09/10)

A written report was received and considered. The Internal Auditor advised that as a result of her work the Corporation could take substantial assurance that the controls upon which the College relied to manage this area were effective. She had made 6 recommendations (all graded 'Merits Attention'), all of which had been accepted by College Management. The report was received and accepted.

194. (cont)

3. Student Journey (03.09/10)

A written report was received and considered. The Internal Auditor advised that as a result of her work the Corporation could take substantial assurance that the controls upon which the College relied to manage this area were effective. She had made 2 recommendations (graded 'Merits Attention'), which had been accepted by College Management.

The Principal advised that further improvements had been made to the tutorial system in that a number of part time student groups were now included in a simplified process. He also outlined his plans for the installation of a new access control system due to be phased-in over the next year, at a cost of approx £100k.

The report was received and accepted.

4. Learner Numbers (04.09/10)

A written report was received and considered. The Internal Auditor advised that as a result of her work the Corporation could take substantial assurance that the controls upon which the College relied to manage this area were effective. She had made no recommendations. The report was received and accepted.

3. Internal Audit Progress Report

A written report was received and considered. The Internal Auditor advised that all work undertaken so far during the current year had resulted in substantial assurances being given. She also advised that she issued electronic briefing notes to college clients. It was suggested that these briefing notes be circulated electronically to Members of the Audit Ctte. **ACTION: Clerk**

The Audit Ctte was pleased to note the overall increase in the level of assurance achieved over the past two years.

195. INTERNAL AUDIT TENDER

A written report was received and considered. It was noted that the closing date for receipt of tenders was Friday 5 March 2010 with shortlisted firms invited to make a presentation to the Ctte on Monday 15 March 2010.

196. RISK MANAGEMENT POLICY AND RISK REGISTER

A written report was received and considered. The HOF advised that the risk recording form had been re-designed to give more information on a potential risk.

The HOF also advised that two additional risks (i. safeguarding and ii. Hourly paid contracts) had been identified and included on the Risk Register. There 'risk scores' had been calculated as:

- i. Safeguarding: Likelihood 5, impact 4, score = 28 = High risk
- ii. Hourly paid contracts: Likelihood 3, Impact 3, score = 13 = Medium risk

It was noted that following the recent Corporation Development Day three key risks had been identified by Members:

- i. the impact of funding cuts
- ii. the challenge of improving teaching and learning
- iii. the impact of the property strategy

It was noted that it was proposed to present these risks to the Corporation at its meeting on 24 March 2010. **ACTION: DPFR**

197. USE OF COLLEGE SEAL

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

198. ANY OTHER BUSINESS

There were no items of Any Other Business discussed.

199. DATE OF NEXT MEETING

Wednesday 16 June 2010

(Meeting closed at 6.10pm)