

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

Minutes of a Meeting held on Wednesday 15 November 2006 at 5.30pm

Membership:	* Mr N Clarke	Loc Auth Member	Chairman
	* Prof G Batstone	Business Member	
	* Mr D Swatton	Business Member	
	* Mr R Young	Business Member	
	* Member present		
Quorum:	3 Members required	4 present	Meeting quorate
In Attendance:	Mr S Burrell	Clerk to the Corporation	
	Ms I Bond	Internal Auditor (HCC) (To Minute 8.2 only)	
	Mr G Clarke	Internal Auditor (Bentley Jennison)	
	Ms C King	Chief Accountant	
	Mr C Mantel	Financial Statements Auditor	
	Mr D Moir	Director of Finance & Information Services (DFIS)	
	Mrs S Parker	Student Administration Manager	
	Ms J Poynter	WBL Manager (To Minute 8.2 only)	

1. Apologies for Absence

Alan Gwyer (Strategy & Partnerships Director)

2. Declarations of Interest

There were no Declarations of Interest made.

3. Notification of Any Other Business

There were no items of Any Other Business notified.

4. Minutes of the Previous Meeting

The Minutes of the meeting held on 12 June 2006 were confirmed as a correct record, and were signed by the Chairman.

5. Matters Arising

There were no Matters Arising discussed.

6. Progress report on the implementation of recommendations from previous audit reports

A written report was received and considered. The DFIS took Members through the report and confirmed that the majority of recommendations related to completion dates up to June 2006 had now been completed. However, there were still some recommendations yet to be completed owing to sickness absence during the summer period. The DFIS also confirmed that all recommendations from all reports were regularly reviewed and progress updated.

6. (cont)

In response to a specific question, the Internal Auditor (HCC) advised that, after undertaking an initial CRB check, there was no requirement to undertake further checks. However, a number of colleges did undertake further update checks after three years, as part of their risk management process. The Committee referred this matter to the SMT to review against current practice.

ACTION: SMT

7. Other Audit Reports

1. LSC Audit on Work-based Learning Provision

A written report was received and considered. The WBL Manager took Members through the report and advised that there had been no funding errors identified, and that the LSC auditors had made a 'glowing' and unqualified opinion. She also advised that at the time of the audit, there were 350 learners on the WBL programmes, compared to a current enrolment of 429. The Committee were pleased to note the very positive and unqualified report.

8. Internal Audit Service

1. TPA Audit 2005/06 (HCC)

A written report was received and considered. The Internal Auditor (HCC) advised that the TPA Review had been agreed and 'signed-off'.

2. Internal Audit Annual Report 2005/06 (HCC)

The Internal Auditor's Annual Report 2005/06 was received and considered. The Internal Auditor (HCC) took Members through the report and summarised the work undertaken during the year concerned. She highlighted the type and range of recommendations raised through the various internal audit reports, and advised that there were only two significant findings to report, as well as two common findings. She reported that in all cases, management responses to the recommendations raised indicated that these issues would be addressed.

In reaching an overall opinion, the Internal Auditor (HCC) advised that there were appropriate risk management, control and governance processes in place, and that they were operating in practice.

It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Auditor's Annual Report 2005/06 be received and agreed.

(The WBL Manager and the Internal Auditor (HCC) left the meeting)

3. Internal Audit Reports 2006/07 (BJ)

1. Staff Training and Development (01.06/07)

A written report was received and considered. The Internal Auditor (BJ) took Members through the report and advised that he had raised only two 'merit attention' (lowest classification) recommendations. The Internal Auditor confirmed that one of the objectives when undertaking the review was to link their recommendations to the Risk Register.

The report was received and noted.

4. Internal Audit Progress Report 2006/07 (BJ)

A written report was received and considered. The Internal Auditor advised that the report gave a general overview of their work to date, and work planned for the year.

The report was noted.

9. Financial Statements and Regularity Audit 2005/06

1. Management Letter 2005/06

A written report was received and considered. The Financial Statements Auditor advised that he had concluded both the financial statements and regularity audits, and both had received clean and unqualified reports. He took Members through the report and highlighted a range of matters, and advised that there were no significant issues arising.

It was RESOLVED to RECOMMEND to the CORPORATION that the Financial Statements Auditor's Management Letter 2005/06 be received and accepted.

2. Benchmarking Data

A written report was received and considered. The Financial Statements Auditor highlighted the comparisons between BCOT and national benchmarks, and confirmed that the College compared favourably in all areas. The report was noted.

3. Financial Audit Report to the Corporation 2005/06

A written report was received and considered. The Financial Statements Auditor took Members through the report, and advised that, in his opinion, the financial statements gave a true and fair view of the state of affairs of the College as at 31 July 2006, and of the College's surplus of income over expenditure for the year concerned.

It was RESOLVED to RECOMMEND to the CORPORATION that the Financial Audit Report to the Corporation 2005/05 be received and accepted.

4. Regularity Audit Report – Final Review Opinion 2005/06

A written report was received and considered. The Financial Statements Auditor took Members through the report, and advised that, in his opinion, the expenditure and income received for the year ended 31 July 2006 had been applied to the purposes indicated by Parliament and the financial transactions conform to the authorities that govern them.

It was RESOLVED to RECOMMEND to the CORPORATION that the Regularity Audit Report – Final Review Opinion 2005/05 be received and accepted.

5. BCOT Enterprises Ltd (Report and Accounts) 2005/06

A written report was received and considered. The Financial Statements Auditor took Members through the report, and advised that, in his opinion, the financial statements gave a true and fair view of the state of affairs of the Company as at 31 July 2006.

It was RESOLVED to RECOMMEND to the CORPORATION that the BCOT Enterprises Ltd (Report and Accounts) 2005/05 be received and agreed.

10. Performance Indicators (Internal and External Auditors)

A written report was received and considered. The DFIS advised that the indicators contained within the report had previously been agreed by the Corporation, and that the Auditors' had completed their individual assessment of their performance against each indicator. He further advised that all targets had been met, and that there were no matters to report. The report was noted.

11. Audit Committee's Annual Report to the Corporation 2005/06

A written report was received and considered. The Clerk advised that the report was based on the 'standard' College format, updated to incorporate references from the auditors' annual reports.

It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Committee's Annual Report 2005/06 be received and agreed.

12. Risk Management - Update

An update report was received and noted. The Internal Auditor advised that he was due to undertake a review of risk management in the near future.

13. Annual Review Matters

1. Audit Committee – Terms of Reference

A written report was received and considered. The Clerk took Members through the revised Terms of Reference and highlighted those areas where he had recommended changes. He stressed that the main terms of reference were as prescribed by the LSC in the Audit Code of Practice.

1. Membership

The current membership was noted as 4. The Clerk advised that he thought the membership should be increased to 5, in order to allow more flexibility in case of absence of members. He had also included an option for the Corporation to appoint an external co-opted member if so required. It was agreed to recommend an increase in the membership from 4 to 5.

2. Appointment of Committee Chairmen

The Clerk recommended that the Committee be empowered to elect its own Chairman, for a two year term of office. Members referred to a previous discussion at the Corporation whereby it had been proposed to 'revolve' chairs and members around the various committees on a regular cycle in order to extend individuals knowledge and experience. It was, though, noted that there had been no formal recommendations agreed by the Corporation at its last meeting.

It was RESOLVED to RECOMMEND to the CORPORATION that the revised Terms of Reference, as amended, for the Audit Committee be agreed.

2. Schedule of Business 2006/07

A written report was received and considered. The Clerk advised that the Schedule of Business had been updated for the current year. He also advised that it was proposed to receive the Health & Safety Annual Report at the Autumn Term meeting and not at the Summer Term meeting. The Schedule of Business 2006/06 was noted.

3. Committee Attendance 2005/06

The Committee's attendance record for 2005/06 was received and noted.

14. Use of College Seal

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

15. Any Other Business

There were no items of Any Other Business discussed.

16. Dates of Future Meetings

Wednesday 28 February 2007, commencing at 5.00pm.
Wednesday 13 June 2007, commencing at 5.00pm.
