

BARTON PEVERIL COLLEGE
Audit Committee
Minutes of Meeting held on
Thursday, 26 November 2009 at 5.30 pm

Present:

Mr N Tustian (Chair)
Mr C Tapp
Mr S Vincent-Marshall
Mrs S Weavind

In attendance:

Mr N Groves (Vice Principal (Planning and Resources))
Mr G Miles (Director of Finance)
Mrs E Foster (Hampshire Audit Services)
Mr J Ericson (Baker Tilly)
Mrs J Miles (Acting Clerk)

to 5.55 pm

Apologies:

Mrs S Guy
Mrs R Medd (Clerk)

Absent:

None

		Action
429	Preliminaries The Chair welcomed Mrs Foster of Hampshire Audit Services and Mr Ericson of Baker Tilly to the confidential section of the meeting. Members confirmed that they were happy for Mrs Miles to clerk the meeting in the absence of Mrs Medd.	
430	Annual Confidential meeting with the External Auditors	
430.1	Mr Ericson stated that Baker Tilly had no issues to draw to the Committee's attention. Members had no questions to ask of the External Auditor. Mrs Foster said that she had no confidential items to raise.	
430.2	<i>The Vice Principal (Planning and Resources) (VPPR) and the Director of Finance (DF) rejoined the meeting at this point.</i>	
431	Declaration of Interests No member of the Committee had anything to declare relating to the items on the agenda.	
432	Minutes	
432.1	Minutes of the meeting held on Wednesday, 7 October 2009 were confirmed as	

a true record and duly signed by the Chair. The Chair confirmed that the minutes could be published on the Intranet.

432.2 Matters Arising from the Minutes

All matters arising had been actioned, were ongoing, or were on the agenda for the meeting. The updated Action Points sheet would be kept as part of the Committee's records.

433 Draft Financial Statement

433.1 The DF presented the Draft Financial Statement the financial aspects of which had been received by the Committee at the previous meeting. There were no changes to the figures but a few typographical errors had been corrected.

433.2 The External Auditor, Mr Ericson of Baker Tilly, highlighted the accounting of the costs of the preliminary work for the Property Strategy which had been brought 'below the line', confirming that a true and fair override had been invoked (as had been the case at a lot of colleges).

Agreed Actions

Members unanimously agreed that the Draft Financial Statement would be recommended to Corporation for approval

Clerk

434 Draft External Audit Findings Report, including Regularity Audit Final Opinion and Management Letter

434.1 Mr Ericson presented his report, stating that:

- a one-page summary had been included as requested by the Committee previously
- the audit was complete and the only issue identified was the impact of the Capital Project which had been raised at the previous meeting
- Grant Income details had not yet been received from the Learning + Skills Council (LSC)
- no adjustments had been made to the draft report
- clarification had been obtained regarding the 'historic' aspect of the covenant on the bank loan

434.2 Mr Ericson reminded members that Baker Tilly had updated the Committee on emerging issues in the sector during the year and added that the LSC would cease to exist in March 2010 which would inevitably result in a degree of uncertainty. The funding Audit would be reinstated and would be more risk-based. Also, there could be more complexities to deal with because of the increased number of parties involved so there might be significant changes the following year.

434.3 The Chair expressed his thanks to the External Auditors for the 'clean' report and for the effective relationship with College staff.

Agreed Action

Members unanimously agreed that the Draft External Audit Report Summary would be recommended to Corporation for approval

Clerk

434.4 *Mr Ericson left the meeting at this point.*

435 Committee’s Annual Report to Corporation

Members discussed the content of the report, which had been circulated with the agenda.

Agreed Actions

- **The appointment dates for Mr Pezet and Mrs Guy would be checked**
- **The tense in the third paragraph of ‘Other Work’ on page 3 would be changed to past tense**
- **Members unanimously agreed that, subject to the requested amendments, the Committee’s Annual Report would be presented to Corporation**

Clerk

Clerk

Clerk

436 Internal Audit Report, October 2009

436.1 The Internal Auditor, Mrs Foster, presented the report from the October Audit visit which she described as a ‘clean’ report. All four areas reviewed were considered to have appropriate controls which were operating in practice.

436.2 The VPPR advised members that a short Communications Policy had been drafted which aimed to reflect the latest technology and which would be presented to the Audit Committee for information in due course.

436.3 Members noted the content of the report.

437 Draft Financial Management and Control Evaluation (FMCE) (Full version)

437.1 The VPPR presented his Paper which had been revised this year in view of a potential Ofsted Inspection in the coming months. He particularly highlighted:

- close monitoring of the Adult Education curriculum area
- financial monitoring in terms of Risk Management

437.2 Members discussed the following aspects of the FMCE:

- the overall grading of ‘outstanding’, which was endorsed
- the fact that the recorded weakness in 4.7 on page 24 (the omission of a formal end of year report detailing variances between the last revision and the audited figures) and the proposed action regarding the monthly reporting of the forecast outturn against the budget did not relate to each other sufficiently
- the grading for Internal Controls overall

437.3 Thanks were recorded to staff for the compilation of a very comprehensive and informative evaluation.

Agreed Actions

- **The Improvement Plan on page 3 would be rewritten to match more closely the issue in 4.7 on page 24**
- **In item 3.7 on page 18 the answer would change from ‘Yes’ to ‘No’ to reflect ‘fully embedded’ Risk Management was not yet attained**
- **Members unanimously agreed that the Draft FMCE Summary and Action Plan would be presented to Corporation for information**
- **Members would receive the revised full version via e-mail and a hard copy if requested**

VPPR

VPPR

Clerk

Clerk

438 Summary of outstanding items from previous Audit Reports, including Human Resources Compliance and FMCE Action Plan

The VPPR presented his report which indicated that all actions had been completed. It was noted that the Human Resources compliance had also been reported to the Remuneration and Employment Committee.

Agreed Action

All completed actions would be removed from the next Monitoring Statement of outstanding Audit Report Items

VPPR

439 Committee Business

Mrs Weavind, as Chair of the Search and Governance Committee, reminded members that Mrs McNulty was stepping down as the Health and Safety Governor and that Mr Woollan had volunteered to take on the role. It was hoped that Mr Woollan would attend the next College Health and Safety Committee meeting with Mrs McNulty and thereafter would attend the Audit Committee meeting at which the Health and Safety Governor's report was presented.

440 Standing Items

440.1 Risk Register

The VPPR stated that no emerging risks had been identified since the previous meeting. However, safeguarding was considered to be a high profile issue and the VPPR suggested that it should be included in the March Internal Audit review. Hampshire Audit Services agreed that this could take place.

HAS/VPPR

440.2 The Risk Management Group would meet again in February. Membership of the Group was being increased to include more managers with operational responsibility.

440.3 Equality and Diversity

There was nothing substantive to note from the papers considered at this meeting. It was hoped that training would be arranged for members that would be led by Governor Mr Mossadaq, in order to ensure Equality and Diversity is given due consideration at Governors' meetings. The Search and Governance Committee was developing a more robust approach to Equality and Diversity with the aim that a standard approach could then be adopted by all committees.

441 Information Exchange

Members were reminded of the closing date for returning ballot papers for the Election of the Chair of Corporation.

442 Date of next meeting: Tuesday, 2 March 2010 at 5.30 pm in the Conference Room

The meeting closed at 6.41 pm.