

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held at Bicton College on Wednesday 1 July 2009

PRESENT:	Sir John Cave	- Chairman
	Mrs C Bourne	
	Mr J Lowe	- Staff Governor
IN ATTENDANCE:	Miss R King	- Director of Finance
	Mrs C Quick	- Finance Manager
	Mr G R Copper	- Clerk to the Board of Governors
	Ms H Ancient	- PriceWaterhouseCoopers – Internal Auditors
APOLOGIES:	Cllr J Berry	
	Mr M Ellingham	
	Mrs J Yung	
	Mr D Henley	- Principal

SUMMARY OF RECOMMENDATIONS

- Recommended approval of the internal audit plan to the Board of Governors
- Recommended the appointment of Bishop Fleming to the Board, as financial statements auditors for the 2008-9 statements
- Recommended the appointment of Price Waterhouse Coopers (PWC) to the Board, as internal auditors for 2009-10
- Recommended approval of the revised risk management policy to the Board of Governors
- Recommended approval of the updated risk register to the Board of Governors

1. MINUTES

1.1 The Minutes of the Meeting held on 24 March 2009 were confirmed and signed by the Chairman.

1.2 Matters Arising

There were no matters arising from the Minutes.

2. MATTERS OUTSTANDING FROM PREVIOUS AUDIT REPORTS

2.1 The Director of Finance reported on actions taken to address items raised in previous audit reports. Noted that items arising from the internal audit report on Estate Management had yet to be added. The audit recommendations and current status of the management actions were reported in detail. Where action was shown as completed, the items would be deleted from the next report. The

Committee noted that the number of items outstanding appeared to be fewer than in recent reports.

3. INTERNAL AUDIT REPORTS

3.1 Payroll

It was reported that the management responses were still being completed and that the report would be presented at the next meeting of the Committee.

- 3.2** The year to date summary of internal audit assurance indicated moderate assurance overall from the reports completed or in draft. The College would need to ensure that the remaining reports for 2008-9 provided at least moderate assurance in order to maintain this level of assurance.

4. INTERNAL AUDIT PLAN

- 4.1** Received the internal audit needs assessment, strategic plan and annual plan for 2009-10. Noted the planned scope of audits for the three year period of the plan. The operational plan for 2009-10 was examined. The number of audit days was 27, with 22 assigned to individual audits. The plan would include a key risk from the updated risk register. In view of the issue with HMRC concerning the employment status of lecturers, it was considered that this should be the key risk addressed in 2009-10. It was agreed to recommend approval of the plan to the Board of Governors

5. FINANCIAL MANAGEMENT AND CONTROL EVALUATION

- 5.1** The Director of Finance presented the management responses to the FMCE report arising from the FMCE validation visit in February 2009. The overall assessment was inadequate and the College had appealed against the decision. In view of the financial situation it was difficult to present an argument against the decision and the College had, despite concerns over the validation process, withdrawn the appeal in order to focus on addressing the issues raised and agree an action plan with the LSC.
- 5.2** The Committee expressed concerns over the quality and consistency of financial information provided to Governors prior to January 2008. Noted the comments regarding risk management. The Clerk was concerned that comments in the report on the appointment of an interim Principal failed to recognise the circumstances and urgency of action required at the time.

6. EXTERNAL AUDIT REPORTS

- 6.1** This item was commercially confidential and separate minutes were taken.

7. APPOINTMENT OF FINANCIAL STATEMENTS AUDITORS

- 7.1** Following the previous meeting, the Clerk had written to Bishop Fleming to advise them of the intention of the Audit Committee to re-appoint them for 2008-9. The

Clerk had also alerted Bishop Fleming to the requirement to change the audit partner involved with Bicton, after seven years, to comply with the LSC Audit Code of Practice. Subject to the change of audit partner, it was agreed to recommend the re-appointment of Bishop Fleming as financial statements auditors to the Board.

8. APPOINTMENT OF INTERNAL AUDITORS

8.2 The Clerk reported that the Director of Finance and the Clerk had met with Mr Drake and Ms Ancient of PWC regarding the internal audit contract for 2009-10. It had been agreed that some issues that had arisen in 2008-9 were no longer current and that the College was agreeable to continue the present arrangement. The Committee agreed to recommend PWC for reappointment as internal auditors for 2009-10.

9. RISK MANAGEMENT

9.1 Received the revised risk policy which after discussion was recommended for approval by the Board of Governors.

9.2 Received the risk register which had been very recently updated by the SMT. The key risks; risk scoring and variations from the previous risk register were explained. After detailed examination it was agreed to recommend approval by the Board of Governors.

10. DATE OF NEXT MEETING

10.1 The Chairman reported that it was the last meeting which Carolyn Bourne would attend and she was thanked for her work on the Committee.

10.2 Agreed to hold an additional meeting on Wednesday 7 October 2009 at 2.00 pm

Signed _____
Chairman

Date _____

**AUDIT COMMITTEE
ACTION ITEMS**

MINUTE	ACTION	BY	WHEN
	No action items were requested.		