

# MINUTES

## Minutes of a meeting of the Corporation's Audit Committee Held on Monday 01 June 2009 at 2.30pm In Hollands House Boardroom, Yeovil College

**Membership:** \*Paul Taylor [Chair]; Derek Esp; \*Derrick Goddard; \*Tim Sweeney; \*Peter Thomas  
[Quorum = 3 Committee members, at least 1 of whom is a Corporation member]

**In attendance:** \*Paul Bowe [Vice Principal Resources]; \*Lily Garth [Clerk]; \*James Hampton [Principal]; Shaun Hindle (from Item 5 – 10 inclusive); \*Janice Tipper [Head of Finance]; \*Karen Williams of RSM Bentley Jennison [Internal Auditors] (from Item 5 onwards)

*\* Indicates actual presence at this meeting*

<b>1.</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>None declared.</p>
<b>2.</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>These were received from Derek Esp.</p>
<b>3.</b>	<p><b>MINUTES OF THE MEETING HELD ON 18 MARCH 2009</b></p> <p>The Committee DEFERRED consideration of this item until later in the meeting.</p>
<b>4.</b>	<p><b>APPOINTMENT OF EXTERNAL AUDITORS 2008/09</b></p> <p>The Committee, acting as the formal selection panel, received presentations from and interviewed 4 shortlisted providers. During the subsequent discussion, the Committee tried to balance a variety of factors including the services required, the services offered, value for money, value added and cost implications.</p> <p><i>[Confidential minute 4C relates to this section]</i></p> <p>The VP Resources would approach the providers accordingly and report back to Governors. It was noted that the Corporation's ratification of the Audit Committee's decision would take place either on 29 June or 08 July 2009.</p>
<b>5.</b>	<p><b>MINUTES OF THE MEETING HELD ON 18 MARCH 2009</b></p> <p>The Committee AGREED these minutes as a correct record and APPROVED them for website publication. They were signed by the Committee Chair.</p>
<b>6.</b>	<p><b>MATTERS ARISING FROM THE MINUTES</b></p> <p>The action and query sheet was reviewed, noting that the self-assessment actions would next be considered in Autumn 2009. <b>An updated version of the sheet shall be distributed with these minutes.</b></p>
<b>7.</b>	<p><b>INTERNAL AUDIT RECOMMENDATIONS</b></p> <p>The Committee reviewed the Summary Report Status of Critical, High</p>

Lily Garth

and Medium Priority Internal Audit recommendations by PWC and Fundamental and Significant recommendations by RSM BJ.

The main points raised in discussion focussed on Disaster Recovery Planning (and related IT controls), revisiting the concerns raised at previous meetings and noting that the Business Continuity Review was scheduled for w/c 15 June 2009.

## 8. INTERNAL AUDIT REPORTS 2008/09

The Committee received the following reports from Karen Williams of RSM Bentley Jennison.

### Progress Report

The Committee noted this report – including the changes requested by the Committee and arranged with College managers – without contention.

### Student Support LSF and EMA 06.08/09

The Committee was pleased to note the substantial assurance opinion stated in this report. It was highlighted that there were no resultant recommendations – which indicated that the College was performing well in comparison to other organisations in the sector – arguably partly as a result of (rather than in spite of) the paper-based system currently used which was extremely well-checked by staff.

There was one minor query raised in respect of 1.10 as to whether the attendance requirement should be uniformly 90% or 80%.

### Enrolment and Invoicing 07.08/09

The Committee noted the limited assurance opinion stated in this report which had been carefully scoped on the basis of previous Audit Committee discussions and agreed with the VP Resources. Due to the tailored nature of the audit, no comparable sector data was available.

It was noted that the recommendation in paragraph 17 had no external implications and suggested that either that aspect of the Financial Procedures would benefit from amendment or that an effort should be made to adhere to it. The Committee went on to discuss system issues related to this point which could impact on the age of debtors and the ease of collecting such debts. **The Head of Finance agreed to quantify the risk for the Committee so that it had a clear understanding of the potential scale of this risk.**

### Follow up 08.08/09

The Committee was pleased to note that the independent assurance provided by this report matched the regular tracking report which the College provided at every Committee meeting. The Committee were content that reasonable progress had been made, and looked forward to good progress in 09/10.

### Risk Maturity 09.08/09

The Committee noted that this report had been commissioned as a review rather than a formal audit as the College was already aware that the current risk system and approach was out of date and not an inherent part of the management structure or culture.

The Committee recorded its concerns regarding the history and progress of risk (particularly over the last two years). It stood in partnership with the Senior Leadership Team in aiming for the review's recommendations to contribute to an overall strategy and implementation plan, rather than result in a series of actions. **Governors were keen to develop the strategy, (utilising software which would help to define and structure**

Janice Tipper

VP Resources

the risk management) and accepted the Autumn 2009 timescale which the Principal and VP Resources proposed. It was noted that the Corporation's involvement was key to establishing the College's risk appetite.

It was noted that ahead of the Autumn strategy/scoping, the SLT would continue to utilise and highlight its risk-based approach to College operations (with particular emphasis on the budget preparations and impact of learner numbers).

**9. INTERNAL AUDIT 2009/10**

*[Karen Williams of RSM Bentley Jennison briefly withdrew during this item].* The Committee noted (and reiterated) the approved continuation of RSM BJ as Internal Auditors for 2009/10.

After discussion, (apart from reallocating the Marketing/Student Recruitment/Admissions resource to risk appetite/consultancy), the Committee APPROVED the presented Internal Audit Plan for 2009/10, accepting the resource as appropriate given the level of assurance required because it:

- Reflected the areas the Committee regarded as a priority
- Covered the College's key risks as currently recognised by the Committee
- Included all those areas that the Committee expected to be covered

**10. LEARNING AND SKILLS COUNCIL AUDITS**

The Committee were pleased to note the outcomes of the LSC audit on Work Based Learning. The small number of audit findings in relation to E2E was applauded, and the fact that no issues whatsoever were raised in respect of apprenticeships was the subject of special praise. The Committee acknowledged the successful work of Shaun Hindle and his team which had brought about such a positive improvement to this area of the College over the last two years.

**11. COMMITTEE TERMS OF REFERENCE, WORK PROGRAMME and MEETING DATES for 2009/10**

After consideration, and with reference to the Corporation review, the Committee **RECOMMENDED its revised Terms of Reference** (without requesting delegated approval powers for the Risk Management Policy) **and Work Programme (including draft dates) for 2009/10 to Corporation for approval.**

**12. CONFIDENTIAL ITEMS ANNUAL REVIEW 2008/09**

The Committee reviewed its confidential papers and minutes. No amendments were made to the dated papers. RSM BJ clarified that its actual reports should remain permanently subject to its disclosure caveat, but that comments about the reports in the minutes were public in nature. The Committee reclassified its 01 October 2008 (previously confidential) minutes and the appendix to this paper as 'public'. The Clerk would update the list accordingly and carry the remaining confidential items forward to 2009/10.

**13. AUDITORS' PERFORMANCE INDICATORS**

After discussion of the Clerk's paper, the Committee APPROVED the performance indicators as set out in the appendices for:

- External Auditors 2008/09

with RSM BJ  
(& Corporation)

Lily Garth

- Internal Auditors 2009/10

Because of the new provider to be appointed as the External Auditors for 2008/09, and the timing involved, the Committee AGREED that (if necessary) the External Auditors' indicators could be amended by the Committee Chair before the next Committee meeting.

**14. ANY OTHER BUSINESS**

Noted as none.

**15. NEXT MEETING**

Noted as (subject to Corporation approval):

- **5pm-7pm Wednesday 30 September 2009**

*Meeting closed at 6.50pm*

**APPROVED 30 SEPTEMBER 2009**