

Audit Committee Monday 8th December 2008 5.00 pm Ashington
Minutes

	<p>Present: Sharon Barlow Chair Rachel Ellis-Jones, Ian Todd, Chris Smith Apologies: Prof David Fleming Attending: Chris Saint, David Moor house & David Mitchell KPMG, Debbie Simpkin (Note Taker)</p>	
AC07/073	The meeting was declared quorate.	
AC07/074	Apologies were received from Professor David Fleming.	
AC07/075	The minutes of the meeting of 21 st October 2008 were agreed to be a true and accurate record.	Minutes Agreed
AC07/076	<p>With regard to the Key Financial Controls report, Chris Saint advised the draft report from PWC would be available for the next Audit Committee.</p> <p>The ToR was discussed and the additional paragraph was agreed.</p>	
AC07/077	<p>Item 5 – David Moor house and David Mitchell of KPMG attended the meeting and were asked to explain how they felt the audit had gone. They advised that they felt the college was not prepared for the audit which could be partly due to the turmoil regarding the position with the Finance Director. They also advised that the audit had taken longer than it would usually, and that this could be attributed to the clearing out of old items which were found on the debtors ledger.</p> <p>Chris Saint and REJ joined the meeting at this point. KPMG began by giving the background and purpose of the audit report. Concerns were raised with regard to the deficit on continuing operations and the sale of 7th Avenue and where the money from the sale had been posted to/spent. IT also raised concerns with regard to the apparent lack of finance controls and clarity of information the governors receive. CS responded that previously no one had received any monthly management accounts although this had now been rectified and were being produced. Following a lengthy discussion SB asked that CS provide an analysis be provided with regard to the current and non recurrent situation.</p>	Agreed

	<p>A discussion then took place with regard concerns around pensions and how the governors need to know the liabilities. It was agreed the CS obtain a report from NCC regarding the position.</p> <p>Concerns were then raised with regard to staffing costs and restructuring and that a control system should be in place which looked at the staffing costs. REJ advised that prior to her arrival there had been problems and that there were redundancies within the year she joined the college. She advised that staff at the college tend to stay working at the college and do not move on, therefore they are at the top of their scale. She also highlighted that there had been changes with regard to the funding methodology that had also had an impact. Both CS and REJ stressed to the committee that staffing costs were currently being looked at with an intervention plan being developed. It was also stressed that Chris Todd, the new Finance Director would be, once in his role, working on the day to day running of the college which would free up Chris Saint to solely look after the costs for the new build projects.</p> <p>It was noted that there were plans in place for staff to have budget holder training.</p> <p>It was agreed that Chris Todd, when in post, look at support from the F&P and Audit Committees in order that the governors may assist him.</p> <p>It was agreed that sub-committees be part of a discussion at the Governors Retreat in February 2009.</p>	
AC07/078	There was no other business and nothing confidential. Date next meeting to be advised	

Action Points

Action Points from July meeting to be carried to next meeting date	Clerk	Next meeting
Chris Saint to follow up list of outstanding items for the external audit.	Chris Saint	ASAP
Chris Saint to obtain a status report regarding pensions from NCC	Chris Saint	Next meeting