

Audit Committee Tuesday 21 October 4.30 pm Ashington  
Minutes

	<p><b>Present:</b> Sharon Barlow Chair Rachel Ellis-Jones, Ian Todd, Chris Smith</p> <p><b>Apologies:</b> Prof David Fleming</p> <p><b>Attending:</b> Chris Saint, Julie Irwin, Allan Crookston David Moorhouse &amp; Arlene Atkinson KPMG, Lisa Healey Bentley Jennison, Paul Woolston PWC, Clerk</p>	
AC07/066	The meeting was declared quorate and the Chair asked if college staff members would kindly leave to allow the Governors and auditors to speak for 20minutes, those college staff members present did leave.	
AC/07/067	The Chair invited the representatives from each of the auditors to address the Governors informally on their findings or any other comments relevant to the audit process. A useful exchange followed and the auditors were thanked for their input.	
AC/07/068	The minutes of the meeting of 3 July 2008 were agreed to be a true and accurate record. It was noted that there were several action points that appeared at the end of the minutes that had not been carried on to the agenda for this meeting due to pressure of work in preparing for the current agenda items. It was agreed that they would be carried on to the agenda for the next meeting.	<b>Minutes Agreed</b>
AC/07/069	<p>Agenda <b>items 8 &amp; 9</b> were brought forward by the Chair. Lisa Healey of Bentley Jennison presented their annual report incorporating her comments on each individual audit report.</p> <p>She noted that the overall findings were improved with the majority of areas receiving good key assurance indicators. The major area for improvement was the Key Financial Controls report which contained one significant recommendation and was given only a limited assurance rating. It was noted that 2006/07 had been a difficult year for College Management and that since then in excess of 80% of previous audit recommendations had been implemented which was good.</p> <p>There was discussion of the difficulties in using the Symmetry system which controlled the interface between student enrolment and finance systems,</p>	<b>Reports Received</b>

	<p>Chris Saint gave assurances that all reconciliations had now been done and regular reports were now being generated. Discussion of the current debtors balance took place and it was noted that the new auditors would be advising on how to deal with this. There was some discussion as to whether additional resources would assist in speeding up the process but Chris Saint felt on balance they had the right team at present and so Governors agreed that they would support a request for additional resources should one be made.</p> <p>A discussion took place as to the structure of the Finance Team and how this may differ from other FE College set ups. All agreed that the new Financial Director would benefit from a background in FE finance as this had unique points of difficulty for candidates from commercial backgrounds.</p> <p>The Governors through the Chair noted their thanks to the College staff, finance team and Chris Saint for their hard work in achieving the improvement in the audit results and that it was heartening to see so many substantial assurance marks. A general change in culture towards the audit process was welcomed and Lisa and Bentley Jennison were thanked for their hard work as the outgoing auditors.</p>	
AC/07/070	<p><b>Item 6</b> Terms of Reference for the internal audit, Paul Woolston for PWC explained that work had just started in the past few days on the Treasury Management and Financial Planning audits with the Individual Learner Records to follow shortly.</p> <p>There was some discussion as to whether the Individual Learner Records audit could be used to improve or feed into the College management of Learner Records and it was noted that auditors could be a useful resource of best practice in this and other areas.</p> <p>Chris Saint noted that he was now producing new management accounts for the 15<sup>th</sup> of the month and that he would be able to use a moving forecast to produce figures to show the real position against targets.</p>	<b>Agreed</b>
AC/07/071	<p><b>Item 7</b> Audit Strategy David Moorhouse and Arlene Atkinson for KPMG explained that there was more work to they before they could give an indication of their findings. They noted that they were awaiting</p>	<b>Agreed</b>

	<p>more information on various areas, Chris Saint was of the opinion that these were points that could be pulled together quite quickly and were being worked on. Governors expressed concern that the meeting for budget setting was due soon and they did not want loose ends to mean that they did not have the full picture when setting the budget. It was again queried as to whether an additional resource was need for the Finance Team but it was noted that training someone up etc would take time and that the outstanding items could be chased up. It was noted that David Moorhouse had been over the outstanding items with Julie and so Chris Saint advised he would follow this up.</p>	
AC/07/072	<p>There was no other business and nothing confidential. Date next meeting to be advised</p>	

### 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