

# CORPORATION OF KIDDERMINSTER COLLEGE

## Minutes of the Audit Committee Meeting held on Thursday 18<sup>th</sup> June 2009 in Room 149 at 17.30 hours

- A 562 Present** Paul Crowley Chair  
Michael Allman  
Adrian Davis  
Ivan Vaux
- A 563 Quorum** 2
- A 564 In Attendance** Patrick Green RSM Bentley Jennison  
Derek Harrison Director of Finance & Administration  
Alan Hopkins Clerk to the Corporation  
Andrew Miller Principal  
Paul Oxtoby Baker Tilly  
Judith Simpkins Senior Finance Officer
- A 565 Apologies** Linda Pierce
- A 566 Declaration of Members' Conflict of Interests**  
No declarations made
- A 567 Minutes**  
The minutes of the meeting held on 27<sup>th</sup> November 2008, having been circulated, were agreed and signed by the Chair.
- A 568 Matters Arising**
- i) *Governance Thematic Review*  
It was confirmed that the Corporation had considered the RSM Bentley Jennison Governance Thematic Review. Though in most areas it was felt the Corporation was achieving the standards described, the area of Key Performance Indicators needed to be developed. Consequently a trial programme using KPIs was being run by Governors in the present academic year.
- ii) *Audit Committee Annual Report 2007 – 08*  
It was confirmed that the Corporation had approved this Report.
- A 569 Internal Audit Reports**
- i) *Key Financial Controls*  
Details had been circulated. Patrick Green commented that there was one significant recommendation relating to Requisitions & Purchase Orders being raised before goods/services are purchased. Derek Harrison stated that all budget holders have been informed in writing that it is unacceptable not to follow this part of the College's Financial Regulations. Four other items had been identified as Merits Attention. All these had been addressed by Management Action.
- Patrick Green commented that overall the Report was good.

ii) *Learner Numbers*

Details attached. Patrick Green stated that this was an important area for audit and in most colleges some difficulties were encountered. However the Audit gave a substantial assurance that the controls upon which the College relies to manage the area were effective. There was one Significant recommendation and six items which Merit Attention. No real issues were outstanding as a result of the College's responses.

Here too, Patrick Green commented that overall the audit findings were good.

Paul Oxotby added comments that the LSC were requiring a return to the Funding Audit, accompanied by a stricter approach, particularly in relation to the promptness and accuracy of learner returns.

iii) *Risk Management*

Details had been circulated. Patrick Green explained that his Company were carrying out a review in this area of the position of colleges in relation to Risk Management. A summary report will be prepared on their findings for the sector. It was felt that the College was close to the standard required, though it was recognised that further policy changes would have to be made. A revised risk management policy was now being prepared. This would be presented at the next Corporation meeting.

Members discussed the question whether parts of the Risk Management plan and the Register should be reviewed at Audit Committee as well as at Corporation level. Paul Oxotby commented that the procedure should include the means whereby at least at two meetings of the committee, significant/high risks were reviewed. It was therefore agreed to refer this option to the next Corporation meeting.

The Chair also asked that the reference in item 11 to the significant Data Security challenges which the head of ICT had identified be clarified given that there was no response in the Recommendation column.

The Audit Report was noted.

iv) *Governance*

Details had been circulated. The Report covered how the College had complied with the changes arising from the revised Instruments & Articles of Government. It was noted that 2 minor "Merits Attention" were required. These would be actioned by July 2009.

v) *Follow Up*

Details had been circulated. This Report which reviewed follow up actions, which had been taken to implement previous internal audit recommendations, showed a good rate of completion. Only one action remained to be completed.

**A 570 Internal Audit Action Plan**

i) *RSM Bentley Jennison Internal Audit Progress Report*

Details had been circulated. Five Final Reports had been issued. All reports had received a positive level of assurance. The capital Projects audit plan had been cancelled due to the LSC actions in delaying decisions on approval of Capital Projects (Sladen Project). The audit plan for 2008 – 09 had therefore been completed.

Members commented positively on the quality of the briefing papers that were provided by RSM Bentley Jennison.

ii) *Internal Audit Action Plan*

Details had been circulated. It was stated that 17 items had been implemented, 2 remained to be completed.

Members accepted the Report.

**A 571 Internal Audit Plan 2009 – 10**

Proposals from RSM Bentley Jennison had been circulated. The proposal was to cover 29 days, plus a further 4 days on capital projects if the LSC position on Sladen changed. The College had accepted the proposals in the Audit Plan. The Committee therefore agreed to recommend its acceptance to the July Corporation meeting.

**A 572 Financial Statements Audit Plan 2008 – 09**

Proposals from Baker Tilly had been circulated. Paul Oxtoby explained that the Plan having set out the objectives, gave details of the audit approach, scope and timetable. The plan was to complete the audit by December 2009.

The plan also covered the key risks affecting the audit, fees to be charged and Key Performance Indicators.

The Committee accepted the Plan and agreed to recommend its acceptance to the July Corporation meeting.

**A 573 Internal & External Audit KPIs**

i) *Internal Audit*

Details had been circulated. The overall result for the year was good. Derek Harrison recommended that the same KPIs be adopted for 2009 – 10. This was agreed by the Committee.

ii) *External Audit*

Details had been circulated. The overall result for the year was very satisfactory. Derek Harrison recommended that the same KPIs be adopted for 2009 – 10. This was agreed by the Committee.

**A 574 OfSTED Inspection – PFA Report**

The Report from the LSC's regional provider financial assurance team had been circulated. The report supported the work of the OfSTED inspection. The Report set out six strengths and no significant weaknesses. The College's health was reassessed as outstanding compared with the previous assessment as good.

The Committee expressed their satisfaction at the content of the Report.

**A 575 LSC Health & Safety Audit**

The Report on the LSC audit on the College's Health & Safety Performance showed an outstanding grade. Only one area was identified as requiring further action.

The Committee congratulated Derek Harrison on the grades received.

(Paul Oxtoby and Patrick Green left the meeting at this stage).

**A 576 Reappointment of Internal & External Auditors**

- i) It was agreed to recommend the reappointment of RSM Bentley Jennison as the internal Auditors for the year 2009 – 10 to the July Corporation meeting. A particular request was that Louis Tweedie continued as Audit Manager.
- ii) It was agreed to recommend the reappointment of Baker Tilly as the Financial Statements Auditors for 2008 – 09 to the July Corporation meeting.

**A 577 Any Other Business**

- i) Michael Allman  
The Chair expressed his thanks to Michael Allman for his support and work on the Audit Committee over many years. This was his last meeting.

**Date of Next Meeting**

Subject to Calendar of Meetings schedule for 2009 - 10.

The meeting closed at 19.00 hours

Chair \_\_\_\_\_ Date \_\_\_\_\_

30<sup>th</sup> June 2009