

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

Minutes of a Meeting held on Tuesday 3 July 2007 at 5.00pm

Membership:	* Nigel Clarke	Loc Auth Member	Chairman
	i* Graham Heath	Staff Member	
	i* Mike Howe	Co-opted Member	
	* Derek Swatton	Business Member	
	* Ron Young	Business Member	
	* Member present		
	i Appointed for one meeting only		
Quorum:	3 Members required	5 present	Meeting quorate
In Attendance:	Judith Armstrong	Principal	
	Simon Burrell	Clerk to the Corporation	
	Alan Gwyer	Strategy & Partnerships Director (SPD)	
	Gill Livingstone	Bentley Jennison (Internal Auditor)	
	David Moir	Director of Finance & Information Services (DFIS)	
	Shirley Parker	Student Administration Manager (SAM)	

34. APOLOGIES FOR ABSENCE

Clare King (College Accountant), Graham Clark (Bentley Jennison)

35. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

36. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

37. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 28 February 2007 were confirmed and signed by the Chairman as a correct record.

38. MATTERS ARISING

There were no Matters Arising discussed.

39. PROGRESS REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS AUDIT REPORTS

A written report was received and considered. The DFIS took Members through the report and updated them on progress made to the items contained within it. He also outlined planned actions that were scheduled to be implemented later in the year.

The Internal Auditor advised that a Risk Management Specialist was scheduled to undertake an initial review of risk management and associated activities in September 2007.

The report was noted.

40. INTERNAL AUDIT SERVICE REPORTS

1. Accounting System (06.2006/07)

A written report was received and considered. The Internal Auditor took Members through the report and advised that her overall conclusion was that the systems provided substantial assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. A total of 6 recommendations (1 'significant' and 5 'merit attention') had been made and accepted by College Management.

2. Learner Numbers (07.2006/07)

A written report was received and considered. The Internal Auditor took Members through the report and advised that her overall conclusion was that the systems provided substantial assurance that risks material to the achievement of the College's objectives were adequately managed and controlled. She had made 3 'merit attention' recommendations, all accepted by College Management.

3. Internal Audit Progress Report

A written report was received and considered. The Internal Auditor took Members through the report, and advised that progress was on target with the annual plan. It was noted that, to date, the level of assurance given by the Internal Auditor had been either 'substantial' (six audits) or 'adequate' (one audit), and that there had been no 'limited assurance' given. The Internal Auditor paid tribute to the work of the staff of the College for their help and assistance during all audit visits.

4. Internal Audit Plan 2007/08

A written report was received and considered. The Internal Auditor took Members through the proposed internal audit work schedule for 2007/08 and confirmed that she had discussed and agreed the work programme with the DFIS. She advised that the work programme was based on 50 days work, at a cost of £19,260 (excl VAT).

The Internal Auditor advised further that, following the initial review in September 2007, the Risk Management Specialist might propose additional work, and that this would need to be included within the schedule for 2007/08.

It was RESOLVED that the Internal Audit Plan 2007/08 be agreed.

5. General Matters

The Committee was pleased to note the continuing very good reports from the Internal Auditor, and the positive comments made by the Internal Auditor regarding the staff and operation of systems etc within the College.

41. REGULARITY AUDIT 2006/07

A written report was received and considered. The DFIS advised that the College was required to undertake an annual regularity audit, based on a self assessment process. A copy of the self assessment and proposed responses was included in the report. The DFIS confirmed that there had been no significant changes since the previous year.

It was RESOLVED that the Regularity Audit self assessment be agreed.

42. OTHER AUDITS

1. Adult Level 2 PSA Target Visit Review

A written report was received and considered. The DFIS advised that KPMG had undertaken a review of adult level 2 advice and guidance systems. They had concluded that the College admissions process and MIS function clearly demonstrated that the College understood the level 2 entitlement process.

Members were please to note the very positive report.

43. INSURANCE RENEWAL 2007/08

A written report was received and noted. The DFIS updated Members on the insurance renewal process undertaken through the Hampshire Colleges' Consortium that had resulted in a saving of 26% on premiums for the forthcoming year.

44. Appointment of Internal Auditor and Financial Statements Auditor for 2007/08

(The Internal Auditor withdrew from the meeting)

The DFIS advised that the Internal Auditor and Financial Statements Auditor had been appointed by the Corporation in July 2006 on four year terms of office, subject to annual review. He advised that their performance during 2006/07 had been good and recommended that both be confirmed for 2007/08.

It was RESOLVED to RECOMMEND to the CORPORATION that Bentley Jennison (Internal Auditor) and Tenon (Financial Statements Auditor) be appointed for the year 2007/08.

(The Internal Auditor re-joined the meeting)

45. DRAFT PERFORMANCE INDICATORS (PIs) FOR THE INTERNAL AUDIT SERVICE AND THE FINANCIAL STATEMENTS AND REGULARITY AUDITS

A written report was received and considered. The DFIS advised that the draft PIs had not been changed from those used in the previous year. He further advised that a report would be made to the next meeting of the Ctte outlining the auditors' achievement of the PIs. **ACTION: DFIS**

It was RESOLVED that the PIs be agreed and issued to the auditors' for completion.

46. COLLEGE FINANCIAL STATEMENTS FOR 2006/07

**1. Corporate Governance Statement
2. Statement of Principal Accounting Policies**

Two written reports were received and considered. The DFIS advised that the broad content of the reports was prescribed by the LSC. However, he highlighted a number of minor changes that had been proposed. Members noted the proposed changes.

47. USE OF COLLEGE SEAL

The Clerk advised that the Seal had not been used in the period since the last meeting.

48. ANY OTHER BUSINESS

There were no items of Any Other Business discussed.

49. DATES OF FUTURE MEETINGS

Wednesday 21 November 2007, commencing at 5.00pm.

Wednesday 12 March 2008

Wednesday 18 June 2008

50. EXCLUSION OF OFFICERS

The Principal, Director of Finance & Information Services, Strategy & Partnerships Director and Student Administration Manager left the meeting.

51. OPPORTUNITY FOR INTERNAL AND FINANCIAL STATEMENTS AUDITORS TO COMMENT ON ANY ASPECTS OF AUDITS

The Internal Auditor advised that she had no matters that she wished to raise.
