



## **Minutes of a Meeting of the Audit Committee of the Board of the Corporation**

**held at the College on Monday 17<sup>th</sup> March 2008 at 5.30 p.m.**

### **Present:**

Mr G Marshall (Chair)  
Dr K Chester, Mr I Stephenson,

### **Apologies:**

Mr D Allsop (Acting Clerk to the Board)  
Councillor J Davies.

### **In attendance:**

Mr A Croney (Principal)  
Mr R Oliver (Director of Finance and Resources)  
Mr B Johnson, Ms Karen Angus (Baker Tilly);  
Ms S Turner (Bentley Jennison)  
Mrs J Atkinson (representing the Acting Clerk to the Board)

The Chair, Mr Marshall welcomed all attendees to the meeting.

### **1. Minutes of a Meeting of the Audit Committee held on 19<sup>th</sup> November 2007**

1.1 The minutes were accepted as a true record.

### **2. Matters Arising**

2.1 There was one matter arising:

- **Audit Committee Report to the Principal and the Board** – it was noted that the draft of this report was not available for consideration by the Audit Committee.

### **3. Update on outstanding audit recommendations.**

3.1 The Director of Finance and Resources reported verbally on action in relation to previous audit recommendations. The following recommendations have not yet been fully implemented and progress will be reviewed at the next meeting:

#### **Financial Statements Audit Regularity Issues**

- With regard to preparation and maintenance of the College's risk register, clarification of issues has now been resolved with Baker Tilly. The Director of Finance and Resources will incorporate an appropriate policy in the financial regulations prior to presentation to the Board.

## Work Based Learning

- Job descriptions will be updated in line with new roles and responsibilities.

## Learner numbers

- Monthly automatic checks to be made on withdrawn learners in the form of database queries that check last date of attendance against withdrawal/transfer date.

## Follow up report

- The Business Continuity Training had been deferred because of Inspection and is planned to take place on 24<sup>th</sup> April 2008.

## Governance Report

- CVs – these will be updated as part of the skills audit which is to be launched at the Board meeting on 18<sup>th</sup> March and incorporated into the updated Governor's handbook (see below).
- The work on updating the governor's handbook is in hand and it is expected that this will be completed by the end of April.

## Agreed:-

### 3.2 THAT the Committee receive the Director's report.

## 4. Work Based Learning Audit Report.

4.1 The Director of Finance and Resources reported that an audit of Work Based Learning had been carried out by the LSC's Provider Financial Assurance Team. The report had been circulated with the agenda papers. A similar audit of Train to Gain had been undertaken at the same time but the report has not yet been received and will be reported to the next meeting of the Audit Committee. The PFA Team had been offered the chance to present the report but felt that this was not necessary.

4.2 The main findings of the Work Based Learning audit were:

- Use of Funds Opinion: Satisfactory
- Recovery amount: £35,822.76
- Underpayment: £10,400.00
- Internal Controls Opinion: Generally Satisfactory.

4.3 The following recommendations were made as a result of the audit:

- The college should ensure that:
  - Appendix 1 to Annex B paragraphs 33 to 34 of *'The Requirements for Funding Work-based Learning for Young People'* are adhered to.
  - An appropriate control is introduced, which checks whether a learner has achieved a NVQ L2 prior to commencing the Advanced Apprenticeship and the outcome is clearly recorded on the ILP and ILR.
  - Future E2E bonus payments are claimed when supportable appropriate evidence is available.
  - All claims for Additional Learning and Social Needs funding are supported by appropriate evidence, as detailed in *'The Requirements for Funding Work-based Learning for Young People'*.
  - The E2E Passport or Individual Learning Plan indicates which objectives upon achievement will generate an EMA Bonus for the Learner.



- A framework achievement date is not input until the evidence as detailed in Annex I, paragraph 17 of 'The Requirements for Funding Work-based Learning for Young People' is available.
- While an achievement date cannot be input the destination code (L39) of the ILR should be set to 94 to indicate that the learner has completed their learning and is awaiting confirmation of the framework.
- When appropriate evidence is held a framework achievement date should be input to the ILR that reflects when the last element of the framework was achieved and learning was completed.
- If the college are unable to comply with the requirements at year end then by exception the LSC Partnership Manager should be contacted to discuss possible solutions.
- A member of staff is given responsibility for ensuring that all the requirements for funding are complied with each year.
- When new guidance is issued it should be fully considered and distributed to relevant operational staff to ensure all the guidance is adhered to.

**Agreed:-**

**4.4 THAT the Committee receive the report and approve the agreed actions.**

## **5 Review of College Financial Regulations**

5.1 The Director of Finance and Resources presented a report following the review of the College's Financial Regulations, which date from May 2006. He proposed a number of changes to reflect:

- The latest management structure of the College;
- An increase in delegated limits to allow for smoother operation and quicker decision making;
- Changes to European Union tendering limits;
- The increasing role of the Finance Manager and the introduction of a new finance and purchasing system.

5.2 The Director referred to some further amendments necessary to reflect the changes to the Articles of Government approved by the Board at its last meeting.

**Agreed:-**

**5.3 THAT the Committee receive the report and approve the presentation of the revised Financial Regulations to the Board for adoption at its meeting to be held in May.**

## **6 National Audit Office Report on Procurement**

6.1 The Director of Finance and Resources presented a report incorporating the executive summary of the NAO report and a statement setting out the main recommendations set against the context of the college and current practices. The College remains open to improved practice but there are no specific actions to be implemented.

**Agreed:-**

**6.2 THAT the Committee receive the report.**

## **7 Report on the Performance of the Financial Statements Auditor.**

7.1 The Director of Finance and Resources presented a report on the performance of the Financial Statements Auditor covering the following areas:

- Introduction



- Basis of Report
- External Audit Service
- Conclusions
- Recommendation.

**Agreed:-**

**7.3 THAT the Committee receive the report and approve the presentation of a recommendation to the Board for consideration at its next meeting approving the re-appointment of Baker Tilly for the 2008/09 financial year.**

**8 Changes to Baker Tilly Partner Arrangements**

8.1 Mr Brian Johnson (Baker Tilly) reported that he will be retiring in the near future and that he will be replaced by Roger Davies. He reported that Roger intends to meet with management and the Audit Committee at an appropriate time.

8.2 The Chairman thanked Mr Johnson for his contribution and wished him a long, happy and healthy retirement.

**9 Next Meeting Agenda**

9.1 Items include:-

- Minutes/Matters arising
- Update on outstanding recommendations
- Committee Training – risk management
- Audit Reports
- Next meeting agenda.

**10. Any other urgent business**

10.1 The Director of Finance and Resources reported that an Internal Audit had been held in March by Bentley Jennison looking at Marketing and Budgetary Controls, but that it was too early for their report to come to this meeting. Sue Turner reported there had been no significant issues and that their report will be presented to the July meeting of the Audit Committee.

The meeting closed at 6.00 p.m.

**Date of Next Meeting**

The next meeting of the Audit Committee is 7<sup>th</sup> July 2008 at 5.30 p.m.





