

## **SOUTH CHESHIRE COLLEGE**

### **MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN CONFERENCE CENTRE, ROOM 1 ON THURSDAY 6 MARCH 2008 AT 4.00 PM**

#### **Present:**

S Utting                      (Chair)  
D Felton  
G Martin

#### **In Attendance:**

G Bebbington              (Director of Finance and Administration) (until the point shown)  
J Dowell                    (Deputy Director of Finance) (from and until the point as shown, returning as shown)  
L Randall                  (Bentley Jennison, Internal Auditors)  
E Davies-Jones            (Clerk to the Corporation)

The Clerk advised that the meeting was quorate.

#### **A**

#### **01/08 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Bronwyn Dean.

#### **A**

#### **02/08 DECLARATIONS OF INTEREST**

At this point in the meeting the Chair asked the members attending this meeting to declare any personal or prejudicial interests and the nature of that interest, in any item of business on the agenda and, if necessary, to leave the meeting prior to discussion of that item. No declarations of interest were made.

#### **A**

#### **03/08 MINUTES OF THE LAST MEETING AND MATTERS ARISING**

The minutes of the meeting held on 22 November 2007 were considered and ***IT WAS RESOLVED that they be approved as a true and accurate record and signed by the Chair.***

#### **MATTER ARISING:**

Board Minute No:53/05/07

***“IT WAS RESOLVED that the Audit Committee should receive the results of the market test in March 2008 and that the College should go out to tender for the services of financial statements auditors in summer 2008.”***

The Director of Finance and Administration presented the paper informing members of the results of the market test which confirmed that the current auditors fee schedule is competitive but also showed that it is difficult to compare colleges of different sizes and needs especially as so few have significant subsidiary trading accounts. He put forward the proposal that the college should proceed to contact a number of audit firms with the “Invitation to Quote” in two separate exercises: (1) conducted through the Office of

Government Commerce (“OGC”) website by the College’s Procurement Manager and (2) conducted through the college’s own “invitation to Quote/Fee indication” survey to target those firms not included within the OGC supplier list. This process would result in a short list of preferred companies be considered by the Audit Committee in late April/early May, such short listed firms being invited to tender/interview thereafter.

***IT WAS RESOLVED to approve the procedure as outlined by the Director of Finance and Administration and to agree that the next meeting of this Committee will be held at 4pm on 1<sup>st</sup> May 2008 for the purpose of selecting the shortlist of firms to be invited to tender/interview as financial statements auditors for the 2007/07 financial statements.***

**The Deputy Director of Finance joined the meeting at this point.**

There were no other matters arising from the minutes of the last meeting.

**A**

#### **04/08 INTERNAL AUDIT ASSIGNMENT REPORTS**

Lisa Randell presented the paper informing members that one report concerning the reporting framework for the College’s subsidiary company had been completed in 2006/07 and had been considered as a draft report by the Board of Directors of the South Cheshire Enterprises Limited at a Board meeting held in November 2007. The final report, as presented at this meeting, included the responses of the Directors of the subsidiary company to the audit recommendations which had been made in the draft report. She informed members that a number of advisory recommendations had been made which supported SCEL in ensuring clear accountability in reporting to the Corporation to allow the Corporation to remain aware of the high level performance of SCEL in accordance with best practice and in order to discharge their responsibilities to the Corporation as sole shareholder of the company.

Lisa Randell informed members that two reports for 2007/08 had been finalised since the last committee meeting following audit work undertaken in January 2008.

The first report “Corporate Governance – Thematic Review” was advisory and as a result an audit opinion was not being provided in relation to the control framework for the area under review and the risks material to the achievement of the organisation’s objectives. She informed members that the report had resulted in no recommendations being made and that the review is being undertaken at a large number of client colleges within the Further Education Sector Group in order to provide comparative information for benchmarking purposes. She went on to inform members that the findings of the benchmarking exercise will be issued to the College later within 2008 once the information has been collated.

The second report “Quality Systems” was undertaken as part of the approved internal audit periodic plan following the introduction of the revised quality systems which were introduced at the College in December 2006 following the appointment of a new Director of Quality. The report concluded that in the opinion of the auditors the control framework for the area provides substantial assurance that risks material to the achievement of the organisation’s objectives for this area are adequately managed and controlled No

fundamental and no significant recommendations arose from the adequacy of controls. One recommendation classified as “merits attention” was made.

***IT WAS RESOLVED to receive the report.***

**A**

**05/08 INTERNAL AUDIT PROGRESS REPORT 2007/08**

Lisa Randell presented the paper informing members that there were no issues arising from the internal audit work undertaken to date which impact on the internal auditors annual opinion She informed members that there have been no changes to the delivery of the work since the previous Audit Committee meeting and there are no common themes arising from the work completed to date this year.

***IT WAS RESOLVED to receive the report.***

**A**

**06/08 MONITORING OF OUTSTANDING RECOMMENDATIONS**

The Clerk presented the Committee’s rolling schedule of recommendations showing the current implementation status of recommendations made by the Auditors.

***IT WAS RESOLVED to receive the report***

**A**

**07/08 DRAFT STRATEGY FOR INTERNAL AUDIT 2008/09**

Lisa Randell presented the paper which informed members that under the LSC Audit Code of Practice, the Internal Audit Service must develop and maintain a strategy for providing the governing body with an objective evaluation of the College’s risk management, control and governance processes, and opinions on their effectiveness.

She went on to present to members the draft outline of the internal audit strategy for 2008/09, setting out proposals for areas for inclusion in the Internal Audit Plan for 2008/09.

***IT WAS RESOLVED to receive the report and to consider the final proposals concerning the areas for inclusion in the Internal Audit Plan for 2008/09 at the meeting of the Audit Committee on 3 July 2008***

**A**

**08/08 TIMELY SUBMISSION OF FUNDING RETURNS TO LEARNING AND SKILLS COUNCIL**

Members received a report from the Director of Finance confirming that since the last meeting all the returns due had been submitted accurately and on time.

***IT WAS RESOLVED to note the timely and accurate submission of the returns to the Learning and Skills Council.***

**A**  
**09/08 RISK MANAGEMENT**

Members considered the risk register incorporating the updating comments.

*IT WAS RESOLVED to note the current position in respect of management of the risks in the risk register 2007/08 and advise the Corporation accordingly*

Graham Bebbington and Julia Dowell left the meeting at this point.

**A**  
**10/08 CONFIDENTIAL BUSINESS**

The internal auditors confirmed that there were no circumstances which they wished to draw to the attention of the Committee in the absence of management.

Julia Dowell rejoined the meeting at this point

**A**  
**11/08 DATES OF MEETINGS**

Members noted the dates of the next meetings of the Audit Committee will not be as originally scheduled in July 2007 but will be held as follows:

Thursday 1 May 2008 at 4pm  
Thursday 3 July 2008 at 4pm

There being no further business, the meeting concluded at 5.55 pm.

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(Chair)

Production: 12 March 2008  
Chair's Approval: 12 March 2008  
Committee's Approval: 1 May 2008  
Reported to Corporation: 20 March 2008