

STAFFORD COLLEGE CORPORATION

**MINUTES of
AUDIT COMMITTEE, 15 MARCH 2011**

Present: Mrs V Woodward (Chair), Mrs J Deaville, Dr H Duggal, L S Glover,
I Mason

In Attendance: J P Charleton (Clerk), Mrs A Buick (RSM Tenon), Ms A Piercy, I Rigby,
S Willis

Apologies: M Bagguley, P D S Slater, G Taylor-Marshall

PART I

638.0 DECLARATION OF INTERESTS

The Chair reminded members of their duty to declare an interest, financial or otherwise, in any item on the agenda. No interests were declared.

639.0 MEETING OF THE AUDIT COMMITTEE HELD ON 16 NOVEMBER 2010

(a) Part I Minutes

It was RESOLVED:

**that the minutes be confirmed as a true record and be signed by the
Chair.**

(b) Matters Arising

There were no matters arising.

Mrs J Deaville joined the meeting during discussion on the following item of business

640.0 PROGRESS AGAINST THE PERIODIC AUDIT PLAN

Mrs A Buick, RSM Tenon, presented a report which summarised the outcome of work completed to date against the periodic internal audit plan for 2010/11. The following six audit reports had been finalised since the last meeting:

- Faculty of Arts - Income Generation
- Learning Resources Centre - Purchasing Stock and Cash Controls
- Risk Management - Assurance Stock take
- Framework for Safeguarding
- Operational Financial Controls - Payroll
- Value for Money - Procurement

Positive 'green' opinions had been given for five of these audits with no opinion provided for the remaining advisory review. All recommendations had been classed as low priority and had been agreed by College Management with implementation dates set.

Discussions with College Management were ongoing in relation to alternative areas of audit coverage to utilise the unallocated audit days.

It was RESOLVED:

that the report be received.

641.0 VAT INSPECTION

The Vice Principal (Resources) gave an oral report on the outcome of the College's VAT inspection conducted by HMRC in January 2011, noting that the inspection had been successful with no issues of concern having been raised with College Management by HMRC staff.

It was RESOLVED:

that the report be received.

642.0 LEARNER NUMBER ASSURANCE

The Vice Principal (Resources) presented an oral report on proposed arrangements for the commissioning of audit work on the College's learner number systems in 2010/11.

Members agreed that it was good practice to contract for independent Learner Number Assurance work to provide assurance to the Corporation on the key risks relating to learner number systems.

Following discussion it was suggested that RSM Tenon should be asked to conduct this work using the unallocated four audit days available this year.

It was RESOLVED that it be recommended to the Corporation:

that RSM Tenon be requested to use the four unallocated days in this year's Internal Audit Plan to conduct a review of learner number systems.

643.0 RISK MANAGEMENT

The Vice Principal (Resources) presented the termly update on Risk Management processes and developments, noting that key risks exceeding the agreed Risk Appetite score remained unchanged in relation to SFA funding and the Capital Project.

The risk in relation to an increase in the interest rates for the major bank loan had been downgraded after the College had secured its Loan Agreement with Barclays Bank. The pandemic flu risk had also been downgraded following advice from the Health Authorities.

It was RESOLVED:

that the report be received.

644.0 PARTNERSHIP PROVISION

The Vice Principal (Resources) presented the termly report on the College's current arrangements for sub-contracted provision with partners.

Discussions had been held with Francesco Group regarding the impact of significant funding reductions in the current year for the delivery of Hair provision. While the contract remained unaffected, changes had been agreed in the payment structure resulting in additional funding being transferred from the College to Francesco Group.

A new contract following the format previously agreed by the Committee had been entered into with Shire4Education for the delivery of apprenticeships in Agriculture and Horticulture. Discussions had also taken place with long standing partner CCEL for the delivery of apprenticeships in Storage and Warehousing.

The College continued to contract on a smaller scale with partners to address specific provision requirements and to maintain community and local partnership links.

It was RESOLVED:

that the report be received.

645.0 AUDIT REVIEWS: PROGRESS AGAINST RECOMMENDATIONS

The Vice Principal (Resources) presented a report which identified progress of College Management in implementing the recommendations made by Internal and External Audit.

Good progress had been made, with a number of audit recommendations having been fully implemented. It was anticipated that a number of the issues raised by audits in relation to the accuracy of ILR data would be addressed by the College-wide introduction of a new electronic register system in September this year.

The Vice Principal (Resources) confirmed that the recommendation from the Financial Statements Auditor in respect of the fixed assets system had not been expressed as a significant concern with regard to the integrity of the annual accounts.

It was RESOLVED:

that the report be received.

646.0 DATE AND TIME OF NEXT MEETING

Tuesday 21 June 2011 at 5.30 pm.

647.0 PART II ITEM

Under Part II of the agenda members considered the following item of business:

- Part II minutes of the meeting held on 15 March 2011.