

STAFFORD COLLEGE CORPORATION

**MINUTES of
AUDIT COMMITTEE, 10 MARCH 2009**

Present: M R Bagguley (Chair), L S Glover, I Mason, Mrs M Weale,
Mrs V Woodward

In Attendance: J P Charleton (Clerk), Ms A Buick (Bentley Jennison), Ms A Piercy, I Rigby,

Apologies: Dr H Duggal, P Slater

552.0 MEMBERSHIP

The Chair reported the completion of the term of office of Mrs M Weale as a member of the Corporation. On behalf of the Committee the Chair thanked Mrs Weale for her contribution to the work of the Committee during her period of office.

553.0 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.

554.0 MEETING OF THE AUDIT COMMITTEE HELD ON 11 NOVEMBER 2008

(a) Minutes

It was RESOLVED:

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

(b) Matters Arising

Learner Number Assurance (minute 540.0)

The Vice Principal (Resources) reported that the final version of KPMG's Learner Number Assurance Funding Report for 2007/08 had not included any changes to the draft report previously considered by the Committee in November 2008.

555.0 PROGRESS AGAINST THE PERIODIC AUDIT PLAN

(a) General Update

Mrs A Buick, Audit Manager Bentley Jennison, reported on progress against the periodic internal audit plan for 2008/09, noting that no fundamental or significant recommendations had been made in relation to audit work completed to date. Following discussion with College Management dates had been agreed in April and May to enable the rest of the Audit Plan to be completed ahead of the June meeting of the Committee.

(b) Governance

This review had focused on the recruitment of Corporation members and senior staff and the risks relating to ensuring that the College has clearly defined arrangements for governance and management. Substantial assurance had been given that controls in this area operate effectively. Two ‘merits attention’ recommendations had been made which had been agreed by College Management with implementation dates set.

Members welcomed the review noting that the final report had highlighted the positive impact of the role of Associate Governor on good governance across the College.

It was RESOLVED:

that the report be received and accepted.

556.0 LEARNER NUMBER ASSURANCE

The Vice Principal (Resources) presented a report on recent developments in the sector relevant to audit work to review the College’s learner number systems in 2008/09.

The LSC was planning a new approach known as Funding Assurance Review (FAR) which would combine previous audits into a single audit regime and was expected to focus on learner eligibility, attendance and systems of control.

Pending the release of further details of the new audit regime by the LSC, it was the recommendation of College Management that the practice of commissioning independent learner number assurance work from KPMG for 2008/09 be continued.

It was RESOLVED:

that it be recommended to the Corporation that KPMG LLP be commissioned to undertake a 5 day audit of the College’s learner number systems in 2008/09 at a fee to be confirmed.

557.0 RISK MANAGEMENT

(a) Termly Report

The Vice Principal (Resources) presented a termly report on the College’s Risk Management process including the key risks exceeding the guideline risk appetite level approved by the Corporation. The report highlighted the increased risks associated with the key areas of the Capital Project and LSC funding following the LSC’s withdrawal of national capital project approvals and the receipt of the provisional allocation of 16-18 funding for 2009/10.

It was RESOLVED:

that the report be received and accepted.

(b) Risk Management Policy

The Vice Principal (Resources) presented the draft Risk Management Policy which had been updated as recommended by Internal Audit and to reflect best practice in the sector.

It was RESOLVED:

that it be recommended to the Corporation that the revised Risk Management Policy be approved.

558.0 PARTNERSHIP PROVISION

The Vice Principal (Resources) presented a report on the College's current arrangements for sub-contracted provision with partners as required by the LSC. The College was predominantly working with longstanding partners and other established providers to respond to LSC growth targets for Employer Responsive provision. As recommended by Internal Audit, College practice was to undertake a risk assessment on prospective partners before entering into any agreement.

Following discussion members agreed with the recommendation of College Management that a termly report be provided to the Committee to monitor sub-contracted provision.

It was RESOLVED:

that the report be received and accepted.

559.0 INTERNAL AUDIT : PROGRESS AGAINST RECOMMENDATIONS

The Vice Principal (Resources) presented a report on progress in implementing the recommendations made by Internal Audit. In relation to IT Disaster Recovery Planning, the College had purchased and was developing virtual software to allow regular system test restores.

It was RESOLVED:

that the report be received and accepted.

560.0 AUDIT PROVIDERS : PERFORMANCE INDICATORS

The Clerk presented revised draft Performance Indicators (PIs) to support the Committee's annual review of the performance of College auditors as requested at the meeting of the Committee in November 2008. The new PIs had been drafted to reflect best practice in the sector, with particular reference to guidance issued by CIPFA.

Following discussion it was suggested and agreed that the revised PIs be completed on a trial basis for consideration at the next meeting of the Committee as a possible alternative to the existing PIs.

It was RESOLVED:

that the revised draft PIs be tested at the next meeting of the Committee in the summer term.

561.0 APPOINTMENT OF INTERNAL AUDIT SERVICE

The Vice Principal (Resources) presented a report on the appointment of the College's Internal Audit Service provider for the period 1 August 2009 to 31 July 2012 as requested by the Committee. A review of the daily rates charged by the College's IAS provider against available market information had indicated that the current rates were competitive

It was RESOLVED:

that it be recommended to the Corporation that RSM Bentley Jennison be re-appointed as IAS provider from 1 August 2009 to 31 July 2012 subject to the quoted daily rates for the service being broadly in line with RPI.

562.0 DATE AND TIME OF NEXT MEETING

Tuesday 16 June 2009 at 5.30 pm.

The meeting closed at 7.10 pm.