

JOHN RUSKIN COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Thursday 18th June 2009 at John Ruskin College, Selsdon Park Road, South Croydon, Surrey CR2 8JJ commencing at 7pm.

Present: Dr David Twigg Chairman
Charmaine Walters
Jenny Adamson

In Attendance: Gurdeep Bhakar IAS MacIntyre Hudson
Malcolm Staton Vice Principal Support
Services
Michael Gainlall Finance & Resources Manager
Barbara Maude Clerk to the Corporation

1.	Apologies for Absence and Timing of the Agenda There were no apologies as all members were present. The Acting Chair welcomed Gurdeep Bhakar from the Internal Audit Service to the meeting. The Acting Chairman gave indicative timings for the agenda which were agreed. There were no items of urgent business and no new declarations of interest.
2.	Minutes of the Previous Meeting The Committee received the minutes of the meeting held on Wednesday 3 rd December 2008. The minutes were agreed as an accurate record and approved for signature by the Acting Chairman.
3.	Matters arising The Clerk had circulated to members outside of the Committee the previous years' completed Audit Committee Self Assessment Form for comparison purposes. The Committee reviewed the form in respect of the year ending 31 st July 2008 and collectively agreed appropriate action to be noted or specific comments. The Committee noted that whilst the Acting Chairman had audit experience the Committee did not have a current member with a specific financial background and it was anticipated that this could be addressed for the next academic year. The form would now be placed with the completed Annual Report of the Audit Committee for the year ending 31 st July 2008 which had been approved by the Committee at its previous meeting.
4.	Schedule of Outstanding Audit Recommendations The Committee received for monitoring purposes a schedule of all

	<p>outstanding audit recommendations. The schedule was tabled at the meeting and had been prepared by and was presented by the Finance and Resources Manager and identified all the outstanding audit recommendations together with any follow up recommendations arising from the Financial Statements Audit for 2007/08 and the Internal Audit Report 2008/09. The schedule had been presented in colour and indicated the deadline date, the current position, the person responsible and the source of the recommendation.</p> <p>The schedule also included the two new recommendations that arose from the Internal Audit Report for the year ending 31st July 2009 which was being presented to the Committee at this meeting.</p> <p>The Committee welcomed the format of the report (although to assist with those affected by colour blindness the red and green colour scheme may need to be revised) and agreed to the changes in the deadline dates for certain recommendations on the basis of the explanations given.</p> <p>The Committee resolved: To receive the schedule of outstanding audit recommendations.</p>
<p>5.</p>	<p>Internal Audit Report (fye 31st July 2009)</p> <p>The Committee received the Internal Audit Report for the year ending 31st July 2009. Mr Gurdeep Bhakar of MacIntyre Hudson presented the Internal Audit Report. The audit had been undertaken using a risk based approach in order to conclude on the extent to which controls exist and are operating. The report outlined the IAS overall assessment of the systems, recommendations and management responses together with a review of previous recommendations. A summary of the visit was reviewed and all 11 areas that had been audited had received a satisfactory audit opinion. Only one medium and one low risk recommendation had been made and these both related to key financial controls.</p> <p>The medium risk recommendation related to the use of BACS to streamline payment procedures to suppliers. Management had responded that this would be looked at over the coming year with a staged approach being adopted. It was anticipated that frequent suppliers would be looked at first and a pilot scheme undertaken. If successful it would then be extended to other suppliers in the future.</p> <p>The low risk recommendation related to the introduction of standardised petty cash claim forms and to have these forms stored in a common area on the staff intranet. This would ensure that all claims could be easily recognised as having the correct authority. The recommendation had been accepted by management and it was confirmed that all claims were duly authorised as genuine college expenditure by the relevant budget holders</p>

	<p>prior to payments being made.</p> <p>The IAS had also undertaken a follow up of previous recommendations. There were 7 in total, five had now been fully implemented, one had been superseded, and one remained outstanding. The one that was outstanding related to the viability of educational programmes and the production of course costings to illustrate staff hours, salary costs and funding sources. This had not been implemented to date due to the lack of a fulltime and permanent MIS officer. An interim consultant was currently in post but this would be actioned when a permanent member was appointed to this post.</p> <p>The Acting Chairman welcomed the new risk based format of the report and the follow up of previous recommendations. It was suggested that a time frame and any relevant comments should be included in the future to assist with the Committee’s monitoring function.</p> <p>In terms of the IAS report’s league table for 2007/08 as set out on page 43 this placed the College 28th out of 33 Colleges and as the table reflected the number of audit recommendations made in 2007/08 the lower down the table a college was placed the better. In 2007/08 the College had 5 recommendations compared to this year were only 2 had been made.</p> <p>Overall, the Internal Audit Report for the year ending 31st July 2009 was a very “clean” audit and the Committee thanked the IAS for the report and the presentation.</p> <p>The Committee resolved: To receive and commend to the Corporation the Internal Audit Report for the year ending 31st July 2009.</p>
6.	<p>IAS Strategic Plan for 2009/10</p> <p>The Committee received and reviewed the IAS Strategic Plan for 2009/10 which was presented by Gurdeep Bhakar. The plan set out the IAS proposal for the College for the year ending 31st July 2010. The format of the report is to provide an overview of coverage over four years, the current year and the three preceding years. Resources had been allocated to the planned coverage for 2009/10 and these were expressed in hours with one visit planned for 10th March 2010.</p> <p>The rationale for the areas selected was reviewed and after due consideration, the Committee approved the Strategic Plan for 2009/10.</p> <p>The Committee resolved: To receive, approve and commend to the Corporation the IAS Strategic Plan for 2009/10.</p>

7.	<p>Risk Management Framework</p> <p>The Committee received and reviewed the Risk Management Review as at April 2009; the Risk Management Action Plan 2008/09 (April Review); the Risk Management Action Plan 2008/09 with amendments. The Risk Management framework reports were presented by the Vice Principal Support Services. The Committee considered the three new risks that had been identified and were satisfied that the controls and responsibilities together with the planned action to be taken were robust and rigorous.</p> <p>The Committee resolved: To receive the Risk Management Review as at April 2009; the Risk Management Action Plan 2008/09 (April Review) and the Risk Management Action Plan 2008/09 Amendments.</p>
8.	<p>Financial Statements Auditors Planning Memorandum</p> <p>The Committee received the Financial Statements Auditors Planning Memorandum in respect of the audit of the financial statements for the year ending 31st July 2009. The memorandum summarised the FSA's planning and proposed audit approach in relation to the audit of the College's accounts for the year ending 31st July 2009. The FSA are required to report as to whether in their opinion the College's financial statements for the year ending 31st July 2009 give a true and fair view of the state of affairs of the College as at 31st July 2009 and that they meet the regularity requirements as set out by the LSC and are specifically reported on as part of the audit process. The FSA would also provide the College with a management letter on any significant audit issues and any systems and control weaknesses that they may identify during the year together with a follow up of any recommendations made in the previous year.</p> <p>The Finance and Resources Manager confirmed that he had had a planning meeting with the new Lead Partner, Chris Mantel prior to the issue of the planning memorandum. The College was satisfied with the contents of the report and the approach to be adopted.</p> <p>The Committee resolved: To receive and note the FSA Audit Planning Memorandum for the year ending 31st July 2009.</p>
9.	<p>Any Other Business</p> <p>There were no other items of business.</p>
10.	<p>Date and Time of Next Meeting</p> <p>It was agreed that the next meeting of the Committee would take place on Thursday 19th November 2009 at 7pm.</p>