

Bilborough College

Minutes of the Audit Committee Meeting Held on Monday 20th September 2010 at 5.30pm

Present: Mrs Sara Murcott– Chair
Ms Frances Warburton
Mr Giles Calverley
Mr Nigel Martin
Mr Yusuf Segovia

In Attendance: Mrs Susan Bolton – Clerk to the Corporation
Mr Christopher Bradford – Principal
Mr Ted Wales – Director of Finance
Ms Elaine Olson – MacIntrye Hudson – Internal Auditors

A target finish time of 7.00pm was set.

The meeting was quorate.

Minute No		Action
	BUSINESS ITEMS	
1.	<p>Welcome</p> <p>The Chair welcomed everybody to the meeting and explained the background to the meeting, which would be trialed as a paperless meeting.</p>	
2.	<p>Apologies for Absence</p> <p>There were apologies received from Ms Susanne Law.</p>	
3.	<p>Declarations of Interest</p> <p>Ms Elaine Olson of MacIntrye Hudson and Mr Giles Calverley, who is employed by Mazars, declared an interest in relation to Item 8 on the agenda which related to the provision of Internal Audit Services.</p> <p>There were no further declarations of interest made.</p>	
4.	<p>Minutes of previous meeting held on 7th June 2010</p> <p>The minutes of the meeting held on 7th June 2010 were reviewed and two amendments were agreed. In relation to 'Apologies' given, this sentence required amendment to be read correctly and under Item 7 on page 3, the word bought required changing to brought. The minutes were confirmed and then signed by the Chair as an accurate record of the meeting held on 7th June 2010.</p>	
5.	<p>Matters Arising</p> <p>It was confirmed that all the action points arising from the Minutes of 7th June had been actioned.</p>	

PRESENTATION	
6.	<p>What is an Audit?</p> <p>Ms Olson circulated a copy of her presentation.</p> <p>Members were reminded that at the last meeting it was suggested that Ms Olson give a brief presentation on certain areas of the Internal Audit process as there were several new members to the Committee that required knowledge to help them perform their duties on the Committee. Members noted that the presentation gave a definition of an audit, the statute/rules/regulations guiding audit, the differences between internal and external audit, what an audit looks like (before, during and after the audit, what makes a good/bad audit and what might audit look like in the future.</p> <p>Members thanked Ms Olson for her presentation.</p>
INTERNAL AUDIT	
7.	<p>Report from Management on implementation of Auditors' Recommendations</p> <p>The Director of Finance reported that all recommendations from Phase 1 of the internal audit undertaken last year had been completed. In terms of Phase 2, the meeting noted that the recommendations had consisted of four low priority actions. In respect of insurance, he confirmed that this has been implemented. The Director of Finance also confirmed that the HR Department were in the process of carrying out a review on personnel management and that the Staff Development Officer was looking at the external training courses action. Members noted that the HR Development Plan would be in use by the end of the year.</p> <p>The Members thanked the Director of Finance for his report and for also attaching the Internal Audit Report again, as they had found it useful to refer to.</p>
8.	<p>Internal Audit Strategy/Annual Plan 2010/11</p> <p>Ms Olsen explained to the Committee the purpose of the Audit for the coming year, the College's own risk management approach and the Audit methodology on which the approach for the year had been taken. Members noted the breakdown in the agreed 25 days audit and the areas to be looked at in November and those in March 2011. The members found it extremely useful to view the approach that had been taken over the last 3 years when discussing the areas for review this coming year. Members noted that there were various statutory areas for review together with areas that had been jointly agreed.</p> <p>The members were confident that the proposals would enable a robust and rigorous process of internal audit for the coming year and accepted the report.</p>

BUSINESS ITEMS	
9.	<p>Audit Environment Update</p> <p>Joint Audit Code of Practice The Director of Finance gave a brief history to the revised Audit Code of Practice which had consisted of a consultation earlier this year and following the Local Authority dropping out of the funding loop, the Code was being revised and a further consultation taking place.</p> <p>Arrangements for 2010/11 FMCE Members noted that the FMCE for this year was on similar lines to that of last year, where the College could take the decision on whether to submit a long or short version depending on whether they wished to change the outcome from the previous year. The Director of Finance commented that the FMCE looked at the self assessment of controls and their effectiveness.</p> <p>The Committee agreed to the completion of the short form FMCE and looked forward to receiving this at the November meeting.</p>
9.	<p>Internal Audit Service Provision 2011-2014</p> <p>[Mrs Olson and Mr Calverley left the meeting]</p> <p>The members were reminded of the CPC Framework arrangements following discussions earlier in the year, following which the contract for MacIntrye Hudson had been rolled over for a further year.</p> <p>The Committee were disappointed that MacIntrye Hudson were not part of the CPC Framework Agreement for Internal Audit Services but noted that since the last discussion the providers involved were more encouraging. The members noted who these providers were and those additional providers that could be invited to tender if a full tendering process was undertaken. The Director of Finance confirmed that a full tendering exercise had been taken in previous years and that consultants had been used for this process, with an estimated fee of £10k.</p> <p>Members then discussed the advantages of using the framework which consisted of no fees for using the framework, efficiency costs derived from others using the framework and independent and transparent exercise. Members noted that the framework had been used to obtain insurance for the year which had resulted in cost savings for the college.</p> <p>The members reiterated their disappointment that MacIntrye Hudson could not be considered, as they had been extremely pleased with the level of service and detail and experience they brought. The Meeting agreed that they wished to pursue internal audit provision through the framework and that the Director of Finance was to pursue this on behalf of the Committee. The Clerk was asked to write to MacIntrye Hudson to communicate the decision of the Committee.</p>

GOVERNANCE ITEMS		
10.	<p>Self-Review of Meeting</p> <p>All members agreed that the presentation had been very useful and effective in giving knowledge to those Governors with little experience of audit.</p> <p>The Meeting also agreed that paperless meeting had run quite smoothly and efficiently although longer battery time would be better, an agenda that could be viewed at the same time as the papers indicating page numbers would be useful. Members agreed to continue with the trial at the next meeting and the Clerk agreed to rectify the points raised.</p> <p>The Committee wished the Clerk to thank the IT staff and other staff members involved in helping with the paperless trial.</p>	
11.	<p>Date of Next Meeting</p> <p>The next meeting was agreed as Monday 22nd November 2010 at 5.15pm.</p>	
15.	<p>Confidentiality of Business</p> <p>Members agreed that there were no 'confidential' items of business.</p>	

The meeting closed at 7.15 p.m.

Chair