

Bilborough College

Minutes of the Audit Committee Meeting Held on Monday 28th February 2011 at 5.30pm

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

In Attendance: Mrs Susan Bolton – Clerk to the Corporation
Mr Christopher Bradford – Principal
Mr Ted Wales – Director of Finance
Ms Elaine Olson-Williams – MacIntrye Hudson (part)
Mr Gareth Norris – MacIntrye Hudson (part)

There was no target time set.

The meeting was quorate.

Minute No		Action
	BUSINESS ITEMS	
1.	<p>Welcome</p> <p>The Chair welcomed everybody to the meeting and the Clerk issued hard copies of the papers for those not able to access papers via Moodle.</p>	
2.	<p>Apologies for Absence</p> <p>There were no apologies received. The Clerk reported that two resignations had been received which would be reported to Corporation, they were from Mr Yusuf Segovia and Ms Susanne Law. Members noted that the Search & Governance would be looking at these vacancies at their next meeting.</p>	
3.	<p>Declarations of Interest</p> <p>The Clerk reported that MacIntrye Hudson had an interest in relation to the item regarding the provision of Internal Audit Services. Mr Giles Calverley confirmed his interest in both Internal & External Audit Services through his employment at Mazars.</p> <p>There were no further declarations of interest made.</p>	
4.	<p>Minutes of previous meeting held on 22nd November 2010</p> <p>The minutes of the meeting held on 22nd November 2010 were reviewed and one amendment was agreed. The Clerk was asked to amend the second paragraph on page 3 so as to make the sentence in relation to the treatment of recognised losses and gains to read correctly. The minutes were confirmed and then signed by the Chair as an accurate record of the meeting held on 22nd November 2010.</p>	Clerk

5.	<p>Matters Arising</p> <p>EP&F Approval – It was noted that the EP&F Committee at their last meeting had given the Audit Committee permission to proceed to seek a quote from the current Internal Audit provider without the use of a Framework Agreement or a full tendering exercise.</p>	
INTERNAL AUDIT		
6.	<p>Internal Audit Report - 2010/11 Internal Audit Report – Phase 1</p> <p>Mr Norris comprehensively took the members through the report and in particular the executive summary with the following observations made:</p> <p>Corporate Governance – There were two items for recommendation both in relation to the Moodle system for Governors. The first, a medium priority was for the Clerk to ascertain from new members how they were finding using the system and its relevance. The second, a low priority, was that the Clerk should have data on what documents were accessed by Governors to ensure continued improvement of the service.</p> <p>Equality & Diversity – There were four items for observation made by MacIntrye Hudson and there were no recommendations</p> <p>Recruitment of International Students – There were two observations made and six medium priority recommendations. In respect of the recommendations these related to: the financial procedures to be updated following documentation of admission procedures; a checklist on each student file and periodic reviews of the files, data sheets to be checked for completeness; documentation for raising credit notes for deposits; and matched posting of invoices on the sale ledger.</p> <p>Risk Management – There were no observations or recommendations to be made.</p> <p>Sales & Debtors – There were two medium priority recommendations. The first was in relation to the review of the leavers form and appropriate authorisation of the form; and secondly that the financial procedures were not being followed in full with regards to the timing of sending out debt letters to students.</p> <p>MacIntrye Hudson were thanked for their comprehensive report.</p>	
AUDITOR RECOMENDATIONS		
7.	<p>Report from Management on Implementation of Auditor’s Recommendations</p> <p>The Director of Finance confirmed that there was nothing further to add from that given in the paper.</p>	
INTERNAL AUDIT SERVICE PROVISION		
8.	<p>Presentation by MacIntrye Hudson for Provision for Internal Audit Services 2011 – 2014 & Fee Proposal</p> <p>Ms Olson-Williams distributed copies of the proposal from MacIntrye Hudson. Members were briefed on the issues that were currently</p>	

	<p>perceived to be facing the college which were summarised as the spending review, sixth form college funding, funding agency and ofsted reports, decline in funding and related efficiencies, revised Audit Code of Practice and utilisation of the existing college site. Ms Olson-Williams continued to discuss the approach that would be taken by MacIntrye Hudson and the value for money that the College would receive in return. Members learnt of the extra services and the audit team to which they would have access to. Ms Olson-Williams on behalf of MacIntrye Hudson proposed that for 2011/12 Audit, the fee would be £11,500 which would increase for the subsequent years in line with RPI. Members noted that on average the fee for the last three years had been £12,000.</p> <p>[Ms Olson-Williams and Mr Norris left the meeting]</p> <p>The Committee agreed that before any further discussions could take place they would move onto the next item.</p>	
9.	<p>Benchmarked Data for Internal Audit Provision</p> <p>The Director of Finance commented upon the benchmarking exercise that he had undertaken and the detail that had been provided from the AOC. Members noted the comparisons in terms of size and fees and agreed that although used as a guide, there should not be too much reliance placed on the data as further information would need to be known for like for like comparisons. Members believed that the college was currently getting value for money, based on the data.</p> <p>Members were reminded that the fee proposed was slightly less than the current fee and that over the last few years; MacIntrye Hudson had taken on requests by the college for other work outside of that agreed for the internal audit programme. Members confirmed the good and committed service that had been received over the last 4 years and that this quality was one of the reasons why MacIntrye Hudson had been asked to make a proposal. Members queried whether the fee proposed was inclusive of VAT and if for the same number of days as in previous years. The Director of Finance was asked to obtain this information.</p> <p>Subject to confirmation from MacIntrye Hudson, a recommendation to Corporation for the reappointment of MacIntrye Hudson as Internal Auditors for 3 years was agreed by the Committee.</p>	Dir of Fin
	EXTERNAL AUDIT SERVICE PROVISION	
10.	<p>Proposal for External Audit Provision 2011/12 – 2013/14</p> <p>The Director of Finance reported on the proposal in the paper and that there were choices to be made by the committee on how to proceed. Like with the provision of Internal Services, the Committee could look for a full tender exercise to be undertaken, use of the framework or to continue with the current providers. Members noted the commitment of Grant Thornton to the College and the excellent work and relationship that had been created over the last few years. Members agreed however, that Grant Thornton were in a slightly different position to MacIntrye Hudson as they were part of the CPC framework, should this route be taken. Members reviewed the benchmark data and were comfortable with the current level of fees being charged by Grant</p>	

	<p>Thornton in comparison with Colleges of similar size. Members discussed the choices of External Auditors on the CPC framework and noted the firms that were not on, but could be included if a full tendering exercise was undertaken.</p> <p>[Mr Calverley left the meeting]</p> <p>The remaining members discussed the proposal of a full tender exercise and were not comfortable that the cost of undertaking this would be beneficial to the college. Further discussions on the particular members of the framework ensued and the Committee did not feel that the Framework currently offered sufficient breadth of providers.</p> <p>Members were reminded that it was not unusual for Colleges to have the same External Audit for a number of years, so long as the lead partner changed after 7 years. Members therefore agreed that the Director of Finance was to ask Grant Thornton whether they wished to put a proposal to the Committee in July for the continuation of the service for an undetermined period of between 1 to 3 years. Members noted that discussions would be made at the next meeting, whether to recommend to Corporation the current provider dependent on quote and subject to EP&F approval, or whether to undergo a tendering exercise or use of the framework.</p> <p>[Mr Calverley rejoined the meeting]</p>	Dir of Fin
GOVERNANCE ITEMS		
11.	<p>Update on Audit Code of Practice</p> <p>The Director of Finance confirmed that there had been no further developments or announcements in relation to the revised Audit Code of Practice.</p>	
12.	<p>Self-Review of Meeting</p> <p>All members agreed that the meeting had been very participative within a relaxed atmosphere. It was confirmed that detailed attention had been given to all items and that recommendations made would ensure value for money for the college.</p> <p>The Meeting agreed that they wished to persevere with paperless meetings.</p>	
13.	<p>Date of Next Meeting</p> <p>The next meeting was agreed as Monday 13th June 2011 at 5.30pm. Mr Martin confirmed that he was unable to attend and Mr Calverley agreed to contact the Clerk if he also could not, so that the meeting could be re-arranged to ensure quoracy.</p>	
14.	<p>Confidentiality of Business</p> <p>Members agreed that there were no 'confidential' items of business.</p>	

The meeting closed at 7.10 p.m.

Chair