

MOULTON COLLEGE FEC

AUDIT COMMITTEE

Minutes of the Meeting held on Monday 13th July 2009

Part 1

Present: Mr M Thomson (in the Chair), Mrs J Charlton-Jones,
Mr A Clarkson, Mr J Hoskinson

In Attendance: Mr R Chapman, Mr M Lane, Mr W Lumsden, Mr J Mair,
Mr G Norris, Mr M Wilkinson

09/10 Apologies for absence (agenda item 1)

Apologies for absence were received from Ms E Olson-Williams. Mr C Moody and Mr J Newton would be arriving later.

09/11 Minutes of the meeting held on 20th April 2009 (agenda item 2, paper A)

The minutes were accepted as a true and correct record.

09/12 Matters Arising (agenda item 3)

There were no matters arising.

09/13 Internal Audit Report – May 2009 (agenda item 4, paper B)

a) Bank and Cash

No recommendations had been made.

b) Central and Nominal Register

One low priority recommendation had been made to re-emphasise the importance of coding expenditure correctly to budget holders. This would be implemented at the monthly meeting with the Management Accountant. Following discussion, *the report was noted.*

c) Sales and Debtors

No recommendations had been made.

d) Stock

Two medium priority recommendations had been made following an audit of sheep and cattle stock records. The first was to integrate and consolidate the current stock systems to provide a full and meaningful overview of the farm. The second recommendation was that following the investigation of any discrepancies between stock sheets and physical counts, the stock sheets would be amended accordingly. These would be implemented. Following discussion, *the report was noted.*

09/14 Internal Audit Plan 2007-10 – year 3 (agenda item 5, paper C)

The plan for 2009-10 was outlined and discussed. 20 hours had been added for an audit of stock. Four other lower risk items had had their hours reduced to allow for this. The audit would probably focus on the retail outlet at the Equestrian Centre and the Garden Centre. Following discussion, *the plan was approved for recommendation to the Board.*

09/15 Risk Management (agenda item 6, paper D)

The report was discussed. A new risk relating to a pandemic disease outbreak had been added. The College had emergency procedures in place for dealing with such problems. The format for presenting the top ten risks had been revised to provide more information. The risk register was reviewed annually for items which could be deleted. Access to policy and other documents by Governors was discussed. This was currently being reviewed by F&GP. Following discussion, *the report was noted.*

09/16 HEFCE Audit (agenda item 7, paper E)

A comparison between the 2007-8 ILR with other returns made to HEFCE had identified no discrepancies. Following discussion, *the report was noted.*

09/17 Audit Action Plan (agenda item 8, paper F)

Progress with items in the report was discussed. No items were currently overdue for completion. Following discussion, *the report was noted.*

Chris Moody and John Newton joined the meeting.

09/18 Audit Strategy and Planning Memorandum (agenda item 9, paper G)

The financial statements audit plan was now being formally documented. It gave the Committee the opportunity to better understand the process. A standard format was used for all colleges. The materiality limits were largely based on a percentage of turnover. Further Education sector developments were discussed with regard to demand led funding data requirements. KPMG reported that technical breaches of loan covenants, such as missing reporting deadlines, were being enforced by lenders in the current economic climate, and that the College should take care that it does not inadvertently put itself in this position. Following discussion, *the report was noted.*

09/19 Date of next meeting (agenda item 10)

The next meeting would be held on Monday 23rd November 2009 at 4.00pm.

09/20 Any other business (agenda item 11)

There was no other business.

Part 1 of the meeting concluded. Gareth Norris and Robin Chapman left the meeting.

MOULTON COLLEGE FEC

AUDIT COMMITTEE

Minutes of the Meeting held on Monday 3rd July 2009

Part 2

Present: Mr M Thomson (in the Chair), Mrs J Charlton-Jones,
Mr A Clarkson, Mr J Hoskinson, Mr J Newton

In Attendance: Mr M Lane, Mr W Lumsden, Mr J Mair, Mr C Moody,
Mr M Wilkinson

09/6 Apologies for absence (agenda item 1)

No apologies were received.

09/7 Minutes of the meeting held on 20th April 2009 (agenda item 2, paper A)

The minutes were accepted as a true and correct record.

09/8 Matters Arising (agenda item 3)

There were no matters arising.

09/9 Any other business (agenda item 4)

a) Freedom of Information

KPMG reported that the FE sector may be the subject of Freedom of Information Act requests, as all public bodies were currently under scrutiny.

b) Fraud prevention

It was reported that the LSC may step up its reviews of data in the run up to its dissolution in order to ensure that there is no possibility of irregularities occurring.

Part 2 of the meeting concluded. College staff left the meeting.