

# MOULTON COLLEGE FEC

## AUDIT COMMITTEE

Minutes of the Meeting held on Monday 23<sup>rd</sup> November 2009

### Part 1

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

**In Attendance:** Mr M Lane, Ms E Olson-Williams, Mr W Lumsden,  
Mr C Moody, Mr R Chapman, Mr J Mair, Mr M Wilkinson

**09/21 Apologies for absence (agenda item 1)**

No apologies were received.

**09/22 Minutes of the meeting held on 13<sup>th</sup> July 2009 (agenda item 2, paper A)**

The minutes were accepted as a true and correct record.

**09/23 Matters Arising (agenda item 3)**

There were no matters arising.

**09/24 Internal Audit Annual Report (agenda item 4, paper B)**

The report was discussed. 259 hours of work had been completed compared to the 250 hours planned. It had not been necessary to examine any high risk systems during the year. The opinion of the auditors was that the College had adequate and effective management, control and governance processes to manage its achievement of the college's objectives. Following discussion, *the report was noted.*

**09/25 Risk Management (agenda item 5, paper C)**

Some changes had been made to the prioritisation of risks at the latest meeting of the Risk Management Group. 2 high level risks had become significant. The LSC had begun recently to use data in different ways, especially with regard to the funding settlement for 2011 so this risk was now significant. Following discussion, *the report was noted.*

Robin Chapman left the meeting.

**09/26 Audit Action Plan (agenda item 6, paper D)**

Progress with the items in the report was discussed. All required items had been completed. One remained to be completed by 31<sup>st</sup> December 2009. Following discussion, *the report was noted.*

**09/27 Draft Year End Accounts – year ending 31<sup>st</sup> July 2009 (agenda item 7)**

**a) Moulton College (paper F)**

The surplus for the year was £428,000 more than in 2007-8. Once submitted, the accounts would be reviewed by the LSC regional finance teams. Following discussion, *the report was noted.*

**b) Moulton College Developments Ltd (paper F)**

Turnover was similar to last year. A loss of £79,531 had been recorded after payment of a deed of covenant to the College. Following discussion, *the report was noted.*

**c) Moulton Trading Ltd (paper G)**

Turnover had increased to £305,803 during the year. The deed of covenant of £11,858 had reduced the profit to zero. Following discussion, *the report was noted.*

**d) Lineobject Ltd (paper H)**

Turnover had been £13,306. A loss of £3,646 had been recorded after payment of a deed of covenant to the College. Following discussion, *the report was noted.*

**e) Thomas Harrison Trust (paper I)**

A surplus of £615 had been recorded. The funds were in fixed-term cash deposits with the Bank of Scotland. Following discussion, *the report was noted.*

**f) Janet Strang Memorial Trust (paper J)**

A surplus of £298 had been recorded for the year. The accounts had been approved by the Trustees. Following discussion, *the report was noted.*

**09/28 Draft Year End Accounts – year ending 31<sup>st</sup> July 2009 (agenda item 8)**

**a) Moulton College Social Club (paper K)**

A small surplus of £2,016 had been recorded. The accounts were consolidated into the main College accounts. Following discussion, *the report was noted.*

**b) Moulton College Students Common Room and Social Committee (paper L)**

A surplus of £1,301 had been recorded. The accumulated balance would be used for purchase of equipment when the new student social centre was built. Following discussion, *the report was noted.*

**09/29 Financial Statements Audit Management Letter (agenda item 9, paper M)**

The report was discussed. Main changes to the Income and Expenditure Account were outlined. The triennial review of the pension fund was due in 2010. The audit differences amounted to a net total of £500. There were 3 low and 1 medium priority recommendations from the audit. The first low priority recommendation was to undertake a regular physical inspection of items on the asset register, possibly on a rolling basis, to safeguard the assets. The second was to request regular statements from larger suppliers. The third was to ensure that full capital grant documentation was received from all organisations and that details of that documentation were recorded fully. The medium priority recommendation was for the Director of Finance to approve all journals. As this was impractical it had been agreed that a sample of journals would be tested each month and documented. There was 1 low

priority recommendation arising from the regularity audit, to place the Board Chair's expenses as approved by the Chair of the Audit Committee, before the Audit Committee annually. All recommendations would be addressed. Following discussion, *the report was noted*.

**09/30 Financial Management and Control Evaluation (agenda item 10, paper N)**

The short version had been completed this year as there had been no significant changes. All areas had been assessed as outstanding. It would go to the Board for approval in December. Following discussion, *the document was approved for recommendation to the Board*.

**09/31 Date of next meeting (agenda item 11)**

Monday 19<sup>th</sup> April 2010 at 4.00pm.

**09/32 Any other business (agenda item 12)**

**a) Chair's expenses**

The Chair's expenses for 2008/09 totalling less than £100 were placed before the Committee.

Part 1 of the meeting concluded. Ms Olson-Williams left the meeting.

## MOULTON COLLEGE FEC

### AUDIT COMMITTEE

Minutes of the Meeting held on Monday 23<sup>rd</sup> November 2009

#### Part 2

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

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

**09/10 Apologies for absence (agenda item 1)**

No apologies were received.

**09/11 Minutes of the meeting held on 13<sup>th</sup> July 2009 (agenda item 2, paper AA)**

The minutes were accepted as a true and correct record.

**09/12 Matters Arising (agenda item 3)**

There were no matters arising.

**09/13 Audit Committee Annual Report (agenda item 4, paper BB)**

The draft report was discussed. It would be presented to the Board on 2<sup>nd</sup> December. Following discussion, *the report was approved and signed by the Chairman.*

**09/14 Performance of Internal Audit – Performance of Current Provider (agenda item 5, paper CC)**

The paper was discussed. All performance indicators had been met for the 2008-9 year. It was proposed to commission MacIntyre Hudson to undertake an audit of the F04 ILR return to the LSC. This would give the Board assurance of the accuracy of the return. Following discussion, *the report was noted and it was agreed to add the extra audit work to the programme for 2009-10.*

**09/15 Committee Self-Assessment Report (Agenda item 6, paper DD)**

The draft report was discussed. No further changes were made and, following discussion, *the Committee graded its work as 1.*

**09/16 Any other business (agenda item 7)**

There was no other business.

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