

Minutes of the Meeting of the Audit Committee Tuesday, 2nd June 2009 held at the St Helens Chamber of Commerce

Present:

Miss K Boullen
Mr B Coxhead (*Chair*)
Fr P Glover
Mr D McCormack (*Vice Chair*)
Mrs C Williams

In Attendance:

Ms S Harris, Baker Tilly, *Internal Auditor*
Mr R Peacock, *Principal*
Mrs M Williams, *Director of Resources*
Mr JD Perry, *Clerk*

Prior to the meeting the Chair thanked Miss Boullen, Chief Executive of St Helens Chamber of Commerce, for generously hosting the meeting and complimented the Chamber on the quality of its new building.

1. **Declarations of Interest** None
2. **Apologies** Mrs A Fishwick, *Assistant Clerk*
3. **Minutes of the Meeting of Tuesday, 10th March 2009**

The Committee approved the Minutes as a correct record and the Minutes were signed by the Chair.

4. Matters Arising

a) Item 9 (a) Funding Assurance Review

The Director of Resources reported that the Learning & Skills Council had appointed Baker Tilly to undertake a review the accuracy and reliability on the eligibility and existence of learners in the College. The review found the system in the College to be 'satisfactory' and made one medium risk recommendation. This recommended to the College that the checklist in the Educational Maintenance Allowance Guidance should be implemented. The Director of Resources indicated that this recommendation has been accepted and is now in place.

The Committee noted the Report.

b) Item 7 LSC Capital Programme

The College had not yet received a letter from the LSC concerning the College's own position but from what other colleges had been told, the Principal reported that a decision on the 5th June is unlikely. The LSC was asking colleges to reduce costs. As the College will not be 'shovel ready' this summer as Phase 1 is not due to be completed, no decision is likely until next year. In the meantime work is underway on the possible options for the College.

The Committee noted the position.

5. Recommendations of the Internal Auditor: Progress Report

The Director of Resources reported on progress on the recommendations from the three most recent reports:

- (i) Corporate Governance
 - (a) The Search Committee had reviewed its Terms of Reference
 - (b) Advertising vacancies had been agreed by the Search Committee and is recommended to the Board for approval.
 - (c) New appointments will be asked to sign an induction declaration
- (ii) Fixed Assets
 - (a) The Inset was still outstanding due to other priorities but will take place in due course.
 - (b) The Fixed Asset Register is currently in circulation.
 - (c) The Fixed Asset Disposal Form is in place.
- (iii) Risk Management: All recommendations completed.

The Committee noted the Report.

6. Reports from the Internal Auditor, Baker Tilly

The Internal Auditor introduced two reports:

- (i) Capital Projects: The Report concluded that 'appropriate arrangements are in place for the Board of Governors to correctly and effectively discharge its duties in relation to capital projects.' The Finance, Estates & Marketing Committee is operating effectively. A review of risks is in place. Information to governors is accurate and timely. Expenditure is authorised and recorded accurately. Expenditure is monitored and control maintained over contractors. There was one medium risk recommendation to present the original budget figures to show expenditure against each of the planned headings. This had been agreed.
- (ii) Payroll: The controls had been reviewed which ensure that staff records are valid and correct and found to be secure. Deductions are correctly calculated. There was one low risk recommendation arising from a change of surname of a newly married member of staff. The amendment form will be signed in future.

The Committee noted the Reports.

7. Audit Implications of the New Build

It was confirmed that the key issues had already been dealt with. The Chair asked whether there are adequate controls over the expenditure on small items in the new build. The Director of Resources confirmed that these are in place arising from existing expenditure procedures.

The Principal commented that the strong position of the College is in great part due to the quality of the work of the College Sponsor and the

internal Clerk of Works. In response to questions, the Principal confirmed that both flexibility and controls are built into the system. The Sponsor manages the tender process and negotiates discounts where possible. Final decisions in relation to the budget and expenditure are taken by the College Management Team.

The Committee noted the position.

8. Future Agenda Items

The Committee affirmed that it wished to continue with the Audit Implications of the New Build as a regular agenda item.

9. Any Other Business

a) Student Numbers Report.

The Director of Resources and the Internal Auditor recommended that the issues normally covered in the annual Student Numbers Report had been dealt within the Funding assurance Review for the current year.

The Committee approved the suggestion that the Internal Audit be asked to review the College's Admission Procedures in the present year.

b) Demands on staff

Concern was expressed over the demands on staff time, especially on the audit of the new build and other reporting requirements. The Principal confirmed that making the College's vision a reality was highly enjoyable. However he recognised the demands on all staff, especially the Finance team. The strong backgrounds of the College Sponsor in curriculum management and the Clerk of Works in Estate Management is a major asset which may be lost if there is a hiatus between Phases 1 and 2. The delay to the approval of the Phase 2 funding had involved senior staff in extensive meetings with LSC officials and others to present the College's case.

Governors commented on the high degree of accountability of the College. The Chair felt that the private sector could learn lessons from the public sector.