

CHELMSFORD COLLEGE
AUDIT COMMITTEE MINUTES
7TH JUNE 2011

PRESENT: Charles Myers (Chair)
Ray Joy
Jonathan Swan
Liz Wood
Heather Clarke

IN ATTENDANCE: David Law (Principal)
Paul Bayliss (Director of Finance)
John Fowl (Clerk to the Corporation)
Bill Lumsden (KPMG)
Lisa Barling (Macintyre Hudson)

332. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Bill Pigram.

333. DECLARATION OF INTEREST AND TO NOTIFY IN ADVANCE ANY CONFIDENTIAL ITEMS.

There were no declarations of interest or confidential items notified.

334. TO MEET WITH AUDITORS WITHOUT COLLEGE MANAGERS PRESENT

The auditors confirmed there was nothing they wished to discuss with the Audit Committee under this item.

335. TO APPROVE THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 8TH FEBRUARY 2011

The minutes were approved.

336. MATTERS ARISING

There were no matters arising.

337. TO RECEIVE THE REPORTS OF THE INTERNAL AUDIT SERVICE

i.) Chelmsford Training Services

The College had asked for this area to be reviewed by the auditors and the recommendations put forward in the report were as expected by the Senior Leadership Team.

The auditors reviewed the work of the hair and beauty salon Zest and found there was a need to tighten the processes used to record income and cash transactions. There was some inconsistency between the hair and beauty salon booking systems and a more efficient system was recommended to be introduced. Members were informed of the weaknesses in the hair salon computerised booking system and again recommendations were made that would improve this situation.

Members noted the recommendations made and that these had been accepted by College management and the actions were being implemented to improve the situation.

Paul Bayliss explained that the internal audit service report was a result of the College requesting the assistance of the auditors to introduce better systems within the Chelmsford Training Services operations.

Governors requested an update report on the recommended actions that had been implemented for the next meeting of the Audit Committee.

Governors were told that the ultimate aim of the Zest hair and beauty salons was to at least cover costs.

The request was made that future reports should include some indication of the number of people involved in the salons and the monetary values that are being handled so reasonable assessment of risk can be made.

It was **Resolved** that the report be received.

ii.) Bank and Cash

The Internal Audit Service had reviewed this area of operation and had found most things satisfactory. One low level recommendation had been made with a view to improving the current process for cash receipts within the academic departments.

It was **Resolved** that the report be received.

iii.) Dovedale Nursery

The committee noted that the nursery contributes a small percentage to the overall College income. Four recommendations had been made by the auditors with a view to tightening the procedures on such things as receipt of cash, reconciliation of cheques and cash, and receipts from Essex County Council.

It was **Resolved** that the report be received.

iv.) Central Nominal Ledger

The Audit Report indicated that all was as expected in this area and no recommendations were made.

v.) Follow Up On Recommendations Made In Previous Years

Members noted that all recommendations made by the auditors regarding the budget had been implemented. A number of recommendations remain outstanding in the use of IT as well as the HR and Payroll integration.

It was **Resolved** that the report be received.

338. RISK REGISTER UPDATE

There had been little change since the last report to the committee although some of the risks in respect of the new building work will cease shortly. The risk associated with the subsidiary companies will be covered in the main College risk register.

It was **Resolved** that the report be received.

339. INTERNAL AUDIT SERVICE AUDIT PLAN 2011/12

Governors were informed that the proposed audit plan for 2011/12 was the second year of the three year plan previously submitted to and approved by the Audit Committee.

It was **Resolved** that the Internal Audit Plan 2011/12 be approved.

340. TO APPROVE THE FINANCIAL STATEMENTS AUDIT STRATEGY AND PLANNING MEMORANDUM

Members were informed of the proposed plan for the audit of the 2010/11 accounts and the timescales that would apply. Bill Lumsden advised the committee of new accounting issues that would impact on the College including the recently passed Bribery Act.

The Committee was reminded of the responsibility of the Governors to ensure compliance with the Bribery Act 2010 and Paul Bayliss confirmed that the College is to produce a policy to cover this. Members noted the Financial Statements Audit risk that will be covered during the audit.

It was **Resolved** that the Financial Statements Audit Strategy and Planning Memorandum be approved.

(The Internal Auditor and the Financial Statements Auditor withdrew from the meeting at this point.)

341. TO APPOINT THE FINANCIAL STATEMENTS AUDITORS 2011/12

Members were informed that the College was satisfied with the work and contribution made by KPMG and it was recommended that KPMG be reappointed for 2011/12.

It was **Recommended** that the Board of the Corporation approves the appointment of KPMG as the Financial Statements Auditors 2011/12

342. TO CONSIDER THE APPOINTMENT OF THE INTERNAL AUDIT SERVICE 2011/12

(4)

Members were advised that the Internal Audit Service had been appointed for an initial three year period followed by annual reviews thereafter. The College was satisfied with the work of the Internal Audit Service and it was recommended that the committee support their reappointment.

It was **Recommended** that the Board of the Corporation re-appoint Macintyre Hudson as internal auditors for the College for 2011/12

343. ANY OTHER BUSINESS

There was no other business.

344. DATE OF NEXT MEETING

15th November 2011 at 4.00 pm

Chair

Date