

**CHELMSFORD COLLEGE**  
**AUDIT COMMITTEE MINUTES**  
**9<sup>TH</sup> FEBRUARY 2010**

**PRESENT:** Charles Myers (Chair)  
John Campling  
Liz Wood

**IN ATTENDANCE:** David Law (Principal)  
Paul Bayliss (Director of Finance)  
John Fowl (Clerk to the Corporation)  
Joanne Saward (Minuting Secretary)  
Lisa Waghorn (Macintyre Hudson)

**285. TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies were received from Bill Pigram, Ray Joy and Jonathan Swan.

**286. TO DECLARE IN ADVANCE ANY CONFIDENTIAL ITEMS**

There were no confidential items notified.

**287. DECLARATIONS OF INTEREST**

There were no declarations of interest notified.

**288. TO MEET AUDITORS WITHOUT MANAGEMENT PRESENT**

It was confirmed that there was no matters to be discussed under this item.

**289. TO APPROVE THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 24<sup>TH</sup> NOVEMBER 2009**

The minutes were approved.

**290. MATTERS ARISING**

- i) Paul Bayliss confirmed that the new payroll system would be operational from April 2010 and will be run in parallel with the current system during the month of March 2010.
- ii) It was confirmed that the College had sufficient cash reserves to cover any delay in payment of the April tranche of funding from the new funding sources. Members were advised that the Single Funding Agency (SFA) and the Local Authority have both expressed their confidence of meeting the payment dates for College funding.

**291. TO RECEIVE THE INTERNAL AUDIT REPORT**

Lisa Waghorn confirmed for the Committee that the auditors had reviewed four areas of College operations these being Financial Reporting; Sales & Debtors; Marketing & Student Retention and Quality Assurance.

### **Financial Reporting**

Overall the auditors expressed the view that budget holders are fully consulted in the budget setting and control procedures and receive the appropriate level of detail and type of information necessary to control their budget allocations. The auditors have made a low level recommendation to the College to see whether the finance system was able to track who was accessing the financial information and the frequency of access in doing this. It was hoped there might be some correlation between frequency of reviewing financial information and the control of budgets. It was noted that there is online access to all the financial information but that most users were currently working within their agreed budget. Paul Bayliss stressed that the system did not allow any individual to overspend against their budget without receiving special approval from either the Principal or himself. Lisa Waghorn expressed the view that this recommendation would be an added benefit if it was easy to track individuals' access of the finance system but not essential if it was going to prove more difficult to implement than the benefit it would derive.

Management had agreed the budget meeting between finance staff and budget holders would be formally minuted and that the budget holders would sign a copy of the minutes to agree the points which were included within them.

### **Sales & Debtors**

Overall the system for sales and debtors within the College was very strong. Of the five minor recommendations three had been agreed by management but two were considered to incur too high a level of administrative involvement to justify. A small change in existing process to satisfy the point raised by the auditor would be introduced.

### **Marketing & Student Retention**

The College had made good progress in marketing itself and specific courses. Five minor recommendations had been made.

The College is planning to prepare a detailed report on each marketing initiative to ensure value is achieved. The internal auditors recommended that the College should promote their successes more than at present and it was agreed that this would be done in future.

Whilst noting that student exit interviews, where students withdraw from a course early, were ideal, it was acknowledged that this type of exit interview would be very difficult to implement.

### **Quality Assurance**

It was felt that the quality assurance policies and procedures for curriculum staff were not fully meeting the needs of the business support staff within the College. The auditors recommended that the Quality Assurance Manual be updated to address this deficiency and reinforce quality assurance within the business support areas.

**Previous Recommendations**

Of the 14 recommendations made by the auditors in previous audits, seven had now been fully implemented and the others would be reviewed by the auditors during the course of their coming audit work.

It was **Resolved** that the report of the Internal Audit Service be received.

**292. RISK REGISTER UPDATE**

The College Risk Management Committee had met on 2<sup>nd</sup> February 2010 and the minutes had been circulated.

Emerging risks that had been identified included "Safeguarding" as a key risk as this would be a limiting grade during any inspection. The governors had reviewed the significance of Safeguarding at their Development Day.

Another significant risk identified was the level of funding expected in 2010/11. In view of this the College was endeavouring to bring down staffing costs. The College reputation is still attracting large numbers of students despite the property and estates being less than ideal. A view was expressed that there was an urgent need to generate sufficient funding to enable the College to improve its current facilities.

Paul Bayliss advised members of the expectation of external capital grant for the nursery building, sports hall and multi-use games area at Princes Road.

It was noted that the Risk Register is now available on line to all staff and governors.

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

**293. ANY OTHER BUSINESS**

There was no other business.

**294. DATE OF NEXT MEETING**

Tuesday 8<sup>th</sup> June 2010 at 3.00 pm

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Chair

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Date