

Minutes of the Meeting of the Audit Committee
27th June 2011

Present: Mr D Collins (in the Chair)
Mrs M Lippard
Mr P Cooper
Mr I Tompkins
Mr B Davies – (in attendance)
Mr P H Martin – (in attendance)
Mr S Maunder – External Audit, Deloitte - (in attendance)
Ms E Mason – Internal Audit, Price Waterhouse Coopers - (in attendance)

Internal Audit Reports

The Committee considered the internal audit reports on enterprise, catering services, travel, subsistence and other expenses, banking and treasury management and corporate governance/risk management. Members noted the following comments.

(I) Enterprise

The review identified some weaknesses in the design and operation of controls which could impair the achievement of the objectives of the system, function or process. However it was noted that either their impact would be less than high or they would be unlikely to occur. The Committee were informed that as a result of the findings highlighted from the review moderate assurance is given on the adequacy and operating effectiveness of the controls in place for the enterprise function.

(II) Travel, Subsistence and Other Expenses

Members noted the findings arising from the audit of travel, subsistence and other expenses including the recommendations to address the weaknesses which were identified as medium or low risk. The Committee were informed that moderate assurance is given on the adequacy and operating effectiveness of procedures in place for travel, subsistence and other expenses.

(III) Banking and Treasury Management

The Committee considered the internal audit report on banking and treasury management and noted that four medium rated control weaknesses were identified. Members noted the recommendations to address the weaknesses together with the management responses. The Committee were informed that moderate assurance is given on the adequacy and operating effectiveness of procedures in place for banking and treasury management.

(IV) Corporate Governance and Risk Management

Members considered the report on corporate governance and risk management and noted that the audit carried out did not identify any control weaknesses and that the internal auditor had concluded that the key controls have been adequately designed

and are operating effectively to deliver the objectives of the system, function or process. The Committee noted that high assurance is given on the adequacy and operating effectiveness of controls in place over corporate governance and risk management.

(V) Catering Services

The internal audit report on catering services was part of a limited scope review which sought to confirm that the recommendations made in previous internal audit reports continue to be implemented as well as reviewing the current internal controls in place for this provision. Members noted that one low and two medium risk weaknesses were identified and that management had accepted the recommendations by the internal auditor to address the issues raised.

(VI) Core Financial Systems (2010/2011)

Emma Mason, Internal Auditor, Price Waterhouse Coopers discussed the Internal Audit Report 2010/2011 which is the Internal Auditor's review of a number of the core finance systems including budgetary control, revenue and receivables, purchasing and payments, fixed assets and inventories, general ledger and accounting and personnel and payroll. The Committee noted that a number of low and medium risk weaknesses were identified across all core financial systems and that moderate assurance is given on the adequacy and operating effectiveness of the controls in place for revenue and receivables, purchasing and payments, and fixed assets and inventories. Members were pleased to note that a high assurance rating remained for budgetary control.

College Risk Register (2011/2012)

Members considered in detail the College Risk Register (2011/2012) prepared by Paul Martin, Deputy Principal (Finance/Planning). Members approved the document for submission to the full Governing Body for consideration.

Any Other Business

Revised College Financial Regulations/College Financial Procedures

Paul Martin, Deputy Principal (Finance/Planning) presented the revised College Financial Regulations and Financial Procedures. Following discussions the College agreed to recommend the Financial Regulations/Procedures to the Governing Body for final approval.