

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held on Wednesday 8th December 2010

Membership: M Ray
* M A-Messaoud
* P Bartlett
V Goddard
P Taylor (Chair)

* Denotes present

In attendance: D Bardell, Baker Tilley
R Lamb, Baker Tilley
R Allanach, Deputy Principal
D Sheridan, Clerk to the Corporation

482 Apologies for absence

Apologies were received from M Ray, P Taylor and V Goddard.

483 Declaration of Interest

No interests were declared.

484 Minutes of the previous meeting

The Audit Committee received and approved the minutes of the meeting held on 22 November 2010.

485 Matters arising from the minutes (not mentioned elsewhere on the agenda)

There were no matters arising.

486 Financial Statements & Regulatory Audit

486.1 The Audit Committee received and considered the Audit Findings Report 2009/10 for recommendation to the Corporation. The report was presented by David Bardell.

The audit showed a surplus of £673,000. Governors noted that this did not contain the contribution from Anglia Ruskin University of the car park to the value of £392,000, which was transferred to deferred capital.

Governors noted that Baker Tilley would provide an unqualified report for the financial accounts and regularity audit for 2009/10.

The Committee noted the key areas of the audit focus and Baker Tilley confirmed that the College had taken significant steps to secure its

financial health in 2009/10, returning a surplus and strengthening the balance sheet. The meeting discussed issues of going concern and identified how the changes in funding further education would impact upon the College.

The meeting discussed internal control issues and noted the management response. The Committee raised an issue in the APEX Consortium and it was agreed that the report on the investigation into the matter, by SRF Consultants, be circulated to all members of the Audit Committee.

The Committee agreed that the College should develop a document of areas susceptible to fraud, incorporated into the risk register where necessary.

The Committee noted the performance indicators put forward by Baker Tilley and asked the Deputy Principal to complete them for the Committee's consideration at the April meeting.

The Audit Committee approved the Financial Statements and Regulatory Audit and agreed to recommend them to the Corporation on 16 December 2010.

The Committee received a report from Baker Tilley concerning emerging issues regarding funding of learners aged 19+.

486.2 The Audit Committee received and approved the Letters of Representation for recommendation to the Corporation.

487 Annual Report of the Audit Committee 2009/10

The Audit Committee received and approved the Annual Report for recommendation to the Corporation. The Committee noted that an audit of learner numbers would take place for 2010/11.

The Committee agreed to recommend to the Corporation that Baker Tilley be reappointed external auditors for the year 2010/11.

The Committee agreed to recommend to the Corporation that RSM Tenon be appointed internal auditors for the year 2010/11. The Deputy Principal agreed to report on any developments for shared services with Harlow DC.

488 Financial Management Control Evaluation (FMCE)

The Audit Committee received the draft outcome of the validation of the FMCE by the Skills Funding Agency Provider Financial Assurance (PFA) team. Governors noted that the validation took place as a parallel exercise with the Ofsted inspection. The Committee noted that the PFA agreed the grades given in the FMCE.

The Committee discussed recommendation D concerning that Governors do not allow the Executive take from them the capacity to approve significant changes to the budget. The meeting considered what figure would amount to "significant".

489 Risk Register

The Committee received an oral report on the Executive's December view of the Risk Register from Richard Allanach, Deputy Principal. Governors noted that their request for a greater expansion of text in risk control measures would be addressed.

490 Any Other Business

There was no other business.

491 Dates of future meetings

Spring Term 2011	Wednesday 6 April 2011	8.30am
Summer Term 2011	Tuesday 21 June 2011	8.30am