

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## AUDIT COMMITTEE

### Minutes of the meeting held on Thursday 22 November

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

\* Denotes present

In attendance: D Harris, RSM Tenon  
R Allanach,  
D Sheridan, Clerk to the Corporation

#### **475 Apologies for absence**

Apologies were received from V Goddard and Mick Ray. The meeting proceeded with Paul Taylor in the chair.

#### **476 Minutes of the previous meeting**

The Audit Committee received and approved the minutes of the meeting held on 21 October 2010.

#### **477 Matters arising from the minutes**

To receive and approve the Annual Report for recommendation to the Corporation.

#### **478 Internal Audit Annual Report**

The Audit Committee received and considered the Internal Audit Annual Report. The Deputy Principal apologised to Governors for calling a second unscheduled meeting. The Annual Report, however, would provide important evidence for the Skills Funding Agency Provider Financial Assurance auditors who would be attending the Ofsted inspection to validate the Financial Management Control Evaluation.

Dan Harris, RSM Tenon, presented the Internal Audit Annual Report to the Committee. Governors noted that the report provided an opinion on the adequacy and effectiveness of the College's governance, risk management and control arrangements. Dan Harris confirmed that, from the internal audit work undertaken in 2009/10, RSM Tenon drew the following conclusions.

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy effectiveness of Harlow College's arrangements.

For the 12 months ended 31 July 2010, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Harlow College's governance, risk management and control arrangements is as follows:

- The College has adequate and effective governance processes
- The College has adequate and effective risk management processes
- The College has adequate and effective internal control, however we did identify some weaknesses in the Safeguarding audit, which we confirmed during our in-year follow up review that action has been taken to address these issues”

In response to questions from Governors, Dan Harris agreed that sufficient work had been undertaken to allow such conclusions to be drawn. Whilst not all parts of the College had been subject to audit, a new sample of staff had been tested.

Governors discussed the internal audit undertaken during 2009 / 10 and Dan Harris confirmed that of the audits undertaken, two gave substantial assurance, three adequate and one limited assurance.

An ECM / Safeguarding Children follow up audit was undertaken for the area that gave limited assurance and this identified that good progress was being made. Governors noted the number and type of recommendations made. Richard Allanach confirmed that the College accepts the Internal Audit Report.

The Audit Committee approved the Annual Internal Audit Report and agreed to recommend its acceptance by the Board of Governors.

#### **479 Risk Register**

The Audit Committee received and considered the Risk Register, which had been updated since the meeting held on 5 October 2010. Governors noted a new risk added to the register concerning staff leaving the College to work elsewhere. No risks had been removed from the register but some had been given a lower net score risk as risks had been reduced.

The Deputy Principal confirmed that the Risk Register would continue to be refined to enable the Audit Committee to present the Register to the Corporation in the spring 2011.

The Audit Committee asked that the Register be amended to include Risk Control Measures for all risks and that some controls be expanded to contain more detail. The Deputy Principal agreed to this request, The Audit Committee thanked Richard Allanach for his report.

#### **480 Financial Statements 2009 / 10 Report**

Richard Allanach informed the Audit Committee of issues arising from the preparation of the financial statements for 2009 / 10. Governors noted that a range of schedules had yet to be prepared for external audit and the reasons why these were not ready for auditors on 25 October 2010. Further information would be presented to the Committee on 8 December 2010.

The Audit Committee noted that additional costs would be incurred by the College in preparing the financial statements. This would be £7,000 for external audit fees and £6,000 for the cost of an accountant brought into help.

The Committee considered the draft report and asked questions of the Deputy Principal.

The Audit Committee thanked the Deputy Principal for his report and noted that the full set of accounts would be presented to the Committee for consideration on 8 December 2010.

#### **481 Any Other Business**

There was no other business

#### **482 Dates of future meetings**

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