



Minutes of the meeting of the Audit Committee
held on Thursday 11th March 2010

- Membership:** * Mr Robin John
 * Mr Peter Hickman
 Mr Chris Johnson
 * Mr David Lavarack
 * Mrs Jo Canessa
- Also present:** * Mr Dan Dean – Advising Officer
 * Mr Geoffrey Bowley- Advising Officer
 * Mr Clive Malcolm – Horwath Clark Whitehill
- In attendance:** * Mrs Sue Gunter – Clerk to the Corporation

1. REGISTER OF INTERESTS

The Chair asked if anyone present had any interests to declare with regard to the agenda of the meeting. None were declared.

2. APOLOGIES FOR ABSENCE

Chris Johnson.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 24th November 2009 were agreed and signed as a true record.

4. MATTERS ARISING

Item 6 Report and Financial Statements for the year ended 31st July 2009

Geoff Bowley advised that he had telephoned Rupert Crossland (Audit Manager/Principal Auditor of the LSC), concerning the point raised about who should be designated as “Head of Internal Audit” within the College. Rupert had confirmed that 99.9% of college (including Esher College) subcontracted their Internal Audit Service to external accountancy firms, and that the Head of Internal Audit is therefore the engagement partner of the firm concerned. While it was technically possible for a college to employ somebody to fulfil the role of Internal Auditor, this was a very difficult arrangement to structure and he was aware of only one college which had done so.

Item 7 Financial Statements Audit Management Letter

A note of confirmation that all appropriate information had been made available to the auditors had been given to Terry Price prior to him signing the Letter of Representation.

5. DRAFT INTERNAL AUDIT NEEDS ASSESSMENT AND 3 YEAR PLAN

The committee reviewed the draft internal audit plan for 2009/10, and Clive Malcolm confirmed that he was not aware of anything which would change the planned focus of the audit. It was noted that the most vulnerable areas relating to fraud and cash flow would be covered under the review of key financial controls. Geoff Bowley queried whether one day's allocation for Risk Management was sufficient and the committee agreed with his comments that the College was keen to get some feedback and advice in this area to ensure that its approach was a comprehensive one. This was noted by Clive Malcolm.

Robin John queried the 2% increase in fees over last year and Clive Malcolm advised him that this reflected the pay increase awarded to the firm's staff. After some discussion, it was agreed to accept this while noting that this was the third year of Horwath Clark Whitehill's appointment and that a renegotiation of fees may be appropriate next year. It was noted that the number of days remained at 12, reduced from the original estimate of 15.

David Lavarack proposed approval of the Audit Plan. This was seconded by Peter Hickman and agreed unanimously by the meeting.

6. STRATEGIC RISK REGISTER UPDATE

Dan Dean reminded governors that it had been agreed that the Risk Register should be reviewed at this committee on a termly basis rather than annually as had previously been the case. He outlined the reasons for the changes made since the last meeting and the committee agreed that they were appropriate. All agreed that this was a robust living document which reflected the current circumstances of the College.

7. FINANCIAL STATEMENTS 2008/09

The committee noted the LSC letter concerning the Financial Statements for 2008/09 and their assessment grade of "Good" which was the same as the College's self assessed grade. Geoff Bowley briefly outlined the process for arriving at this grade.

8. ANY OTHER BUSINESS

None.

9. DATE OF NEXT MEETING –Thursday 17th June 2010

Signed.....

Date.....