

PROSPECTS COLLEGE OF ADVANCED TECHNOLOGY

MEETING OF THE AUDIT COMMITTEE

14 October 2014

MINUTES

Present: Theo Steel (Chair)
Rachel Richards
Jackie Northedge Staff governor
Gerry Levelle co-opted, non-governor member

In attendance: Neil Warren Chief Operating Officer
Ian James Clerk to the Board of Governors

APOLOGIES FOR ABSENCE

1 There were no apologies (all present).

DECLARATION OF INTERESTS

2 Governors were advised of the requirement to declare their interest in any agenda items. Following any such declaration, governors would not be able to speak or vote on the matters under discussion.

BRIEFING

3 The Clerk gave a presentation describing the regulatory framework within which the Committee would be operating together with its role and responsibilities and the different types of audit that the Committee would encounter.

4 As background information, the governors had received copies of the Joint Audit Code of Practice (JACOP) together with the Foundation Code of Governance and its Audit and Accountability Annex.

CONSTITUTION & TERMS OF REFERENCE

5 The Committee received, for information, their constitution and terms of reference as set out in the Bye-laws approved by the Board of Governors. These were based on the requirements of JACOP and the Foundation Code.

INTERNAL AND EXTERNAL AUDIT

6 The Committee had heard during the briefing that the College was required by the JACOP to engage external auditors who would undertake the audit of the annual financial statements and also the regularity audit. Whilst it was not a requirement for the College to engage an internal audit service, the Committee had been advised that they needed to gain assurance as to the effectiveness of the three areas of internal control, governance and risk management so that they could advise the Board with confidence on these areas in their annual report.

7 External auditors were currently working on the PLF accounts for 2013/14 and the Committee considered what arrangements should be made for 2014/15. It was acknowledged that there may be some advantage in engaging a firm with specific experience of external audit in FE colleges and the Committee felt that it would be appropriate to engage in a

tendering exercise for this service early in 2015. Names of firms that might be invited to bid would be submitted to the next meeting.

8 In relation to internal audit, the Committee did not immediately favour engaging an internal audit service, preferring to engage in an initial 'assurance mapping' exercise. This would take areas of risk from the College's Risk Register and analyse what sources of assurance were available to the Committee about how well those areas were being controlled. Specifically this would need to be designed to ensure that the committee could advise the Board in its annual report on the effectiveness of the College's systems for internal control, governance and risk management.

9 The Chief Operating Officer would devise a format for the mapping exercise and Gerry Levelle offered to assist by making available examples of documentation from the local authority.

RISK MANAGEMENT

9 The Committee received and noted the current Risk Management Policy and Register.

BUDGET UPDATE

10 The Chief Operating Officer updated the Committee on the 2014/15 budget a draft of which had been presented to the Board on 1 September 2014. He advised that further development work was under way and that a revised version would be submitted to the Board in due course.

DATE OF NEXT MEETING

11 10 December 2014 at 5.30pm (following the Board meeting)

Chair

Date