

**STRATFORD-UPON-AVON COLLEGE CORPORATION**

**MINUTES FOR THE AUDIT COMMITTEE MEETING  
TUESDAY 29 NOVEMBER 2011**

|                       |                 |                          |
|-----------------------|-----------------|--------------------------|
| <b>Present:</b>       | Lyn Anslow      | Governor                 |
|                       | Gill Roach      | Governor                 |
|                       | Geoff Thompson  | Chair                    |
|                       | Garry Rollason  | Co-opted member          |
| <b>In attendance:</b> | David Jackson   | Clerk to the Corporation |
|                       | Norman McDonald | Vice Principal (Finance) |
|                       | Louise Tweedie  | RSM Tenon                |
|                       | Paul Oxenby     | Baker Tilly              |

**1. APOLOGIES**

Apologies were received from Royston Hollyer

**2. DECLARATIONS OF INTEREST**

Members were invited to declare any interest in business to be discussed at the meeting.

The Chair ascertained from the Auditors that there were no issues regarding the Vice Principal Finance that would warrant him withdrawing from the meeting. Gill Roach reminded the meeting that she was a District Councillor.

**3. APPOINTMENT OF CHAIR**

It was resolved **THAT:**

Geoff Thompson is appointed Chair until the November 2013 meeting.

**4. MINUTES OF THE PREVIOUS MEETING**

It was resolved **THAT:**

The minutes of the last meeting held on the 5 July 2011 be regarded as correct and signed by the Chair.

**5. MATTERS ARISING**

Item 4 – KPMG Learner Number Audit

The Clerk to the Corporation indicated that the outstanding report had been received and the Deputy Principal had confirmed to him that the report had been actioned where appropriate.

It was resolved **THAT:**

The item be discharged.

Item 6 – Procurement Update

A verbal report was made to the meeting by the Vice Principal Finance indicating that the Procurement Strategy was nearing completion and until that was agreed it was not appropriate to finalise the staffing. It was anticipated that any additional staffing expenditure would be financed from savings on procurement. The Committee sought clarification that the Strategy would be completed by the end of January.

It was resolved **THAT:**

A further report be made to the next meeting.

Item 8 – Anti Bribery Policy

The Committee noted the report and sought confirmation that Overseas Agents were signing up to new contracts. Whilst it was confirmed that this was thought to be the case the matter would be clarified for the next meeting.

It was resolved **THAT:**

The matter be confirmed at the next meeting.

**6. TEACHERS PENSION RETURN**

Paul Oxenby outlined to the Committee the purpose of the return and indicated that there were no issues arising. The Committee clarified the amendments that were shown following which

IT was resolved **THAT:**

The Committee note the preparation and issue of the Certificate of Contributions Paid to the Teachers Pension Agency in the year ending 31 March 2011.

**7. INTERNAL AUDIT SERVICE ANNUAL REPORT**

Louise Tweedie of RSM Tenon presented the annual internal audit report for 2010/2011. She was pleased to be able to report that the opinion for the year was clean and no major matters of concern had been identified during the course of the year. The Committee then proceeded to clarify a number of items within the report. Matters concluded with a discussion on Benchmarking and RSM Tenon indicated that they would publish benchmarking data shortly on the basis of work done with their clients.

It was resolved **THAT:**

The Internal Audit Report for 2010/2011 be recommended to the Corporation.

**8. REVIEW OF PERFORMANCE OF INTERNAL AUDIT SERVICE APPOINTMENT AND ESTABLISHMENT OF ANNUAL PERFORMANCE INDICATORS FOR CURRENT YEAR**

Baker Tilly and RSM Tenon withdrew for this item. The Committee reviewed the performance indicators which were an average of the comments of those managers that had come into contact with the Auditors during 2010/2011. The Committee contributed their own views and explored those areas that were deemed to be good as opposed to excellent and concluded that the level of service was not cause for concern.

It was resolved **THAT:**

The Committee record their satisfaction with RSM Tenons performance in 2010/2011.

**9. INTERNAL AUDIT PROGRESS REPORT ON REVIEWS**

RSM Tenon reported that the year is progressing according to the plan. The attention of the Committee was drawn to the client briefing, particularly changes to the FMCE return and value for money. The Clerk to the Corporation drew attention to request a deferral of the January audits as an Ofsted visit was anticipated. After discussion

It was resolves **THAT:**

Further discussion take place between RSM Tenon and the College and the outcome be agreed with the Chair of the Committee if it is proposed to defer any of the audits. To ease the burden of the work flow of the Committee consideration will be given to re-scheduling the March meeting.

**10. EXTERNAL AUDIT FINDINGS REPORT**

Paul Oxenby of Baker Tilly presented the Audit Findings Report commenting that the report was unqualified and a clean opinion given. He stated that the audit had gone well and the College remained a going concern with the cash flow improving during the course of the year. He mentioned to the Committee that if the capital projects under discussion were approved it would require a renegotiation of the bank loan covenants.

The Committee proceeded to discuss the report and concluded that it was generally very good and were pleased to be able to recommend the signing of the letters of representation.

It was resolved **THAT:**

a) The Audit Findings Report be recommended to the Corporation

b)The Corporation be recommended to authorise the Chair to sign the letters of representation.

**11. REVIEW OF PERFORMANCE OF FINANCIAL STATEMENTS AUDITORS AND REAPPOINTMENT FOR 2011/2012**

Whilst the Committee were very satisfied with Baker Tilly they recognised the need to review the ongoing contract and discussed benchmarking data and value for money and the options available to them. They were informed of the proposed changes in the code around Partner rotation.

It was resolved **THAT:**

Benchmarking data be considered at its next meeting and a decision taken on how to proceed.

**12. ANNUAL REPORT OF AUDIT COMMITTEE TO THE CORPORATION INCLUDING RISK MANAGEMENT**

The Committee discussed the content of its annual report to the Corporation and concluded that the report should draw attention to the findings of the two very positive annual reports from the auditors and the comment from Baker Tilly that the College management was very much aware of its responsibilities in relation to its covenants and the narrative in the Management Accounts.

It was resolved **THAT:**

The final content of the Annual Report be left to the Chair to agree.

**13. RISK REGISTER**

Consideration was given to the updated Risk Register and the meeting concurred with the revisions.

It was resolved **THAT:**

The Committee recommend the revised Risk Register to the Corporation.

**14. ANY OTHER BUSINESS**

There was no other business

**15. DATE OF NEXT MEETING**

It was resolved **THAT:**

The Committee meet again on Monday 12 March 2012 at 10am