

**Plumpton College**

**Minutes of the Audit Committee meeting  
held on Tuesday 16<sup>th</sup> March 2010**

Present: David Evans - Governor  
 Pat Foster - Governor / chairman  
 Christine Howe - Governor  
 Geoff Miller - Co-opted member  
 Stan Stanier - Governor

In attendance: Jenny Brooker - Clerk to the Corporation  
 Geoff Gregory - Deputy Principal (Resources)  
 Des Lambert - Principal  
 Richard Seager - ESSC Internal Audit Service  
 Val Wilkinson - Director of Finance

Meeting commenced: 4.05pm

Minute Item		Action by whom	Action by when
<b>Ac/10/01</b>	<p><b>Session without Management Present</b></p> <p>The internal auditor advised the Clerk in advance of the meeting that there were no issues he wished to raise.</p>		
<b>Ac/10/02</b>	<p><b>Minutes of the meeting held 1 December 2009</b></p> <p>The minutes of the previous meeting were agreed and signed by the chairman.</p>		
<b>Ac/10/03</b>	<p><b>Matters Arising</b></p> <p>Ac/09/35: The internal audit contract with ESCC had been extended for a year and would end on 31 July 2011.</p> <p><b>Agreed:</b>                      The committee give consideration at its Autumn term meeting on the tendering process for a new internal audit contract.</p>	JKB	
<b>Ac/10/04</b>	<p><b>Annual Report of the Plumpton College Charitable Foundation (Incorporating OT Norris)</b></p> <p>Presenting the annual report on the Plumpton College Charitable Foundation, Mrs Brooker stated that the closing balance at the end of the financial year on 31 July 2009 was £12,738.78. An annual update had been submitted to the Charity Commission.</p> <p>Although not legally required (as the Charity income was less than £25,000) an independent examination of the accounts was undertaken. The independent examiner approved the accounts but raised concerns regarding the blurring of the governance and financial arrangements of the Charity with that of the College. Generally all bids were made in the name of the College and then</p>		

	<p>passed to the Charity but it was hoped that this would be a transitional arrangement until the Charity had built its reputation. The long term vision was for the Charity to become the fundraising arm of the College.</p> <p>The Committee was provided with a summary of the key actions that had been taken in responses to the recommendations of the independent examiner.</p> <p>The Charity had approved a model trust deed during the year which set out the governance arrangements of the Charity and the trustees were delighted that HRH The Duchess of Cornwall had agreed to become Patron of the Charity.</p> <p><b>Agreed:</b> The 2008-09 Annual Report and Accounts of the Plumpton College Charitable Foundation (incorporating OT Norris) be noted.</p>		
<b>Ac/10/05</b>	<p><b>Internal Audit Report – Corporate Governance</b></p> <p>Mr Seager advised that the audit of corporate governance was a mandatory annual audit. The scope of the audit was to ensure the College’s governance arrangements complied with the Combined Code, the Instrument and Articles of Government and LSC requirements.</p> <p>A substantial assurance opinion had been given with two recommendations. One recommendation was that the Chair should not chair discussions about their successor (as stated in the Standing Orders). This related to the Chairing of an agenda item regarding the appointment of the Chair Designate. The second recommendation was that the Remuneration Committee should meet once a year (as required under its Terms of Reference).</p> <p><b>Agreed:</b> That the Audit recommendations be endorsed.</p>		
<b>Ac/10/06</b>	<p><b>Internal Audit Report – Procurement</b></p> <p>Mr Seager advised that the internal audit report on procurement was a draft as the management action plan had recently been completed and needed to be considered by the audit team. The opinion though was of substantial assurance.</p> <p><b>Agreed:</b> The internal audit report on procurement be considered at the next meeting of the committee.</p>	JKB/DPL	
<b>Ac/10/07</b>	<p><b>Rolling Review of Internal and External Audit Recommendations</b></p> <p>The Committee noted an updated report on action taken in response to Internal and Financial Statements Auditors’ recommendations. Several recommendations had been completed since the production of the report with only two</p>		

	<p>recommendations remaining outstanding – the inclusion of the updated version of the sales procedure in the College financial procedures and the updating of the asset management procedures. All other internal and external audit recommendations had been completed.</p> <p>The committee considered a recommendation made in September 2007 for the College to request, through a user group, for system changes to be made to management trail reports. The request had been made but changes had not been actioned.</p> <p><b>Agreed:</b></p> <p>(a) The report on audit recommendations to be noted and the action on management trail reports to be classified as uncompleted and monitored accordingly.</p> <p>(b) Internal Audit to consider altering the wording of future audit recommendations from 'asking or considering an issue' to 'pursuing an issue until satisfied or until the organisation sees fit'.</p>	JKB/VW	22.06.10
		RS	
<b>Ac/10/08</b>	<p><b>Annual Risk Management Report</b></p> <p>Presenting the annual risk management report, Mr Gregory stated that the internal audit of risk management had provided full assurance. The audit had identified that risk management was actively encouraged from the Corporation level down and that consideration of risk permeated through the organisation.</p> <p>Risk was considered at a strategic and operational level including the Corporation considering major and significant risks at its annual strategic workshop, the SMT considering risks on a weekly basis and Heads of Department considering risk as part of their departmental developmental plans.</p> <p>Issues regularly considered by the SMT included changes to the qualification framework and funding, collaborative working with LEAs and the collaborative agenda, student recruitment and health and safety.</p> <p>There had been no identified required changes to be made to the risk management policy since its last review by the Committee in March 2009.</p> <p>Future key risks included the development of the farm and managing the growth in student numbers.</p> <p><b>Agreed:</b></p> <p>The annual risk management report be noted.</p>		
<b>Ac/10/09</b>	<p><b>Statement of Risk Appetite and Strategic Risk Register</b></p> <p>The strategic risk register and statement of risk appetite had been updated in the light of discussions held at the Corporation strategic workshop on 26 January 2010. Strategic risks up to the 2015-16 academic year had been identified and the statement of risk appetite and risk register would be considered by the Corporation alongside the strategic plan.</p>		

	<p>A gap between strategic targets for apprenticeships and recruited numbers was discussed and the importance of continuing to develop relationships with employers identified.</p> <p>With regard to pension costs, the College had a statutory obligation to provide both the LGPS and Teachers Pension Scheme. Mr Miller advised that pension funds had to accommodate people living longer and the actuary was highly unlikely to use more conservative mortality assumptions. The importance of the College seeking advice from a pension consultant was identified.</p> <p>Mr Seager advised that internal audit had a scale whereby the College could measure how well risks were embedded.</p> <p><b>Agreed:</b></p> <p>(a) The statement of risk appetite and strategic risk register be noted and considered by the Corporation at its next meeting.</p> <p>(b) A scale to measure the embedding of risks to be provided to Mr Gregory.</p>	JKB RS	30.03.10
<b>Ac/10/10</b>	<p><b>Finance Manual</b></p> <p>Three chapters of the finance manual had been revised and updated to reflect current procedures and remove unnecessary burden. The chapters were major capital expenditure, asset disposal and financial planning, budgeting and budgetary control.</p> <p>Mr Evans welcomed the move to reduce unnecessary burden and a more enabling approach to financial procedures but expressed concern at the length of the documentation and if it was in a digestible enough format for budget holders. Ms Wilkinson advised that a concise summary of operating procedures would be produced from the revised finance manual and this would be provided to budget holders to work from.</p> <p>The documentation would need to be altered to reflect the demise of the LSC and the linkage of the documentation with schemes of delegation, standing orders and terms of reference would also need to be considered.</p> <p><b>Agreed:</b></p> <p>The Corporation be recommended to approve the proposed financial guidelines for major capital expenditure, asset disposal and financial planning, budgeting and budgetary control.</p>	JKB	30.03.10
<b>Ac/10/11</b>	<p><b>Date of Next Meeting</b></p> <p>The next meeting would be held on Tuesday 22 June 2010 at 4.00 pm. There being no further business the meeting closed at 5.10pm.</p>		

JKB 02/12/09

Signed..... (chairman) Dated.....