



North Nottinghamshire
COLLEGE

**North Nottinghamshire College Corporation
Minutes of the Audit Committee Meeting
held on 1st December 2009**

09.41 Membership

Mr M Lloyd (Chair)
Mr K Green
Ms D Needham
A Mr A Stott

In attendance

Mr G Adams Director of Finance & Resources
Mr M E Murphy Clerk to the Corporation
Mr A Bush KPMG
Mr J Neal Assistant Principal
Mr M Redfern Grant Thornton

09.42 Apologies

Apologies were received from Ms Needham and Ms Oaks

09.43 Declarations of Interest

There were no declarations of interest

09.44 Minutes of the Meeting held on 24th September 2009

The Minutes were approved as a true and accurate record and signed by the Chair

09.45 Matters arising.

There were no matters arising.

**09.46 External Auditors Report, Key Issues Memorandum
and Financial Statements for the year ending 31st July 2009**

Mr Redfern spoke to the papers.

09.46.1 Confidential.

09.46.2 With regards to the section in the Key Issues Memorandum dealing with capital projects Mr Redfern confirmed that the College's expenditure had been made in a regular and proper way although there was no final substantive income to the project because of the withdrawal of capital funding by the LSC. He emphasised that the effect of the professional fees incurred in relation to the proposed capital spend was to reduce the College's reserves to approximately £25,000. On this basis he advised that the College should carefully document any decisions it made in the future to incur expenditure.

Following a question from Mr Lloyd Mr Adams confirmed that the College's cash levels ran at between £5 and £6M for most of the year.

Mr Green asked why the net pension liability provision in the College's balance sheet had increased so significantly. Mr Redfern confirmed that this was linked to the value of the funds investments and a revision in the deemed underfunding of the College's contributions.

RESOLVED 09.46.3 That it be recommended to the Full Corporation that the External Auditors report, Key Issues Memorandum and Financial Statements for the year ended 31st July 2009 be approved.

Mr Redfern left the meeting.

09.47 Timetabling and Register Processes

Mr Neal spoke to the report.

He confirmed that the College's move to the Celcat Sat had increased accuracy. This system was more usable and this was reflected in staff take up and real time use.

He confirmed that a full register audit will take place during the next half term and that he will be able to report back to the committee in future if required.

The Clerk confirmed to the meeting that consideration was being given to having a demonstration of the new system to the committee or the Full Corporation in due course.

The report was received.

Mr Neal left the meeting.

09.48 The Annual Internal Report for year ending 31st July 2009

Mr Bush spoke to the report. He confirmed that audit days originally allocated to new funding streams and the College's property strategy had in fact been utilised to review success rate.

He emphasised that the report was good.

In turn Mr Adams emphasised the positive responses given by management to issues raised and the progress that had been made regarding those issues. Mr Bush agreed that the dialogue regarding internal audit matters over the last two years was positive.

The report was received.

09.49 Internal Audit and Strategy Plan for 2009/2010

Mr Bush spoke to the report.

He confirmed that following the review of the plan by the committee at its September 2009 meeting two revisions have been made. Firstly the audit of the health and safety had been removed, secondly the audit of marketing had been retained so that the committee could consider the merits of such a report at its March 2010 meeting on the basis that reports to Full Corporation may have dealt with the issue.

The report was received.

Mr Bush left the meeting.

09.50 Annual Risk Management Report and Risk Management Policy

Mr Adams spoke to the report.

He commented that the risk management process was clearly allowing the College's management team to review and manage issues perceived as risks.

He emphasised that the high level indicators within the report were at a very similar level to last year. He continued by confirming that the key risk appearing was the reduction in the College's reserves.

Following a question from Mr Green Mr Adams clarified the accountancy rules regarding the

difference between maintenance and asset purchase. He continued by confirming that B Block had not yet been fully depreciated in the College's accounts and would not be so until 2043.

Mr Green commented that the College's pension deficit was not as serious as that seen in many private companies and there was nothing to suggest that the assets of the pension fund will not grow over the next year just as they had fallen in the previous year.

Mrs Straw explained the workings of the pension fund's tri-annual valuation process to the committee.

The report was received.

09.51 The Annual Report of the Audit Committee

The Clerk spoke to the report.

Mr Adams confirmed to the committee that both the internal and external audit provision of the College would be put out to tender through CPC in February 2010. The process would tender the provision of external audit services for 2009/2010 and thereafter and for internal audit services for 2010/2011 and thereafter. He commented that both current providers would be asked to tender regardless of whether or not they were on the CPC preferred list.

**RESOLVED 09.51 That it be recommended to the Full Corporation
that the Annual Report of the Audit Committee
be approved.**

09.52 Equality and Diversity Impact

None

09.53 Governance Risk

09.53.1 Confidential

09.53.2 It was also noted that the drop in the College's balance sheet reserves was a new Governance risk.

09.54 Confidentiality

Confidential

09.55 Date and Time of the next meeting

The next meeting would be held on Tuesday 23rd March 2010 at 6.00pm