



CITY OF BRISTOL COLLEGE

MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 24 MAY 2007 IN THE COMMITTEE ROOM BEDMINSTER CENTRE AT 9.00 AM

Present: R Eke, M Pemble (Chairman), J Scaife and D Simpkins

In Attendance:

J Bentley	-	Director of Finance & Learner Information
A Campbell	-	Internal Audit Manager, Bentley Jennison
H Cargill	-	Director (Risk Management), Bentley Jennison
K Elliott	-	Principal
M Rowley	-	Audit Partner, KPMG
R Thorold	-	Director of Resources and Estates
I Venn	-	Clerk to the Corporation
P Griffiths	-	Committee Services Officer

1 DECLARATION OF INTEREST

There were no declarations of interest pertaining to the Agenda.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from J Killick.

3 MINUTES OF MEETING HELD ON 5 APRIL 2007

The Minutes were agreed as a true record.

4 MATTERS ARISING FROM THE MINUTES OF 5 APRIL 2007

4.1 Minute 13 EXTERNAL AUDIT

The Committee was reminded that the Director of Finance and the Audit Partner had been requested to review interim audit arrangements for 2006/07, with the aim of ensuring the final audit is conducted effectively and meets Committee deadlines.

Members received a copy of a letter from M Rowley, Audit Partner, KPMG, confirming arrangements for the 2006/07 audit, including a timetable and other key issues that had been discussed with the College. He drew Members' attention to areas of focus outlined in the letter and issues which could impact on the College year end outturn.

The Committee received the report and welcomed the professional approach of College and External Audit staff to ensure an effective external audit for 2006/07.

5 INTERNAL AUDIT REPORTS

A Campbell presented one Internal Audit report to the Committee.

5.1 Cashflow and Working Capital Management

The Committee noted that the Internal Auditors had undertaken an initial review of the establishment of a robust cashflow and working capital forecasting mechanism in 2005/06. The purpose of the review in 2006/07 was to ensure that the process continues to operate effectively and is continually tested and enhanced, based on lessons learned from comparing forecast to actual.

The Auditors had concluded that the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the College's objectives for this area are adequately managed and controlled. There was one recommendation classified as **merits attention**.

The Committee received the report.

Members noted that in line with the proposal made at the last meeting, the Committee would only be sent the Executive Summary and Action Plan of reports that provided substantial assurance, together with an extract if there is a significant recommendation.

6 INTERNAL AUDIT PROGRESS REPORT

The Committee received a report that summarised the outcome of work from the Internal Audit Plan 2006/2007 that has been completed to date.

It was noted that following a meeting with the Vice Principal, Curriculum and Students, it was proposed to defer the audit on Part-time Lecturers until January 2008.

The Committee received the report and agreed to defer the audit on Part-time Lecturers to 2007/08, noting the reallocation of the five planned days to undertake the audit would be the subject of discussion between Principalship and Bentley Jennison.

Action: Director of Finance/Bentley Jennison

7 MINISTRY OF DEFENCE (MOD) AUDIT

The Director of Finance informed the Committee that the College had two contracts with the MOD which had been the subject of a recent audit by a member of MOD staff. A formal report was awaited, but no issues about financial matters had been raised.

The Committee received the report.

8 FINANCE ACTION PLAN UPDATE

The Committee was reminded that a Financial Action Plan had been implemented in order to avoid a recurrence of the situation that arose at the end of 2005/06, where the forecast surplus was not achieved and the outcome and causes were not identified until after the year-end. Members were further reminded that Bentley Jennison (Consultancy) had been asked to review the plan for adequacy, make recommendations for additional improvements and assess skills gaps and training requirements of staff.

Members were reminded that the Board had requested the Committee to monitor the plan.

The Director of Finance presented a summary of progress made with the revised Financial Action Plan, which incorporated recommendations from the Bentley Jennison Report.

The Committee received the report, noting future reports would outline the extent to which actions had been completed.

Action: Director of Finance

9 AUDIT ACTION PLAN UPDATE

Members received a report, which detailed the progress made in completing actions identified in audit reports. There was a brief discussion about the benchmark used by the Internal Auditors in assessing the College's progress in completing action points. Bentley Jennison agreed that the benchmark was somewhat unrealistic and was being reviewed.

The Committee received the report.

10 RISK MANAGEMENT REPORT

The Committee received:

- Minutes of a meeting of the Risk Management Group (RMG) held on 1 May 2007; and
- an updated flow chart relating to the Risk Management and Business Planning Cycle.

Members noted that the RMG had:

- reviewed the Risk Management Register and Plan;
- agreed to embed risk management through the use of sub groups and middle managers competencies; and
- discussed Business Continuity Planning for minor incidents.

It was further noted that a risk management specialist from Zurich Municipal Insurance, who have been commissioned to assist the College in further embedding risk management, had attended the RMG meeting.

Members also noted that due to the re-alignment of faculties within the College, timing of the Business Planning Cycle had slipped and planning meetings were still taking place.

The Committee received the report.

11 EXCEPTION AND INFORMATION REPORT

The Committee noted that no exceptions to the Financial Regulations had been notified to the Clerk.

12 ANY OTHER BUSINESS

The Clerk reminded auditors that they were required to complete an annual self assessment and that they could use their own methodology to carry out the task.

There was no other notified business.

13 DATE OF NEXT MEETING

It was noted that the next Meeting would be held in October 2007 at the Bedminster Centre. The date would be notified to Members.

The meeting closed at 9.37 a.m.