

Minutes of the Audit Committee of Tresham Institute of Further and Higher Education held on Thursday 20 November 2008 at 14.30 hours in the Principal's office, Windmill Avenue, Kettering.

Present: M Lumsden (Chair)
P Wardle
A McGlyn

In attendance: S Kind (Director of Finance)
B Devitt (Baker Tilly)
Chris Robinson (Clerk to the Governors)

A42/08 Apologies

1 There were no apologies.

A43/08 Minutes of meeting held on 9 October 2008

2 The Chair asked about progress on health and safety matters. S Kind replied that the College Leadership Group now receives a monthly report on health and safety and Health and Safety Manager now has an assistant. The Chair requested the Clerk to ensure that an item reporting progress in implementing health and safety appears on the agenda of the next meeting.

A44/08 Matters Arising – Review of Progress towards Auditors Recommendations

3 S Kind presented Paper B, Review of Progress towards Auditors Recommendations. He stated that there was good progress and in response to a question from the Chair described the process of checks to ensure that the recommendations were carried out.

A45/08 Financial Statements Auditors

- a) Baker Tilly Report
- b) Financial Statements Year Ended 31 July 2008

4 B Devitt presented the findings of the Baker Tilly report and regularity audit. He referred the Committee to page 2 of the report and said at this stage the auditors were able to offer an unqualified opinion. In section two, information from the accounts showed a surplus of £237,000 which was an improvement on last year. The Committee noted and discussed the impact of FRS17, the Local Government Pension Scheme on the accounts; S Kind and B Devitt said all colleges were in the same Position.

Section 3 of the report identified some audit and accounting issues although B Devitt said he was content with the figures audited. Accommodation Strategy is a key area to be watched although at present things were relatively quiet. B Devitt flagged the St Mary's Road site and asked what would occur if the contract was not met by 31 December 2008, S Kind said that at present Barrats did not wish to walk away. The Committee noted the risk of Barrats attempting to re-negotiate the price and S Kind said the Institute would obtain a revaluation of the site.

In reply to a question concerning auditor's fees, B Devitt said extra work had been completed on VAT services and there had been a special franchise review project concerning the past Milton Keynes franchise.

B Devitt went through the draft letters of representation which the Board needed to confirm, the Chair asked if there were any exceptional parts in the letters, B Devitt said no. The Chair asked S Kind to read through the letters and report back to the next meeting.

B Devitt presented the Financial Statements Year Ended 31 July 2008 and referred the Committee to page 21 which gave snapshot balance sheet noting that the growth in income was nearly all from the LSC. The Committee unanimously received the accounts and recommended them to the Board.

A46/08 Draft Audit Committee Annual Report to the Board

5 The Clerk presented the Draft Audit Committee Report to the Board 2007/2008 which detailed the work of the Audit Committee over the year. The Committee

received the report and recommended it to the Board.

A47/08 **Banking Arrangements**

6 S Kind gave the Committee a brief summary of why the Institute wished to change its operational banking arrangements from HSBC to Barclays Bank from December 2008. He said the Institute would receive a better and more focused service from Barclays. It was proposed by P Wardle, seconded by A McGlyn and unanimously agreed *to recommend that Barclays Bank be bankers to the Institute.*

A48/08 **Any Other Business**

7 There was no other business.

A49/08 **Date of next meeting** – Thursday 4 December 2008 at 15.30 hours.