



**Minutes of the  
Audit Committee Meeting  
held in the Learning Resource Centre at the Sutton Coldfield Campus  
on Wednesday 16 December 2009 at 7.45am**

**Present:**

Mr S Sharma (Chair)  
Mr K Culliford (KC)  
Mrs M Dufaye (MD)  
Mrs C Levine (CL)  
Mrs J Richard (JR)

**In Attendance:**

Mr B Pattni (Executive Director Finance and Data Management)  
Mrs C Bennett (Clerk to the Corporation) (Clerk)

**Apologies for Absence:**

Mr B Gambles

**Item 1 – Audit Committee Annual Audit Report**

- 1.1 The purpose of this short Audit Committee meeting was to discuss the Annual Report of the Audit Committee and matters to be approved by the Corporation.
- 1.2 It was agreed by the Committee that the Chair would orally present the Annual Report of the Audit Committee at the next Corporation Meeting (to be held immediately following this Audit Committee Meeting). The Chairman stated that he would explain that the amendments to the draft report included in the Corporation papers were minor and that final copies would be circulated to all members of the Corporation.
- 1.3 It was agreed that the LSC guidance be consulted in relation to the Report and assistance obtained from Kath Wood (Executive Director Quality Improvement) to ensure that there were no omissions to the report.

## **Item 2 – Risk Register**

- 2.1 The Chair confirmed that the Risk Register was reviewed at the Audit Committee meeting on 7 December 2009 and would require Corporation approval.
- 2.2 It was agreed that copies of the Risk Register be available for Corporation members at their meeting.

## **Item 3 - Insurance**

The Chair confirmed that the College's insurance policies were presented to the Audit Committee on 7 December 2009. It was agreed that the Chair would provide a brief summary at the Corporation Meeting immediately following this meeting.

## **Item 4 - Internal Auditors Annual Report**

- 4.1 The Chair explained that this was presented to the Audit Committee by the College's internal auditors at the meeting on 7 December 2009.
- 4.2 The Chair confirmed that he would be reporting to the Corporation the following:
  - 4.2.1 Overall the Colleges' internal auditors had provided a "reasonable assurance" on the systems of internal control;
  - 4.2.2 There are two high risk areas – staff appraisals and disaster recovery for both colleges;
  - 4.2.3 That at Matthew Boulton there was an additional recommendation in relation to funding claims for work based learners.
  - 4.2.4 The Auditors met their own targets except for timing (although this in large part was the result of the merger);

## **Item 5 – Audit Needs Assessment and Annual Plan**

- 5.1 The Chair explained that this was presented to the Audit Committee by the College's internal auditors at the meeting on 7 December 2009.
- 5.2 The Chair confirmed that he would be reporting to the Corporation on behalf of the Audit Committee that it recommended approval of the Annual Audit Plan (copies of which would be circulated at the meeting) which envisaged 60 days of internal audit work at the college for the year.

## Item 6 – External Auditors Management Letter

- 6.1 The Chair explained that the College's external auditors presented this item to the Audit Committee at the meeting on 7 December 2009.
- 6.2 KPMG provided their management letter for the year, they commented:
- On the stable underlying trading positions of both colleges
  - On the fact that their work on the financial statements was largely complete and they anticipated providing an unqualified audit opinion.
- 6.3 KPMG make one high priority recommendation relating to monitoring of cash balances.
- 6.4 KPMG conclude that the colleges risk management and corporate governance arrangements are adequate.

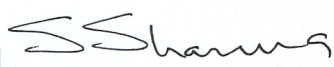
## Item 7 – Letters of Representation

- 7.1 JR asked for clarification of the need for all members to sign the ISA form. BP explained that it is an International Standard of Accounting whereby members declare whether they are aware of any fraudulent activity, breach of law or regulations and how it impacts on the accounts. For completeness the College's external auditors ask for all three admissions to be made by the members of the Corporation, the Executive Board as well as the Academic and Strategic groups. The Auditors wished to see this declaration along with members' declarations of interests.
- 7.2 The Committee reviewed the letters of representation from the Corporation to the financial statements auditors and recommended that the Corporation approve them.

## Any Other Business

There was no other business.

The meeting closed at 7.55am

Signed  .....

Date 17/3/10 .....