

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 11 NOVEMBER 2015 AT 4.00 PM
IN ROOM L8 AT THE ISLE OF WIGHT COLLEGE**

Present:	Mrs Jessica Garbett	Chair
	Dr Nick Sinnamon	Vice Chair
	Prof Nigel Hastings	Governor
	Mr Mike Hosking	Governor
	Mrs Sheila Paul	Governor
	Mr Graham Cooper	Co-opted Governor
In Attendance:	Mrs Debbie Lavin	Principal
	Mr Peter Thompson	Lead Officer
	Tracy Bull	College Accountant
	Brian Bowker	Clerk to the Corporation
In Attendance (External)	Ms Karen Cairns	
Apologies:	Ms Iona Bond, Southern Internal Audit Services	– <i>Not required</i>

ACTION

32/15 DECLARATIONS OF INTEREST

A declaration of interest was made by Mr Graham Cooper as an employee of Barclays bank.

33/15 COLLEGE ACCOUNTING POLICIES

The Assistant Principal – Resources and Finance reminded Members that before the annual report and financial statements can be recommended for approval by Corporation, the accounting policies on which the accounts are based must be reviewed and agreed by Corporation. He stated that the pro forma completed by the College is the same as last year and there are no issues. The Chair responded to a question regarding signing off the accounting policies and reminded Members that the accounting policies are subsumed into the main College accounts.

The Committee RECOMMENDED the accounting policies to the Corporation for APPROVAL.

34/15 STATEMENT OF INTERNAL CONTROL AND CORPORATE GOVERNANCE

The Assistant Principal – Resources and Finance informed Members that, although accountable to the Skills Funding Agency the College is guided by LSC Circular 02/07 which sets out advice to the Principal regarding the Principal's certificate for the System of Internal Financial Control. The purpose of the certificate is to report on the organisations system of internal controls and on their effectiveness. The Chair asked if the framework questions are reviewed by the finance team and assessed for relevance and was informed that they are.

A question was asked regarding the “back up” for College systems and the Assistant Principal provided a detailed and reassuring response to Members.

The Committee CONSIDERED the statement on the system of Internal Financial Control and the evidence used to produce it.

35/15 DRAFT FINANCIAL STATEMENTS 2014/15

The College Accountant took Members through the financial statements and informed Members that they show an operating surplus (before restructuring, FRS17, revaluation reserves – but including fixed asset disposals) of £134,000. Questions were asked for clarification regarding the £134,000 and a detailed response was provided.

A question was asked by the Co-opted member regarding the pension liability and the fact that it is almost one third of the net tangible assets of the College and how concerned Members should be about this. The Chair explained the pension liability to Members and informed them that this is a common position for most public sector organisations. Whilst it is a concern for the College and needs to be monitored it would have a negative impact on all public sector organisations.

The external audit representative stated that a few minor and non-substantive changes would be made before the financial statements are finalised. Discussion took place regarding the (going concern) and the Principal asked for it to be addressed this year.

KC

The Committee CONSIDERED and RECOMMENDED for APPROVAL to Corporation the financial statements of the Isle of Wight College for 2014/15.

36/15 FINANCIAL STATEMENTS MANAGEMENT LETTER

The external audit representative informed Members that her company had been rebranded now as RSM UK. She stated that the report includes several process improvements and unadjusted/adjusted missed statements. However, the overall findings were good and there were no concerns. She drew attention to a few minor issues for action by the College; fixed assets and in Section 6, deficiencies in internal control/pension. The external auditors were asked to amend reference to C block in the report to E block.

TB

The Chair drew attention to page 25 and the potential impact of cross border merger on the LGPS as part of the area review exercise.

The Chair and Members thanked the finance team for their hard work and a very clean audit. This was endorsed by the Assistant Principal – Resources and Finance who mentioned the particular contribution of Graham Langridge (??) and the Chair agreed to write a formal note or letter of thanks to him.

The Committee RECOMMENDED the management letter to Corporation for APPROVAL and SIGNATURE.

37/15 LETTER OF REPRESENTATION

The Committee CONSIDERED the report and RECOMMENDED the letter of representation to the Corporation for APPROVAL.

38/15 SKILLS FUNDING AGENCY FINANCE RECORD

The Chair drew attention to an incomplete box on the final page and was informed that it would be completed prior to submission.

The Committee CONSIDERED the report and RECOMMENDED the SFA finance record to Corporation for APPROVAL.

39/15 SELF ASSESSMENT QUESTIONNAIRE FOR REGULARITY AUDIT

The Assistant Principal – Resources and Finance reminded Members that the SAQ is reviewed on an annual basis and needs to be considered and approved by the Corporation at the same time as the financial statements.

The Chair asked the external audit representative if it was a useful document for the audit team and was informed that it is. She was asked to check the status of the SAQ.

KC

The Committee CONSIDERED the SAQ and RECOMMENDED it to Corporation for APPROVAL.

40/15 FINANCIAL STATEMENTS DELAMITE LIMITED 2014/15

The Committee RECOMMENDED the Delamite financial statements to Corporation for APPROVAL.

41/15 DELAMITES LIMITED: LETTER OF SUPPORT

The Committee RECOMMENDED the Delamites Ltd letter of support for APPROVAL and SIGNATURE.

42/15 ANY OTHER BUSINESS

The Chair formally thanked SMT, the College Finance Team and the external auditors for their good work. The Assistant Principal – Resources and Finances paid particular thanks to RSM UK for their significant support in enabling the College to develop its finance systems.

43/15 DATE OF NEXT MEETING

The Clerk was asked to identify appropriate meeting dates and the Chair indicated that she was away until the 12 December 2015.

Date: _____ Chair: _____

MISSION STATEMENT
Putting Students First
Working for Employers
Supporting our Community