

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 19 NOVEMBER 2008 AT 4.00 PM
IN ROOM A7 AT THE ISLE OF WIGHT COLLEGE**

Present:	Mr John Pulsford Mr Peter Shaw	Chairman
In attendance:	Mr Brian Bowker Mr Stephen Lamdin J. Cains	Clerk to the Corporation Director of Finance Tenon Audit Ltd
Apologies:	Mrs Debbie Lavin Ms Lynne Christopher Dr Nick England Mr Bob Streets	Principal (maternity leave) Acting Principal (work) (work) (work)

ACTION

15/08 APOLOGIES

Apologies were received from Mrs Lynne Christopher (work), Dr Nick England (work) and Mr Bob Streets (work).

16/08 DECLARATION OF INTERESTS

There were no declarations of interest.

17/08 MINUTES OF THE MEETING HELD ON 7 OCTOBER 2008

Members received the Minutes of the meeting held on 7 October 2008.

Resolved that the Minutes of the meeting held on 7 October 2008 be APPROVED and signed.

18/08 MATTERS ARISING FROM THE MEETING OF 7 OCTOBER 2008

The issue of outstanding training was raised and the Clerk stated that he had discussed this with Mr Streets.

19/08 RISK MANAGEMENT AND ANNUAL RISK REPORT

The Director of Finance reported that the Internal Auditors, at their recent audit were critical of the nature of the Risk Management document, the lack of Risk Management group meetings and a view that risk is not embedded throughout the College. They also stated that further work needed to be done with Governors and SMT. These concerns to be addressed by the Director of Finance.

SL

Members Recommended the Risk Management Annual Report for APPROVAL by Corporation.

20/08 ACCOUNTING POLICIES

The Director of Finance took members through the report and suggested that reference to the impairment charge should be included in it. The policies were approved subject to the Director of Finance checking the above and including if necessary.

SL

The Committee Recommended the Accounting Policies for APPROVAL by Corporation.

21/08 CORPORATE GOVERNANCE STATEMENT

The Director of Finance tabled an updated standard LSC statement which was considered by the Committee.

The Committee Recommended the Corporation Governance Statement for APPROVAL by Corporation

22/08 STATEMENT OF INTERNAL CONTROL

It was noted this was a standard LSC document and followed the same format as last year.

The Committee CONSIDERED the Statement of Internal Control

23/08 2007/2008 FINANCIAL STATEMENTS

The Director of Finance tabled updated accounts. It was noted that there were no material changes to the key figures on the previously circulated document. The Chair asked for clarification on the impairment charge. The Tenon representative explained to members the implications of the impairment charge.

The Chair raised a number of issues he had identified in the Report and Financial Statements for the year ended 31 July 2008. These were satisfactorily addressed by the Director of Finance but he was asked to check Note 6 'Staff Costs' and Note 36 'IWIGTS (provisions and liabilities)'. **SL**

A further question was raised about the projected increase in Higher Education and the planned increase was confirmed by the Director of Finance. The Director was asked to add "Other Educational Establishments" to the list under Stakeholder Relationships on Page 8. He also agreed to add a comment under the headings of "Treasury" and "Liquidity" and add in reference to £15m expenditure on the new 6th Form under the 2 issues listed on Page 7 under Government Funding. **SL**

The Director of Finance then took Members through the Adjusted and Unadjusted Errors'.

The need to adjust 'Tuition Fee Debtors' prior to the December 2008 Corporation meeting was noted. **SL**

The Committee Recommended the 2007/2008 Financial Statements for APPROVAL by Corporation subject to any minor amendments.

24/08 LETTER OF REPRESENTATION

The Director of Finance tabled a revised letter which was considered.

The Committee Recommended the Letter of Representation to Corporation for APPROVAL.

25/08 DELAMITE FINANCIAL STATEMENTS 20072008

The Director of Finance tabled updated Financial Statements for Delamite Ltd. For consideration.

The difference from the paper circulated earlier related to cash at bank and in hand, statement of movements on profit and loss and reconciliation of movement in shareholders' deficit.

Members Recommended the Delamite Financial Statements 2007/2008 to Corporation for APPROVAL.

26/08 LETTER OF SUPPORT - DELAMITE

Discussion took place regarding the College's acquisition of IWIGTS and the College subsidiary, Delamite.

It was noted that Tenon had not identified any significant issues and would issue an unqualified regularity audit.

Members Recommended the Audit Management Letter to Corporation for APPROVAL.

The Tenon representative left the meeting at this point.

27/08 FINANCIAL MANAGEMENT AND CONTROL EVALUATION (FMCE)

The Director of Finance took members through the report; identifying the eight areas covered by the FMCE and explained the rationale for this new document which has replaced the SARQ.

The Committee Recommended the FMCE for APPROVAL by Corporation.

28/08 AUDIT COMMITTEE ANNUAL REPORT

Members considered the report. It was noted that the updated Audit Terms of Reference had been produced and approved by Corporation in 2008.

The Committee Recommended the Audit Committee Annual Report for APPROVAL by corporation

29/08 AUDIT ISSUES LOG

The revised Audit Issues Log was considered by members and no significant matters were identified.

The Committee CONSIDERED the Audit Issues Log.

30/08 DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT

There were no items to discuss.

31/08 ANY OTHER BUSINESS

There were no items of any other business.

32/08 DATE OF NEXT MEETING

NB The scheduled date was revised to 11 February 2009 at 4 pm in room A7.

Date: _____ Chairman _____

MISSION STATEMENT

**Putting Students First
Working for Employers
Raising Community Aspirations**