



*“To promote lifelong learning for individuals and industry through the understanding and enjoyment of flowers, trees, plants and animals for career, business, educational and leisure purposes.”*

**MINUTES OF THE AUDIT COMMITTEE MEETING  
HELD AT 5.15PM ON THE 2<sup>ND</sup> DECEMBER 2009**

- Members:** Roger Abraham, Chairman and Governor  
Gareth Dufton, Independent Member  
Tony Leach, Governor  
Ron Melville, Governor  
Vacancy, Governor
- Other Representatives:** Sarah Mason, Baker Tilly  
Graham Bradley, Scrutton Bland  
Teresa Sharman, Scrutton Bland
- Present:** Sue Adams, Clerk to Governors  
Steven Dowbiggin OBE, Chief Executive Officer  
Nicholas Evans, Director of Estates and Buildings  
Damien Fallon, Director of Finance  
Madeline Hall, Head of College

Prior to the meeting the Chairman welcomed Graham Bradley and Teresa Sharman, representatives of Scrutton Bland, to their first meeting of the Audit Committee.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Ron Melville (Governor) and Simon O’Hear (Personnel Manager). Gareth Dufton was not in attendance.

**2. MINUTES OF THE MEETING HELD ON THE 30<sup>TH</sup> JUNE 2009**

RECEIVED paper 2, minutes of the Audit Committee meeting held on the 30<sup>th</sup> June 2009.

The minutes were approved and signed by the Chairman as a true record of the meeting.

**3. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON THE 30<sup>TH</sup> JUNE 2009**

RECEIVED paper 3, matters arising from the minutes of the meeting held on the 30<sup>th</sup> June 2009, for information.

### **3.1 Item 4.8 – Internal Audit Tendering Process**

NOTED that the Internal Audit Tendering Process had been completed. The appointment of Scrutton Bland to provide the Internal Audit Service was reported under agenda item 18, Appointment of the Internal Audit Service for 2009/10 to 2011/12;

### **3.2 Item 5 – VAT returns**

NOTED:

- i. the response from Andrew Baker, Davis Mayers Tax Advisers, who undertook the VAT return is attached as Appendix I to the minutes;
- ii. the Director of Finance would undertake an assessment of the complexity of the work undertaken by Davis Myers during 2009/10 and the benefits that accrue from any tax they save the college. The Director of Finance will report the outcome of his assessment to the Audit Committee at the end of 2009/10 academic year;

### **3.3 Item 6 – Value for Money**

NOTED that Value for Money was discussed by members of the Finance and General Purposes Committee at their meeting on the 25<sup>th</sup> November 2009.

## **4. REPORT OF THE DIRECTOR OF FINANCE**

RECEIVED paper 4, Report of the Director of Finance for information

NOTED that:

- i. the report summarised the Internal Audit Service, Financial Statement Service and other assurance services which had been undertaken during the 2008/09 academic year. These would be considered in more detail in later agenda items;
- ii. the two instances of attempted cheque fraud had also been reported to the Finance and General Purposes Committee. The Director of Finance had also kept the Chairman of Audit fully updated. The college did not suffer any financial loss as a result of the attempted frauds as the bank reimbursed the amounts in full.

## **5. REVIEW OF AREAS SUSCEPTIBLE TO FRAUD**

RECEIVED paper 5, report of the Director of Finance for decision

TABLED replacement 3 of 3 of Appendix I to the report (Review of areas susceptible to fraud and/or irregularity)

NOTED that

- i. as part of the financial statements audit, the auditor is required to obtain a representation from the governing body that it has disclosed its knowledge of fraud or suspected fraud affecting the college in terms of misappropriation and financial reporting;
- ii. the Fraud Review Schedule provides the Governing Body with the necessary assurance from the Senior Management Team to be able to make the necessary representations about its assessment of the risk of fraud and the internal controls to prevent and detect fraud;
- iii. this is also relied upon by the Internal Auditor and the Financial Statements Auditor in conducting their work;
- iv. the areas susceptible to fraud are reviewed annually;
- v. the addition of a further risk area “Staff Recruitment and Training”. Checking past history of new staff and fraud awareness raising were identified under this heading. The college controls in place to mitigate the risk are:
  - Personnel check of Criminal Records Bureau and past employer references
  - Obligations specified in section 13.4 of the college’s Financial Regulations
  - Obligations specified in the college’s Whistleblowing policy

**RECOMMENDED TO THE GOVERNING BODY that the Fraud Review Schedule for 2008/09 is adopted. (See Governing Body paper 14a)**

**6. AUDIT OF QUALITY CYCLE 2008/09**

RECEIVED paper 6, report of the Head of College for information

NOTED

- i. the report was a succinct summary detailing quality cycle completion against the planned timetable for 2008/09;
- ii. with the exception of the staff survey which was administered a month later than planned, all internal and external deadlines were met;
- iii. it was planned to administer the next staff survey one month earlier (mid May) in 2010;
- iv. the Framework for Excellence surveys (for students and employers) were administered but yielded low response rates. The Framework for Excellence

report itself was not received until the end of May 2009 and was therefore too late for use in informing in-year quality improvement;

- v. the meeting discussed whether the Business Plan should be completed prior to the Strategic Planning Away Day (17<sup>th</sup> June 2009) where the Business Plan is part of the agenda. The Head of College advised that this was an internal document needed by April to inform what the college hopes to achieve in the following academic year and to assist in the allocation of budget resources for the coming year;
- vi. members felt it would be useful to add the 17<sup>th</sup> June 2009 (Strategic Planning Away Day) with “consideration of the Business Plan” against this date;
- vii. that the final business plan was prepared for consideration by the Finance and General Purposes Committee and the full Governing Body subsequent to the Strategic Planning Away Day. The document includes amendments agreed at the Strategic Planning Away Day and determines the budget priorities for the following year and the three year rolling strategic plan and financial forecast.

## **7. VISIT TWO OF THE INTERNAL AUDIT SERVICE FOR 2008/09 (Final Report)**

RECEIVED paper 7, report of the Director of Finance for decision

NOTED that:

- i. at the Audit Committee meeting of the 30<sup>th</sup> June 2009 members noted that, because of the short timescale between Visit Two of the IAS and production of the reports, there had not been the usual opportunity for reflection and discussion;
- ii. the second internal audit report from MacIntyre Hudson LLP for the 2008/09 financial year was recommended to the July 2009 Governing Body for adoption with the exception of pages 28, 29, 30 and 31 relating to Estates Management and Capital Contracts;
- iii. the Internal Audit Service subsequently attended college at their own expense and reviewed the points raised by the Directors of Estates and Finance;
- iv. in respect of Estates Management the grades of recommendation remained the same but were reduced from four to two;
- vi. in respect of Capital Contracts the grades of recommendation remained the same but were reduced from two to one;
- vii. management responses were agreed for both Estates Management and Capital Contracts;

- viii. the main point of the changes identified that working practice with regard to awarding estates and capital work was more thorough than required by the Financial Regulations;
- ix. Appendices 5 (Project Form for Planned Maintenance Work), 6 (extracts from the Financial Regulations in respect of the college's code of tendering practice), and 7 (Project Form for Capital Works) were added to the report by college management to reflect the working practices;
- x. there were five outstanding recommendations from previous reports which have not yet been completed although these were all being addressed;
- xi. the meeting discussed succession planning and the need to capture the knowledge of the Director of Estates and Buildings. Although reference had been made to the length of service of the Director of Estates and Buildings under "Estates Management", it had not been identified as a risk;
- x. the CEO advised that the college was alert to succession planning but it was not indicative across the college. The Schools and Estates were well staffed and a lot of knowledge had been documented in respect of the estates. Controls were in place and operational, for example a central register of all agreements which is reviewed annually;
- xi. the CEO advised that in a small diverse organisation there was a need to keep a balance between specialism and the need to keep resources sharpened;
- xii. the CEO acknowledged that there could be a problem with the small entrepreneurial side of the college's work (Customer Services Manager and Marketing);
- xiii. the meeting discussed whether 14-19 Diplomas are a vocational alternative to GCSE and A levels. The Head of College advised that the 14-19 Diplomas would bridge the vocational / academic gap and there is a very significant amount of vocational focus in the specialised learning element which is about 50% of the overall focus.

**RESOLVED that the management recommendations in response to the second and final internal audit report issued by MacIntyre Hudson LLP for the 2008/09 financial year are agreed.**

## **8. INTERNAL AUDIT ANNUAL REPORT 2008/09**

RECEIVED paper 8, report of the Director of Finance for decision

NOTED that:

- i. the Internal Audit Annual Report 2008/09 was a shorter report than normal but contains all the required elements;
- ii. five recommendations had been made by the IAS during 2008/09 with six recommendations carried forward;

- iii. the use of the word “satisfied” in the Opinion was discussed. Scrutton Bland advised that this was a standard LSC document and that the wording was also standard;

**RECOMMENDED TO THE GOVERNING BODY that:**

- i. **governors note the opinion of the Internal Audit Service, that the college has adequate and effective management, control and governance processes which should enable the college to manage the achievement of its objectives;**
- ii. **governors note there are no significant matters to draw to the attention of the Governing Body;**
- iii. **the Internal Audit Annual Report for 2008/09 be approved. (See Governing Body paper 14b)**

**9. REGULARITY AUDIT SELF ASSESSMENT QUESTIONNAIRE 2008/09**

RECEIVED paper 9, report of the Director of Finance for decision

NOTED that:

- i. the LSC requires all colleges to appoint their Financial Statements Auditors to give an opinion to the LSC on the regularity of the college’s expenditure, regardless of the source of the funds being spent;
- ii. the audit report on regularity is published as part of the financial statements;
- iii. the regularity self assessment questionnaire is a LSC document which contained pre-set questions;
- iv. the Director of Finance had two files of supporting documentation which had been reviewed by the Financial Statements Auditor.
- v. no concerns were identified with the Regularity Audit Self Assessment Questionnaire 2008/09;

**RECOMMENDED TO THE GOVERNING BODY that the completed regularity self assessment questionnaire for the year ended 31<sup>st</sup> July 2009 be adopted. (See Governing Body paper 14c)**

**10. ILR ASSURANCE AUDIT FOR 2008/09**

RECEIVED paper 10, report of the Director of Finance for decision

NOTED that:

- i. The LSC does not require an annual external audit of the college's Individual Learner Records (ILR). The ILR assurance audit was an assurance exercise which governors had chosen to undertake. Baker Tilly (Birmingham) had been appointed to undertake the assurance work;
- ii. it was Baker Tilly's view that, based on the review work carried out, the controls on ILR data within the college had been assessed as "satisfactory". The definition of "satisfactory" is:
  - all key controls in place
  - some expected controls not present
  - some evidence and documentation missing
  - unlikely that funding is at risk.
- iii. the report contained three "high" recommendations, three "medium" recommendations and four "low" recommendations. As could be seen from the management responses contained in the report, these were all being addressed;
- iv. no risk had been identified in terms of funding to be drawn down from the LSC;
- v. last year the college was assessed as "good/satisfactory" and therefore the college's assessment has slipped this year. This year Baker Tilly reflected back on the previous year and considered reoccurrences. The recurring recommendations were "low" recommendations;
- vi. the Head of College made two observations:
  - it was found that for one learner the only form of evidence on the learner file demonstrating that the learner was in receipt of income support, was that of a bank statement indicating a receipt from the DWP. The HoC advised that this was due to circumstances beyond the control of Student Registry in that Job Centre Plus was often dilatory in providing evidence and the college was loathe to deny a student a place;
  - in respect of "withdrawal dates" and "audit trail of withdrawals" the HoC felt the auditors had not sampled a "representative" sample but had focussed on late enrolments (an area management had identified to be of high risk);
- v. the Financial Statements Auditor would convey the comments arising from the ILR audit sampling process to their colleagues.

**RESOLVED:**

- i. **to agree the management responses and follow-up implementation;**

- ii. **to accept the Final ILR Review Management Report for the year ended 31 July 2009;**

**RECOMMENDED TO THE GOVERNING BODY that:**

- i. **the Final ILR Review Management Report for the year ended 31 July 2009 be approved; (See Governing Body paper 14d)**
- ii. **officers are authorised to pay the fees of £5,800 plus VAT**

**11. FINANCIAL MANAGEMENT AND CONTROL EVALUATION FOR THE PERIOD 1 AUGUST 2008 TO 31 JULY 2009**

RECEIVED paper 11, report of the Director of Finance for decision

NOTED:

- i. the option to submit a short return to the LSC was available where providers do not wish to change last year's overall self-assessed grade and have not experienced significant changes since last year;
- ii. as the college meets both the above criteria the short version of the FMCE has been completed for 2008/09;
- iii. the FMCE was a standard LSC document which is subject to continuous review and monitoring;
- iv. the Improvement Plan identifies area for improvement.

**RESOLVED to confirm and approve the completed FMCE document for the year ended 31<sup>st</sup> July 2009.**

**RECOMMENDED TO THE GOVERNING BODY that the FMCE document for the year ended 31<sup>st</sup> July 2009 be adopted for forwarding to the Regional Audit Manager of London North LSC prior to the 31<sup>st</sup> December 2009. (See Governing Body paper 14e)**

**12. LETTERS OF REPRESENTATION FOR 2008/09**

RECEIVED paper 12, report of the Director of Finance for decision

NOTED that:

- i. the draft letters of representation were appended to the Final Audit Findings Report (paper 13);

- ii. the letter relating to the external financial statements audit was presented to the committee for information only. It relates to the financial statements and was considered by the F&GP committee at their meeting of the 25<sup>th</sup> November 2009. F&GP had recommended it to the Governing Body;
- iii. the letter relating to regularity audit provides auditors with assurance that they have had access to the information they require to form an opinion;
- iv. the letters of representation for 2008/09 followed the same format as previous years.

**RECOMMENDED TO THE GOVERNING BODY that the Chairman of Governors and the Chief Executive be empowered to sign the Letter of Representation for Regularity Audit for the year ended 31<sup>st</sup> July 2009 on behalf of the Corporation. (See Governing Body paper 14f)**

**13. FINAL AUDIT FINDINGS FROM THE FINANCIAL STATEMENTS AUDITOR FOR THE YEAR 2008/09**

RECEIVED paper 13, report of the Director of Finance for decision

NOTED that:

- i. the Financial Statements Auditor thanked the Director of Finance and his team for enabling such a smooth audit to be undertaken;
- ii. five key areas of audit focus had been identified at the planning stage together with the auditors approach to looking at these. Resolutions to all the identified areas had been undertaken to the satisfaction of the auditors;
- iii. the internal control issues identified by the Financial Statement Auditors were considered as minor;
- iv. there were no “unadjusted misstatements” identified as part of the report;
- v. the Finance and General Purposed Committee had asked the Audit Committee to ask the Auditors why £19,000 of the pension deficit in the year ended 31<sup>st</sup> July 2009 was charged to the Income and Expenditure account and £954,000 to the Statement of Recognised Gains and Losses;
- vi. the Financial Statements Auditor advised that *“the movement on the pension deficit in the year ended 31 July 2009 is £973,000. The accounting standard for pension costs requires this to be split with a charge of £19,000 to the Income and Expenditure Account and £954,000 to the Statement of Recognised Gains and Losses shown respectively on pages 23 and 24 of the Financial Statements. The effect being that the £19,000 charge in the Income and Expenditure is reversed in the Statement of Recognised Gains and Losses. The general reserve increases in the year by the reported surplus of £257,000, the reversal of the £19,000 pension cost charge and the release from the revaluation reserve of £11,000; an increase of £287,000.”*

- vii. for the year to 31<sup>st</sup> July 2009 Baker Tilly provided Regularity Audit services at a value of £5,800 and certified the Teachers Pension Return at a value of £1,000 (both costs exclusive of VAT);
- viii. the Financial Statements Auditor identified that the college only capitalises items if the funding used to purchase these is of a capital nature, whereas funds received of revenue nature to purchase an asset are immediately expensed. This approach is not wholly consistent with the college's accounting policy and may on occasion be non-compliant with Financial Reporting Standard Number 15 (Tangible Fixed Assets). The college has reviewed its treatment of capitalising fixed assets to ensure consistency. Equipment costing more than £5,000 is capitalised which the Director of Finance considered to be quite high.

**RESOLVED:**

- i. to agree the management responses to matters arising from the audit for the year ended 31<sup>st</sup> July 2009;
- ii. the Capel Manor Audit Findings Report for the year ended 31<sup>st</sup> July 2009 issued by Baker Tilly UK Audit LLP be accepted.

**RECOMMENDED TO THE GOVERNING BODY that the Capel Manor Audit Findings Report for the year ended 31<sup>st</sup> July 2009 issued by Baker Tilly UK Audit LLP is approved. (See Governing Body paper 14g)**

**14. REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2009**

RECEIVED paper 14, report of the Director of Finance for decision

NOTED that;

- i. the Audit Committee is responsible for approving the statement of Corporate Governance and Internal Control in the annual financial statements (pages 14-20);
- ii. the standard text has been used with no significant changes from last year;
- iii. the draft financial statements had been considered by the Finance and General Purposes Committee at their meeting of the 25<sup>th</sup> November 2009;

**RECOMMENDED TO THE GOVERNING BODY that the statement of Corporate Governance and Internal Control included in the Report and Financial Statements for the year ended 31<sup>st</sup> July 2009 be adopted. (See Governing Body paper 16c – supporting paper for the minutes of the Finance and General Purposes Committee).**

**15. THE ANNUAL RISK MANAGEMENT REPORT FOR THE YEAR 2008/09**

RECEIVED paper 15, report of the Chief Executive Officer for decision

NOTED that:

- i. the standard procedure set out in the Risk Policy had been followed;
- ii. interviews had been arranged to appoint a new Clerk to the Governing Body.

**RECOMMENDED TO THE GOVERNING BODY that the following paragraph be added to the Annual Report of the Audit Committee to the Corporation and the Accounting Officer for the year ended 31<sup>st</sup> July 2009:**

*“The Governing Body received a detailed report on the college’s Risk Management Policy on the 22<sup>nd</sup> July 2009 and made amendments to the Risk Management Schedule and Risk Management Action Plan for 2009/10 as a result of their review of the college’s Risk Management Process.*

*The Audit Committee received a report on the college’s compliance to its Policy and its effectiveness in assisting the college to manage its risks on the 2<sup>nd</sup> December 2009 and concluded that the college has complied to the Policy in 2008/09 and that the policy has been effective in assisting the college to manage its risks during 2008/09.”*

## **16. EVALUATION OF THE PERFORMANCE OF THE AUDITORS 2008/09**

RECEIVED paper 16, report of the Director of Finance for decision

NOTED that the agreed performance indicators for the internal audit service and financial statements auditor were appended to the report.

### **16.1 Performance of the Financial Statements Auditor**

NOTED that:

- i. Question 22 of the Performance Indicators for the Financial Statements Auditor had been added by governors
- ii. members considered questions 14, 15, 16 and 21 and confirmed the satisfaction rating of “high”;
- iii. members supported the Senior Management Team’s assessment of the Financial Statement Auditors performance which was deemed to be of a “good” standard.

**RECOMMENDED TO THE GOVERNING BODY that the performance of the Financial Statements Auditor which was deemed to be “good” be accepted.**

## 16.2 Performance of the Internal Audit Service

NOTED that:

- i. in six areas the performance of the IAS was considered “good”. However in one area it was considered “inadequate” and in two areas “poor”;
- ii. overall members felt the performance of the IAS was “inadequate”

**RECOMMENDED TO THE GOVERNING BODY that the performance of the Internal Audit Service that they are deemed to be “inadequate” be accepted.**

## 17. ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDING 31<sup>ST</sup> JULY 2009

RECEIVED paper 17, report of the Audit Committee for decision.

NOTED:

- i. the following additions / amendments:
  - Page 6 – an opinion in respect of Estates Management and Capital Contracts was subsequently received. Therefore “yes” should be added in respect of “Controls exist” and “Controls operate in practice”
  - Page 6 – as no opinion is expressed in respect of Corporate Manslaughter and Homicide Act 2007 and Catering – Value for Money, “not applicable” should be added;
  - Page 12 – the ILR assurance for the year ended 31<sup>st</sup> July 2009 was undertaken by Baker Tilly (Birmingham) and not Chelmsford.
  - Page 14 – under “Other Items of Business” the year ended should be 2009 (not 2008) and the first meeting of the Audit Committee was the 19<sup>th</sup> November 2008.
- ii. the timetable of agenda items for the audit committee had been reviewed to ensure agenda items were spread equally throughout the year and there were sufficient items of business to enable the audit committee to meet three times a year;
- iii. a debate on whether the annual report of the audit committee provides sufficient assurance to governors without governors receiving copies of the annual reports from the auditors.

- iv. the committee thanked the Clerk to Governors and Director of Finance for their contributions to the report.

**RESOLVED that:**

- i. **the overall assessment of the performance of the Internal Audit Service and Financial Statements Auditor be added to the Annual Report of the Audit Committee for the year ending 31<sup>st</sup> July 2009;**
- ii. **the paragraph on Risk Management included in the Annual Report of the Audit Committee for the year ending 31<sup>st</sup> July 2009 be confirmed;**
- iii. **the Annual Report to the Corporation and Accounting Officer for the year ending 31<sup>st</sup> July 2009 be adopted (including amendments made at the meeting) and recommended to the Governing Body. (See Governing Body paper 14h)**

**18. APPOINTMENT OF THE INTERNAL AUDIT SERVICE FOR 2009/10 TO 2011/12**

RECEIVED paper 18, report of the Director of Finance for decision

NOTED that:

- i. the Letter of Engagement contained standard terms of engagement;
- ii. Scrutton Bland talked members through the letter of engagement, section by section;
- iii. Scrutton Bland would provide de-brief documentation to college management at the end of each site visit to ensure agreement with their findings;
- iv. Scrutton Bland's audit fee was based on a fee rate per day of £465 exclusive of VAT;
- v. the Internal Audit Service had spent a day in college during October to assess the college and have provided an Audit Risk Assessment and Strategic Internal Audit Plan 2009/10 to 2011/12;
- vi. Scrutton Bland have taken a scientific approach to determining the three year internal audit plan;
- vii. individual areas of the college's operations were subjected to an assessment of audit risk, which includes areas of strategic, financial and operational importance (Appendix B of the audit risk assessment and three year plan). The college's risk register was used to ensure key areas are risk assessed (Appendix A of the audit risk assessment and three year plan)

- viii. all risk areas are grouped for audit purposes after a risk score is determined from the relative impact and likelihood of each risk. The risk score determines the significance of each area in accordance with LSC risk assessment guidance. An appropriate level of resource is then applied to each risk area;
- ix. the CEO welcomed this approach and felt that levels of mitigation should be considered over time so that the auditor can focus their efforts on the net risk score.;
- x. members felt one contingency day in 2009/10 could be used by Scrutton Bland to liaise with MacIntrye Hudson and review documentation for a couple of the areas Scrutton Bland have identified as high risk;
- xi. Management Information was not proposed for internal audit as it is subject to extensive ILR and funding agency audit;
- xii. Estates Management had not been identified for audit as the component parts (health and safety, purchasing and receipts, strategic planning etc.) are subject to internal audit;
- xiii. Capital Projects had not been identified but needed to be added within the three year scope of the plan. The reason for this addition was because (subject to the approval of the Governing Body) the college would be embarking on a five year capital project “The Old Manor House Garden”. Chairman’s Action (supported by F&GP) had been taken to progress the project as quickly as possible to enable the first phase to be completed by June 2010.
- xiv. Members felt the two days contingency in 2010/2011 should be used for Capital Projects;
- xv. Baker Tilly would provide professional peer support to Scrutton Bland in helping them to get up to speed with understanding the risks facing the college and the strength and quality of the college’s internal controls and procedures.

**RECOMMENDED TO THE GOVERNING BODY that:**

- i. Scrutton Bland be appointed as the Internal Audit Service for the three years 2009/10 – 2011/12 (as proposed by the Selection Panel);**
- i. the Letter of Engagement received from Scrutton Bland is signed on behalf of the Governing Body by the Chairman of Governors;**
- ii. the three year internal audit strategy plan for 2009/10 to 2011/12 be approved with the following additions:**
  - 2009/10 – one day contingency to be used by Scrutton Bland to liaise with MacIntrye Hudson and review documentation for a couple of the areas Scrutton Bland have identified as high risk;**
  - 2010/11 -the two days contingency be used for Capital Projects;**

- iii. **the audit fee for the year 1<sup>st</sup> August 2009 – 31<sup>st</sup> July 2010 of £17,437.50 excluding VAT based on 37.5 days of service be approved.**

**(See Governing Body paper 14i)**

**19. ANY OTHER BUSINESS**

**Terms of Reference of the Audit Committee**

NOTED that:

- i. Members discussed the governor membership of the Committee and whether this should be reduced to three governors (quorum to remain the same).
- ii. Members noted and expressed concern that Gareth Dufton, Independent Member had not attended the last two meetings;
- iii. the possible need to review the independent membership.

**RESOLVED that:**

- i. **before deciding on whether to change the governor membership Gareth Dufton should be contacted in regard to his attendance and future attendance;**
- ii. **to reconsider the governor membership at the next meeting of the Audit Committee once the committee had a clearer idea of Gareth Dufton's on-going commitment.**

**20. DATE OF NEXT MEETING: Wednesday 24<sup>th</sup> March 2010 at 4.30pm**

**(Tony Leach advised that he may need to give his apologies)**