



## MINUTES OF THE AUDIT COMMITTEE OF THE CORPORATION OF BLACKPOOL SIXTH FORM COLLEGE

**Date:** Tuesday 8<sup>th</sup> March 2011

**Venue:** Sixth Form College

**Room:** Committee room

**Time:** 1730hrs – 1855hrs

**Present:** Mr G Curry (Chair)  
Mr R Hutchinson  
Ms J Trembles

Mr J Boyle (Observer)  
Ms F Greeves (Principal)  
Ms L Randall (Director RSM Tenon)  
Mr K Simmons (Assurance & Transaction Services Partner  
North West Region Mazars)  
Ms H Thompson (Mazars)  
Mrs A Pickup (Director of Finance & Personnel)  
Mrs JA Trainor (Assistant to the Clerk of the Corporation)  
Mr G Saffery (Risk Management Champion)  
Dr J Burgess (Clerk to the Corporation)

		Action
	<b>Preliminaries</b> The Chair extended a warm welcome to Ms Helen Thompson from Mazars LLP to her first meeting of the Audit Committee.	
1.2011	<b>Apologies for Absence</b> Mr J Corry & Mr D Fletcher	
2.2011	<b>Declaration of Interest</b> None were declared.	
3.2011	<b>Consideration of any items of urgent business</b> None.	
4.2011	<b>Minutes of the meeting held on 22<sup>nd</sup> November 2010</b> (Paper A) <b>4.2011 D1 Resolved: that the Minutes be approved.</b>	
5.2011	<b>Matters arising from the Minutes of the Meeting held on the 22<sup>nd</sup> November 2010</b> It was confirmed that all matters had been actioned.	

6.2011

### **Risk Management Update, including the Summary of High Risks and the Management Action Plan**

*(Paper B & C)*

Mr Saffery confirmed that he had undertaken a full review of the Risk Register as part of the migration to the new, in-house designed, risk management software. In addition, he had conducted successful training with the College's Middle Leaders and new members of staff on Risk Awareness.

He stated that the new Risk Register was simpler to use for recording risks and clearer to understand when reporting risks. It was easier to update and less bureaucratic than the previous system. In his assessment, it offered advantages over risk management systems he had seen at other colleges. The possible consequences of each Risk element had also been included into the new Register.

Governors were reminded of the scoring system and that the final risk scores are based on the information and judgement of the responsible manager or, in the case of the Governance items, the Clerk to the Corporation.

Governors were impressed with the clarity of the new Risk Register's format and congratulated Mr Saffery and Mr Lloyd on their combined efforts. Representatives from both audit firms provided useful and supportive observations about the new system. During discussion a number of improvements were recommended, including:

- Correction of minor typographical errors
- Use the Job Title (rather than name) to indicate Responsibility
- Identify The Clerk as responsible for the general Governors' items
- Identify the Principal as responsible for item 3.6
- Amend 1.7 to Loss of Senior Post-Holders
- Ensure all named post holders and Governors are fully aware of their inclusion on the Register and their responsibilities
- Ensure that the Risk of Fire is assessed and included as appropriate.

Governors scrutinized the revised format for the High Risk Management Action Plan and Mr Saffery provided clarification on the use of the various symbols used in the form. Similarly, Governors and Auditors were very pleased and complimentary about the progress made in the adoption of this detailed Action Plan to mitigate the high risks. They offered a number of suggestions to enhance the Plan including:

- Inclusion of further explanatory details regarding the actions proposed
- Indication of the start date of the proposed actions
- Once finalized, adding an explanatory note to the symbols used in the Action Plan
- Consider using a colour coding mechanism to indicate those actions currently on track for completion, in contrast to those delayed or not started
- Consider incorporating a re-assessment of the risk after the completion of the proposed actions in the Action Plan.

**Risk  
Management  
Champion**  
*To action*

**Risk  
Management  
Champion**  
*To action*

**6.2011 D1 Resolved:** that the **March 2011 Risk Management Report** be received.

**6.2011 D2 Resolved:** that, subject to the amendments proposed, that the **March 2011 Risk Register** be received.

**6.2011 D3 Resolved:** that, subject to the amendments proposed, that the **March 2011 High Risk Management Action Plan** be received.

**7.2011 Risk Register for Property Strategy**  
(Paper D)

It was noted that whilst this Risk Register had been updated as at March 2011, it was still in the old format prior to being converted to and included in the new Risk Register system.

Discussion on item 21, (loss of services during construction), with hindsight was judged as ought to have been higher risk assessed.

**7.2011 D1 Resolved:** that the **March 2011 Risk Register for the Property Strategy** be received.

**8.2011 Risk Appetite Statement 2011**  
(Paper E)

The Director of Finance recalled that RSM Tenon had originally proposed such a statement and, that after an extensive review of what other colleges adopt, she had decided on a simpler and more explicit draft for Governors to consider and re-shape to fit their position.

Governors welcomed the draft statement and offered a number of observations;

- They were comfortable with the concept of “appetite”
- The style and language used was straightforward and appropriate
- However, the current 4 risk appetite definitions concentrate exclusively on the negative outcomes of a risk bearing decision or activity and fails to capture the potential benefits that could accrue
- It was suggested that the term “in order to achieve objectives” might be adopted
- A more specific link to the Strategic Plan ought to be established, especially as the College is striving to achieve an ambitious Strategic Plan
- Reference ought to be made to the controls in place in critical decision-making areas to limit risks
- In the current context of the extensive Property Re-Development, support for Collegiate Trust and focus on driving up students’ achievements, Governors suggested that a “moderate risk appetite” might be more apposite.

The Director of Finance offered to re-work the draft and re-circulate to Governors for further comment prior to recommendation to the Corporation.

**Director of  
Finance**  
*To action*

**8.2011 D1 Resolved:** that, subject to the amendments suggested and agreement to the final version, that the **“Risk Appetite Statement 2011”** be received.

**8.2011 D2 Resolved:** that, the redrafted "Risk Appetite Statement 2011" be recommended to the April meeting of the Corporation.

Clerk  
To action

**9.2011 Internal Audit Reports - First stage 2010 - 2011**

*(Paper F)*

Ms Randall introduced the two major Reports completed in this first phase.

Governors were pleased to note the "Green" overall opinion on the "Estates Management Key Controls Report" with the two low priority recommendations and two suggestions.

In respect of the "Staff Recruitment Report", Ms Randall noted the staffing changes and specifically the steps that have been taken to enhance and strengthen the Personnel function within the College. The "Amber" overall opinion was positive with 1 high, 1 medium and 5 low recommendations along with 1 suggestion.

In discussion, Governors were re-assured about the robustness of the CRB processes in place for all new staff. In response to questions, it was noted that the College does not screen social networking sites prior to making staff appointments.

**9.2011 D1 Resolved:** that, the Internal Audit Annual Reports for Estates Management and Staff Recruitment be received.

**10.2011 Estimation of Risk**

Governors observed that from their perspective only the improvement points made about the new Risk Register, Management Action Plan and Risk Appetite were new issues raised at the meeting.

**11.2011 Date of next meeting**

The next meeting of the Committee was confirmed as **Tuesday 21<sup>st</sup> June 2011 @1730hrs**

Members  
Please note

The Chair thanked members for their attendance and contributions and closed the meeting at 1855hrs.

Signed:

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Chair:

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Date:

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