



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

Date: Tuesday 19th June 2012
Venue: Sixth Form College
Room: Committee room
Time: 1730hrs – 1910hrs

Present: Mr G Curry (Chair)
 Cllr D Clapham
 Mr J Corry (Vice-Chair)

Together with: Mr J Boyle (Observer)
 Ms F Greeves (Principal)
 Mr G Hitchmough (Audit & Assurance Partner Mazars)
 Mrs A Pickup (Director of Finance & Personnel)
 Mr K Rushton (Senior Manager Internal Audit RSM Tenon)
 Mr G Saffery (Risk Management Champion) For item 6.
 Mrs JA Trainor (Assistant to the Clerk of the Corporation)
 Ms G Yeadon (Observer - Incoming Deputy Principal)
 Dr J Burgess (Clerk to the Corporation)

		Action
	<p>Preliminaries The Chair extended a warm welcome to Ms Gail Yeadon, the incoming Deputy Principal.</p>	
15.2012	<p>Apologies for Absence Mr S Sheard, Ms J Trembles, Mr D Fletcher and Ms H Thompson.</p>	
16.2012	<p>Declaration of Interest None were declared.</p>	
17.2012	<p>Consideration of any items of urgent business None.</p>	
18.2012	<p>Minutes of the meeting held on 6th March 2012 <i>(Paper A)</i> 18.2012 D1 Resolved: that the Minutes be approved.</p>	
19.2012	<p>Matters arising from the Minutes of the Meeting held on the 6th March 2012 not arising on the agenda A spelling error was noted on item 6.2012 and Governors received a corrected benchmarking report from RSM Tenon (<i>Paper A1</i>). This confirmed that 75% of Audit opinions in 2010/11 were “green” and 25% “amber green”. Mr Boyle requested clarification of the total number of 6th Form Colleges serviced by RSM Tenon and included in the Report.</p>	Mr Rushton To Advise

It was confirmed that all other matters had been actioned.

20.2012 Risk Management Update Report and updated Risk Register.
(Paper B)

Mr Saffery confirmed that he had acted upon the recommendations made at the last meeting and on those arising from the internal audit report. In addition, a full review of the Risk Register had been completed and that new risks had been incorporated to the database. He carefully reviewed the higher rated risks and confirmed that Management Action Plans were in place for all risks rated 8 and above. The approach adopted to mitigating the risks associated with the Bribery Act 2010, was explained along with the successful outcome of the pilot approach undertaken with the Estates Manager. This process will be used in four other areas, including Governors, during the next academic year.

Governors were pleased to see the inclusion of the previous risk scores for each risk item and welcomed the enhanced readability of the colour version. They thanked Mr Saffery for transforming the Register into a succinct and very useful document. They were particularly interested in the changes and enhancements to the processes and procedures associated with Trips and Visits and received assurances about the checks in place in respect of hosting families and the forthcoming training programmes for trip leaders.

20.2012 D1 Resolved: that the **June 2012 Risk Management Report be received.**

20.2012 D2 Resolved: that the **June 2012 Risk Register be received and recommended to the Corporation.**

Mr Saffery left the meeting.

Clerk
To action

21.2012 Internal Audit Reports 2011 - 2012
(Paper C1, 2,3,4, & 5)

Mr Rushton introduced the five Reports.

He noted that the programme of work for 2011 -12, covering the six areas and detailed in the “**Progress Report**”, was complete. He drew attention to the summary of the assurance levels and the number and type of recommendations made and agreed by Management. Finally, RSM Tenon had included some topical Client Briefings within the Report.

An assessment of only “adequate progress” was the judgement on the “**Follow-up Report**” as there were six low priority recommendations currently outstanding. The system for tracking the implementation of recommendations had been re-visited and reviewed prior to the start of the meeting with the Clerk to the Corporation.

Action

In respect of the “**Strategic Management – Retention Strategy**”, Mr Rushton confirmed that this was a particularly pleasing report with substantial assurance, (“green”) that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective. There were a number of good practice points identified during the audit and there were no recommendations made as part of this review. Governors extended their congratulations and thanks to the Deputy Principal, Director of Learning and Head of Student Services.

Clerk
To action

Similarly, the Report on “**Financial Accounting and Assets**”, Governors were re-assured that a substantial assurance conclusion “green” was appropriate with only two low priority recommendations. This was a significant achievement following the recent introduction of a new accounting system. Congratulations and thanks were extended to the Director of Finance and her team.

Governors reviewed the “**Strategy for Internal Audit 2010/11 – 2012/13**” and specifically the six broad areas proposed in the Internal Audit Plan for the forthcoming academic year. They approved the proposed 24 days at a cost of £10,432. They noted the four emerging issues and risk areas that are not at present covered in the proposed Audit Plan.

21.2012 D1 Resolved: that, the Internal Audit Reports in respect of: Progress Review, Follow Up, Strategic Management – Retention Strategy, and Financial Accounting & Assets be received.

21.2012 D2 Resolved: that, the Strategy for the Internal Audit 2010/11 - 2012/13 be approved.

22.2012 Draft External Audit Strategy Memorandum for the year ending 31st July 2012

(Paper D)

Mr Hitchmough carefully briefed Governors on the Mazars’ approach to the forthcoming External Audit. He explained that the document was currently “draft” ahead of a meeting with the Director of Finance in early July 2012 to finalise the arrangements. The work completed by the Internal Auditors would be of considerable assistance in their Financial Audit. The significant risks and planning schedule were reviewed and after discussion it was agreed to maintain the fees for 2012 to the same level of 2011, £8,950. As the College had committed to the English Colleges’ Code of Governance, it would be necessary to review and verify compliance.

22.2012 D1 Resolved: that, the Draft External Audit Strategy Memorandum for the year ending 31st July 2012 be received.

23.2012 Consultation on the rationalisation of the Audit arrangements

(Paper E)

The Committee exchanged a range of perspectives on the Education Funding Agency’s recent consultation on the future of internal audit and removal of the requirement to complete and submit the Financial Management and Control Evaluation.

Whilst the prompt for this move was the re-classification of Sixth Form Colleges as private sector bodies, Governors and advisors concluded that the responsibilities for public monies, the requirement for an external audit and securing value for money remained and many private sector bodies routinely commission internal audit services as good practice. It was anticipated that the move would lead to internal audit services adding greater value to colleges through being more flexible, focused and client driven.

24.2012 Election of the Chair and Vice-Chair of the Committee

Mr Graham Curry and Mr Jim Corry were re-elected respectively as Chair and Vice-Chair for a further two-year period.

24.2012 D1 Resolved: that **Mr Curry be re-appointed Chair and Mr Corry be re-appointed Vice-Chair of the Audit Committee** for a further two years until June 2014.

All staff and observers left the meeting.

25.2012 Private meeting with the Auditors

Following a positive and open exchange of views, including discussion about training opportunities, the consensus of the meeting supported the importance of maintaining an open, direct line of communication between Audit Committee members and Auditors, without the involvement of College Management and observers. The provision of this mechanism would be important if any substantive issues were identified or inter-personal problems arose.

The auditors left the meeting.

26.2012 Private meeting of the Committee

Governors concluded that the private meeting with the auditors should be repeated at the end of the November 2012 meeting, when hopefully all members of the Committee would be in attendance and able to contribute.

27.2012 Estimation of Risk

Governors observed that there were no new issues raised at the meeting.

28.2012 Date of next meeting

The next meeting of the Committee was confirmed as **Tuesday 20th November 2012 @1730hrs**

The Chair thanked members for their attendance and contributions and closed the meeting at 1910hrs.

Members
Please note

Signed:

Chair:

Date:
