



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

Date: Tuesday 19th November 2013

Venue: Sixth Form College

Room: Committee room

Time: 1730hrs – 1900hrs

Present: Mr J Corry (Chair)
Cllr D Clapham
Mr S Sheard

Together with: Ms F Greeves (Principal) – Late arrival
Mr G Hitchmough (Audit and Assurance Partner Mazars)
Mr K Rushton (Audit Manager Baker Tilly)
Mrs A Pickup (Director of Finance & Personnel)
Mrs JA Trainor (Assistant to the Clerk of the Corporation)
Dr J Burgess (Clerk to the Corporation)

28.2013	Preliminaries and apologies for absence The Chair welcomed members to the meeting and noted the apologies of Mr Weaver and Ms Trembles. Although not a member of the Committee, Mr J Boyle had forwarded his apologies, as he was representing the College at the Association of Colleges' National Conference in Birmingham.	Action
29.2013	Statement on the acquisition of RSM Tenon by Baker Tilly. <i>(Paper A)</i> Mr Rushton briefly recalled that the holding company RSM Tenon Group PLC had entered administration during the summer 2013 and that the Administrator had agreed the sale of the trading business RSM Tenon to Baker Tilly. He assured Governors that, despite the name change, it was 'business as usual' as far as the College was concerned. The enlarged organisation would bring benefits of scale and expertise in due course, but for the moment, it was the same key people who were responsible for the College's Internal Audit and the same personnel who would be working on the College's behalf. 29.2013 D1 Resolved: that the Statement be received.	
30.2013	Declaration of Interest None.	
31.2013	Consideration of any items of urgent business The presentation document looking towards the new 'UK Generally Accepted Accounting Practice' would be considered at the end of the meeting.	

32.2013	<p>Minutes of the meeting held on 18th June 2013 (Paper B)</p>	Action
	<p>32.2013 D1 Resolved: that the Minutes be approved.</p>	
33.2013	<p>Matters arising from the Minutes of the Meeting held on the 18th June 2013 not covered elsewhere on the agenda 20.2013 It was unclear whether or not the Deputy Principal had; 1) ensured that First Aid and Fire Marshal Training documentation was now maintained on the personnel system 2) ascertained the likely time to report computer losses. 20.2013 It was confirmed that Baker Tilly are currently working on the exemplars of Risk Assurance frameworks and templates. 22.2013 Regarding the AoC 'Audit and Accountability Annex' to the Foundation Code of Governance – No response had been received from the AoC regarding the points raised by Governors. As yet there had been no briefing or any planned training from the AoC to explain and take forward this approach. All other actions had been completed. <i>The Principal joined the meeting</i></p>	Deputy Principal Baker Tilly
34.2013	<p>Joint Audit Code of Practice – Part 2 (Paper C1, C2 & D) Governors reviewed the new Joint Audit Code of Practice – Part 2 and the associated FE Update Autumn 2013 provided by Mazars, which summarised the document and suggested a schedule of actions and steps, which colleges could take. The Chair observed that there was some thinking and planning necessary. He drew attention to the references to skill mix and membership issues and noted that the Search Committee should recognise these.</p> <p>Governors scrutinised the revised Terms of Reference of the Audit Committee, which had been adjusted following the publication of the Joint Audit Code of Practice. It was agreed that the revised policies on Fraud and Whistle Blowing should be presented to the Committee in the New Year.</p> <p>Following discussion and advice from Auditors it was agreed to forward the Joint Code of Practice – Part 2 and the revised Terms of Reference of the Committee to the next meeting of the Corporation in December 2013.</p> <p>34.2013 D1 Resolved: that the Joint Audit Code of Practice – Part 2 be received.</p> <p>34.2013 D2 Resolved: that the Joint Code of Practice – Part 2 and revised Terms of Reference of the Committee be referred to the next meeting of the Corporation in December 2013.</p>	Clerk To action
35.2013	<p>Internal Audit Annual Report 2012 - 2013 (Paper E) Mr Rushton reviewed the key points in the Annual Report and particularly the Internal Audit Assurance Statement, which confirmed that adequate and effective processes are in place in respect of Governance, Risk Management and Control.</p>	

	<p>The five areas audited were all judged 'green' i.e. substantial assurance can be taken by the Board that the controls are suitably designed, consistently applied and effective. The 'Follow up' Report was designated adequate progress. Overall, this was a very positive outcome. The Chair thanked Mr Rushton for an excellent report.</p>	Action
	<p>35.2013 D1 Resolved: that, the Internal Audit Annual Report for the year ending 31st July 2013 be approved and recommended to the next meeting of the Corporation.</p>	Clerk To action
36.2013	<p>Proposed Internal Audit Strategy 2013/14 – 2015/16 (Paper F)</p> <p>The Chair recalled that this had been considered briefly at the last meeting but deferred awaiting finalisation by a 2nd Senior Internal Audit Partner. Mr Rushton explained the methodology adopted in the development of the proposal and again assured Governors that the reduction from 24 days to 20 days would not impact upon their ability to provide an informed opinion at the end of the year. The four key areas were reviewed by Governors and confirmed as very appropriate.</p> <p>The Chair drew Governors attention to Appendix D, which detailed potential areas of coverage that could be included, but currently were not in the Audit Plan 2013/14. A number of these were pertinent and pressing. The Committee considered that the Corporation should review these areas. Also, it was agreed that the SMT should also re-evaluate these areas in the light of the Risk Register and report back to the next meeting of the Audit Committee in March 2014.</p> <p>The Principal questioned if a Funding Audit could be included to monitor the effectiveness of the change to guided learning hours. It was agreed that this should be a specially commissioned review completed later in the year and the Committee would consider this at their next meeting.</p>	Principal To action
	<p>36.2013 D1 Resolved: that, the Internal Audit Strategy 2013/14 – 2015/16 be approved and recommended to the next meeting of the Corporation.</p>	Clerk To action
37.2013	<p>Draft Annual Report of the Audit Committee 2012 /13 (Paper G)</p> <p>Governors reviewed the key points within the Report and agreed to recommend it to the Corporation.</p>	
	<p>37.2013 D1 Resolved: that, the Annual Report of the Audit Committee 2012/13 is approved and recommended to the Corporation.</p>	Clerk To action
38.2013	<p>Audit Committee Key Performance Indicators 2012/13 (Paper H)</p> <p>Governors were satisfied to note the achievements against the Committee's Key Performance Indicators.</p>	

	<p>In respect of the Performance Indicators for 2013/14, it was agreed to refresh this Report to focus on the important areas within the revised Terms of Reference of the Committee in a section highlighting Key Indicators, perhaps those currently featured 1 – 10, whilst provide a separate section highlighting the Supporting Indicators encompassing those currently listed as 11 – 18.</p>	<p>Action</p>
	<p>38.2013 D1 Resolved: that the report on the key Performance Indicators for 2012/13 is approved.</p>	<p>Clerk <i>To action</i></p>
	<p>38.2013 D2 Resolved: that, the Performance Indicators for 2013 /14 be revisited and redrafted into two sections as detailed above.</p>	
<p>39.2013</p>	<p>Report and Financial Statements for the year ending 31st July 2013 <i>(Paper I)</i> The Director of Finance & Personnel tabled a revised ‘Statement of Corporate Governance and Internal Control’ as advised by the Financial Auditors.</p> <p>The Chair sought and received clarification and assurance regarding the 84% of College payments made within 30 days.</p> <p>Governors reviewed the key areas of the Report in depth. They sought further clarification regarding the actuarial gains in the Pension Scheme (identifying a small typographical error in that section). In discussion, it was confirmed that the College’s pension position, in comparison to other educational institutions, was very positive.</p>	
	<p>39.2013 D1 Resolved: that, subject to the minor amendments identified, the Annual Report and Financial Statement for the year ending 31st July 2013 be approved and recommended to the next meeting of the Corporation.</p>	<p>Clerk <i>To action</i></p>
<p>40.2013</p>	<p>Audit Completion Report on the Audit of the Financial Statement for the year ending 31st July 2013 <i>(Paper J)</i> Mr Hitchmough provided Governors with a comprehensive review and explanation of the key issues and audit risks within the Report. He was pleased to report that the audit had gone very well, the accounts were in a strong position and there were no matters identified during the audit that required adjustment. The Management Representations and Regularity Audit letters were featured in the appendices. He was pleased to indicate that an unqualified opinion, without modification, would be forthcoming. The Chair questioned the practice of journal entries and received assurances on this point.</p> <p>The Chair thanked Mr Hitchmough for the Report and his re-assurance.</p>	
	<p>40.2013 D1 Resolved: the Audit Completion Report on the Audit of Financial Statements for the year ending 31st July 2013 be received and recommended to the next meeting of the Corporation.</p>	<p>Clerk <i>To action</i></p>

41.2013 The new UK Generally Accepted Accounting Practice – Financial Reporting Standards 102.

Mr Hitchmough explained the developments, changes and recent consultations regarding FRS 102. The Director of Finance advised that she had responded to the consultation and was aware of developments and their complexities. It was anticipated that it would be effective from August 2015.

41.2013 D1 Resolved: that the presentation document on the new UK Generally Accepted Accounting Practice – Financial Reporting Standards 102 be received.

42.2013 Estimation of new Risks

Governors considered that there were no new risks identified during the meeting.

43.2013 Date of next meeting

It was confirmed that the date of the next meeting would be **Tuesday 4th March 2014 @ 1730hrs.**

The Chair thanked members for their attendance and contributions and closed the meeting at 1900hrs.

Action

Governors

Signed: _____

Chair: _____

Date: _____