



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

Date: Tuesday 22nd November 2011
Venue: Sixth Form College
Room: Committee room
Time: 1730hrs – 1840hrs

Present:

- Mr J Corry (Vice-Chair)
- Cllr D Clapham
- Ms J Trembles

- Mr J Boyle (Observer)
- Ms F Greeves (Principal)
- Mr S Sheard (Observer)
- Mr G Hitchmough (Audit and Assurance Partner Mazars)
- Mr K Simmons (Assurance & Transaction Services Partner North West Region Mazars)
- Mrs A Pickup (Director of Finance & Personnel)
- Mr G Saffery (Risk Management Champion)
- Mrs JA Trainor (Assistant to the Clerk of the Corporation)
- Dr J Burgess (Clerk to the Corporation)

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| | <p>Preliminaries</p> <p>With absence of the Chair, the Vice-Chair extended a warm welcome to Mr Gareth Hitchmough from Mazars LLP and to Mr Steve Sheard to their first meeting of the Audit Committee</p> | Action |
| 25.2011 | <p>Apologies for Absence</p> <p>Mr G Curry, Mr D Fletcher, Ms L Randall and Ms Thompson. Governors were disappointed that there was no representation from RSM Tenon, the College's Internal Auditors. Whilst recognising that there were no specific agenda items that required their direct input, the meeting was one of the three scheduled for the year and their advice and counsel was welcomed.</p> | |
| 26.2011 | <p>Declaration of Interest</p> <p>Cllr Clapham drew attention to his role on the Blackpool Council in respect of College Car parks and risk management plan 7.1.</p> | |
| 27.2011 | <p>Consideration of any items of urgent business</p> <p>None.</p> | |
| 28.2011 | <p>Minutes of the meeting held on 22nd September 2011 (Paper A)</p> <p>28.2011 D1 Resolved: that the Minutes be approved.</p> | Action |

29.2011 Matters arising from the Minutes of the Meeting held on the 22nd September 2011 not covered elsewhere on the agenda
None.

30.2011 IT Health Check Report
(Paper B)

The Director of Finance provided an overview of the eleven-point action plan, noting that three items were still in progress. Governors wondered about the “significant costs” associated with the recommendations and more seriously the apparent slippage in the planned completion dates on two areas and one action that was now four months overdue. The Principal advised that the total response to the IT Health Check was a bigger job than had been originally anticipated, but re-assured Governors that all outstanding work should be completed shortly.

Principal
To action

30.2011 D1 Resolved: that the **IT Health Check Report** be received

31.2011 Risk Management Update
(Paper C)

Governors reviewed the Risk Management report, the new full Risk Register and associated Action Plan for the High Risk areas. They were pleased to receive the full colour version of the Register and to see the work underway to highlight potential exposures to breaches of the Bribery Act. The Risk Management Champion explained that the increase in the number of significant and contingent risks was mainly related to the consolidation of the Property Risk Register into a single document. He also noted that providing a full Report at this meeting was exceptional and that in future Risk Management Reports would not normally be featured at the November Audit meeting. The Vice-Chair questioned whether it was possible to illustrate on the Risk Register the changes that had been made since the last meeting.

Risk Management Champion
To examine

31.2011 D1 Resolved: that the **November 2011 Risk Management Update** be received.

Mr Saffery left the meeting.

32.2011 Report and Financial Statements for the year ending 31st July 2011
(Paper D)

The Director of Finance & Personnel noted that a £1,726k surplus on continuing operations had been achieved. This very strong result had been secured through close monitoring of the staffing budget, including decisions not to fill vacancies and salary settlements being lower than budget.

The accelerated depreciation of £334k was on the Ribble buildings demolished as part of the Phase 3a property re-development strategy. The methodology was based on a sq meter write down upon the value of the original transferred asset.

Governors reviewed the key areas of the Report and requested a couple of minor typographical changes. In discussion, it was noted that the College Teachers' salaries were no longer in line with those in the school sector.

32.2011 D1 Resolved: that, subject to the minor amendments identified, the **Annual Report and Financial Statement for the year ending 31st July 2011** be approved and recommended to the next meeting of the Corporation.

33.2011 Management Report on the Audit of the Financial Statement for the year ending 31st July 2011 – Issues and Recommendations
(Paper E)

Mr Simmons provided Governors with a comprehensive review and explanation of a number of key issues and audit risks within the Management Report. He also reviewed three improvement possibilities, but was pleased to report no matters of weakness were identified during the audit. In addition, in respect of the Regularity Audit, there were no Governance issues to report. He concluded that Mazars' first year as Financial Auditors had gone well and he was very pleased with the process and the collaboration with key staff at the College.

The Chair thanked Mr Simmons for the Report and his re-assurance.

33.2011 D1 Resolved: the **Management Report on the Audit of Financial Statements for the year ending 31st July 2011** be received and recommended to the next meeting of the Corporation.

34.2011 Draft Representation letter.

(Paper F)

The standardised text of the draft letter from the College to Mazars was discussed and agreed.

34.2011 D1 Resolved: that the draft Representation letter be approved and recommended to the Corporation.

35.2011 Data Protection Policy 2011

(Paper G)

Governors were advised that the College's Data Protection Officer had re-drafted the Policy in line with exemplar documents from the sector. All staff would be required to complete a compulsory training and assessment in respect of the Policy. The Principal confirmed that the new Policy along with the 'clear work place' regime were changing the culture within the College.

35.2011 D1 Resolved: that the **Data Protection Policy 2011** be approved.

36.2011 Draft Annual Report of the Audit Committee 2010 /11

(Paper H)

The Clerk highlighted the key points within the Report and drew attention to the actions to strengthen the membership of the Committee. Mr Simmons observed that a tabular attendance format, including Audit firms and other visitors to the Committee could be considered for next year.

36.2011 D1 Resolved: that, the **Annual Report of the Audit Committee 2010/11** is approved and recommended to the Corporation.

Clerk
To action

37.2011

Audit Committee Key Performance Indicators 2010/11

(Paper I)

Governors were satisfied to note the achievements against the Committee's Key Performance Indicators. In respect of the Performance Indicators for 2011/12, it was agreed to maintain the current 18 areas but to add to item 9 oversight of Data Protection.

37.2011 D1 Resolved: that the report on the key performance indicators for 2010/11 is approved.

37.2011 D2 Resolved: that, subject to the addition of oversight of Data Protection, the performance Indicators for 2011/12 are approved.

Action

Clerk
To action

38.2011

Financial Management and Control Evaluation

(Paper J)

The Director of Finance & Personnel introduced the short return for 2011. She explained that this format had been adopted in previous years and, as the College did not wish to make any significant changes, it was only necessary to confirm the grades and submit an updated improvement plan.

Governors were pleased to note the overall Outstanding grade, and offered their thanks and congratulations to the Director of Finance & Personnel.

38.2011 D1 Resolved: that, the short return of the Financial Management and Control Evaluation be approved and recommended to the Principal for signing.

39.2011

Estimation of Risk

Governors observed that from their perspective no new significant risk issues had arisen during the discussions at the meeting.

40.2011

Any other business

Members of the Committee expressed their thanks and appreciation to Mr Simmons and wished him well in his new responsibilities in Vietnam.

41.2011

Date of next meeting

The next meeting of the Committee was confirmed as **Tuesday 6th March 2012 @1730hrs**

Members
Please note

The Vice-Chair thanked members for their attendance and contributions and closed the meeting at 1840hrs.

Signed:

Chair:

Date:
