



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

Date: Wednesday 23rd June 2010
Venue: Sixth Form College
Room: Committee room
Time: 1730hrs – 1915hrs

Present: Mr G Curry (Chair)
Mr J Corry
Mr T Nicholson
Ms J Trembles

Mr J Boyle (Observer)
Ms K Kirkwood (Deputy Principal)
Ms K Musgrave (External Audit Manager RSM Tenon)
Ms L Randall (Director Internal Audit RSM Tenon).
Mrs A Pickup (Director of Finance)
Mr G Saffery (Risk Management Champion)
Mrs JA Trainor (Assistant to the Clerk of the Corporation)
Dr J Burgess (Clerk to the Corporation)

		Action
	Preliminaries Colleagues extended a warm welcome to Ms L Randall (Director Internal Audit RSM Tenon) to her first meeting of the Audit Committee and also to Ms Kirkwood, deputising for the Principal.	
11.2010	Apologies for Absence Mr D Fletcher, Ms F Greeves, Mr R Hutchinson and Mr C Moss.	
12.2010	Declaration of Interest None.	
13.2010	Consideration of any items of urgent business Governors were informed that, due to MIS Conference commitments in Nottingham, Ms Rainford was unable to provide the presentation on Data Protection. However, a short briefing paper, including the results of a recent Data Awareness Survey, had been prepared and it was agreed to receive this in place of item 6 on the agenda.	
14.2010	Minutes of the meeting held on 9th March 2010 <i>(Paper A)</i> 14.2010 D1 Resolved: that the Minutes be approved.	
15.2010	Matters arising from the Minutes of the Meeting held on the 9th March 2010 not covered elsewhere on the Agenda <i>7.2010 Internal Audit Report 2009-2010 - Examinations</i> The Director of Finance reported that Examination Fees were now in line with the re-drafted budget for the year.	

16.2010

Data Protection Update June 2010

A short nine point briefing paper was tabled and discussed. Governors were pleased to note the range of initiatives being taken forward by the Data Protection Officer. The on-line training and associated test results, together with the awareness training, Evaluation Audits and focus groups were all positive indicators. It was agreed to have the scheduled presentation delivered at the November meeting.

The Chair requested further details of the server back-up procedures to be available at the next meeting.

16.2010 D1 Resolved: that the Data Protection Update June 2010 be received.

17.2010

Risk Management

Risk Management Policy

(Paper B)

Mr Saffery explained the two main changes to the Risk Management Policy, which had been prompted by the Auditors and the Governors.

Risk Management Report - June 2010

(Paper C)

Governors were provided with a detailed Report of the main activities in relation to Risk Management, including the actions taken in response to the Internal Audit Report and the Governors Residential Conference. The search for new risk management software was continuing and revised procedures, together with a new risk, had been added relating to students & teachers being stranded abroad. In addition, Governors noted the other two new risk areas, which had been added to the Risk Register. It was suggested that in cases of emergency all communications, both to and from Tour Leaders and SMT members, needed to be formally acknowledged. Risk Area 17 from the Residential Conference needs to be re-visited, as it is a separate threat from that relating to the property re-development project.

17.2010 D1 Resolved: that the Risk Management Policy be approved.

17.2010 D2 Resolved: that, subject to the changes proposed, The Risk Management Report – June 2010 be received.

18.2010

Internal Audit Reports

Follow up of previous recommendations

(Paper D)

Ms Randall provided an overview of the follow-up done on the 19 recommendations proposed by Hursts, the previous Internal auditors. At the moment, seven recommendations are still outstanding, including two medium risk actions related to Leisure and Recreational activities. An updated action plan was included to ensure the closure of these items.

Procurement and payments

(Paper E1)

Action

Data
Protection
Officer
To note

Principal
To action

Risk
Champion
To action

This report provided Governors with substantial assurance that the controls in this area are effective. However, a total of five recommendations, one significant and four merits attention, are proposed. Despite the impression gained from reading the Report that the processes are somewhat loose, the Director of Finance maintained that the systems were sound and respected, particularly when non-compliances are reported to the Finance Panel for breaches to the Financial Regulations. She described a large number of items for which getting a purchase order is only possible after the event and explained the impact of the "orange coloured" Purchase Orders. The issue regarding the routine prompting to change password is currently with the Network Manager.

*Organisational Performance Management – Thematic Review
(Paper E2)*

Ms Randall described the methodology of this Review that aimed to assess the organisation's high-level performance management system. The outcome of the study was very positive and resulted in only two action points, one related to enhancing the contribution of student governors and a minor amendment to the Governor's Header Sheet document, which fronts and supports all items considered at all committees. Mr Boyle explained the College's revised approach from August 2010 to the recruitment and support of Student Governors.

Director of
Finance
To take forward

Internal Audit Progress Report June 2010

Ms Randall apologised for the late submission to governors by email of this Report. She outlined the function and structure of the Progress Report, noting its importance in relation to the year-end judgements and drew attention to the informative client briefings. At the present time, the assessment was looking positive.

18.2010 D1 Resolved: that the 3 Internal Audit Reports and Progress Report June 2010 be received.

**19.2010 Internal Audit Strategy 2010 / 2011
(Paper E3)**

Given the substantial nature of the recent changes to the post-16 education system and the dramatic cuts forecasted by the Coalition Government to address the Budget deficit, Governors scrutinised the updated Internal Audit Strategy in the context of the emerging risks facing the College.

19.2010 D1 Resolved: that the Internal Audit Strategy 2010 / 2011 be approved.

**20.2010 External Auditor's Planning Memorandum for the year ending 31st July 2010
(Paper F)**

Ms Musgrave, the External Audit Manager, carefully reviewed all the key aspects within the planning memorandum and answered Governor's questions about the approach being followed. With the departure of Ms Higgins, it had been necessary to secure permission from YPLA for Mr Moss to act as Audit Director for the final year. (Paper F3)

The proposed fees, along with business risks, fraud risks and audit risks were noted. The letter of comfort, (Paper F2) from RSM Tenon confirming their position to act as the financial statement auditors was received.

20.2010 D1 Resolved: that the External Auditor's Planning Memorandum for the year ending 31st July 2010 be approved.

21.2010 Provision of External Audit services 2010 – 2011
(Papers F & G)

As a consequence of the merger, on the 30th December 2009, of Tenon and RSM Bentley Jennison, the College had implemented a tendering process to appoint new external auditors, in readiness for the commencement of the next financial year 2010 / 2011. Using the Crescent Purchasing Consortium Framework to identify appropriate firms, four firms had been invited to tender and two had made visits to the College, but only one (Mazar LLP) had submitted a tender document.

An interview panel had met with senior representatives of Mazars, and assessed them as very experienced and most suitable to take over from RSM Tenon.

21.2010 D1 Resolved: that the Corporation be recommended to appoint Mazars as the External Auditors for 2010 / 2011.

22.2010 Election of the Chair and Vice-Chair of the Audit Committee for the 2010 / 2011 and 2011 / 2012.

22.2010 D1 Resolved: that the current Chair of Audit Committee, Mr G Curry be re-elected and Mr J Corry be elected Vice-Chair for the next two academic years.

23.2010 Any other business

Mr Nicholson wondered about the College's position with regard to charging for re-sit examinations, as parents of pupils in 11 – 16 schools were successfully challenging this. The Deputy Principal and Director of Finance explained the College's position, which essentially depended upon the circumstances of the case, however, where students were deemed to be liable, they had to pay in advance.

24.2010 Estimation of Risk

The Chair observed that from his perspective the only new risks which had arisen related to:

- the appointment of new External Auditors
- the consequences of delays on overseas trips taken by students
- the Coalition Government's spending cuts and educational reforms

25.2010 Date of next meeting

The next meeting of the Committee would be **Tuesday 23rd November 2010.**

Governors thanked Mr Nicholson for his services to the Committee and wished him every success in the future.

Signed: _____

Chair: _____

Date: _____