

BRIGHTON HOVE & SUSSEX SIXTH FORM COLLEGE

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON WEDNESDAY 9th
NOVEMBER 2005 at 6.00 P.M.
IN THE SPORTS CENTRE**

Present: Mike Bewlock, Jack Hazelgrove, Geoffrey Jarvis (Chairman), Ellen Walsh

In Attendance: Chris Thomson, Jutta Knapp,
Tina Thorne - Hampshire Audit Services (Internal Auditors)
Frances Millar – Tenon (external Auditors)

The meeting was quorate.

1. Apologies and Welcomes

Vanessa Brown, Louise Pennington, Marion Wilcock,

2. Minutes of the Meeting held on 11 May 2005

The Minutes were approved.

The minutes were signed by the Chairman as a correct record of the Meeting.

3. Matters Arising

Item 5 - Re-appointment and remuneration of Internal Auditors was in line with expectation. JHK confirmed.

4. Review of Terms of Reference (standing order)

Funding auditor reference excised. This was approved.

5. Report and Financial Statements for the year ended 31 July 2005

The Report and Financial Statements for the year ended 31 July 2005 were noted by the Committee. There were a number of mainly textual changes required, which will be incorporated in the papers for Corporation. **JHK**

6. External Audit Management Letter

Frances Millar presented the Letter to the Committee and the following points were noted:

- a) Page 8 Have Governors been asked? JHK confirmed that she had had a conversation with Chair of F&GP and no changes were necessary.
- b) Page 9 5.2 second paragraph – Point for action done. Bank would take reserves before FRS 17 impact.

At this point, CT and JHK left the meeting. The Auditors confirmed that the College Management and the finance team had been fully co-operative and helpful during the audits. CT and JHK re-joined the meeting.

7. Internal Audit Annual Report 2004/05

Tina Thorne presented the paper to the Meeting and the following points were highlighted:

- a) The original 23.75 day annual internal audit plan that was approved by the Committee in November 2004 has been reduced to 22.75 days due to capital project deferral
- b) BHASVIC has been classified as having appropriate risk management, control and governance processes, which are operating in practice.
- c) Section 3.8 – 9 business areas were reviewed, all of which had an appropriate framework of control to manage the risks reviewed.
- d) Section 3.9 and 3.10 – there were no significant or common findings.
- e) Management has accepted all the Auditor's recommendations and appropriate actions have been taken in respect of 2004/05. Progress has also been made on the issues arising from the 2003/04 review of learner support funds.

The committee agreed to recommend the Report to the Corporation for **JHK/LEP** approval.

8. Internal Audit Strategic Plan 2005-2008

Tina Thorne presented the paper to the Committee and highlighted the following points:

- a) Section 4 page 61 Learner numbers system. Even though the funding regime has changed there is still a need to provide assurance on the learner numbers system.
- b) Section 4 page 61 Key financial controls. 1 day has been allocated to provide additional assurance on the operation of key financial controls to complement the regularity audit.
- c) Following a meeting between JHK and Tina Thorne just before this meeting, it was agreed that the plan would be amended to reflect that the College was intending to change its payroll provider from Serco (ex East Sussex County Council) to Cintra. A revised plan incorporating this change will be issued.

**Tina
Thorne**

The Committee agreed to recommend the revised Report to Corporation for approval.

9. Audit Committee Annual Report 2004-2005

GJ presented the report to the Committee and after discussion the Committee agreed to recommend it for approval to the Corporation.

10. Risk Management Annual Report

CT presented the paper to the Committee and the following points were noted:

- a) Section 5.1 page 83. The table needs updating to reflect the amended financial statements.
- b) Page 95 SLSC work placements flagged up by CT and reiterated by JHK in response to GJ issue
- c) Page 104 "9" for disruptive building work
- d) The risk of overachievement of student numbers was explained.

JHK

The Report was recommended to Corporation for approval.

11. Performance Indicators for Internal Audit

JHK presented the paper and the report was recommended to Corporation for approval.

JHK/LEP

12. Update on Internal Audit Recommendations

JHK presented the paper to Committee, noting that there were no outstanding audit recommendations. The contents were noted.

13. Any other business

Ellen Walsh referred to:

- Terms of Reference: "Funding Auditor" page 6 needs excision
- 'Purpose' 12: Audit Committee to be consulted in advance – not small amounts but permission to be sought for changes in excess of £5,000

JHK

JHK

14. Date of Next Meeting

8 March 2006

Jutta Knapp
Assistant Principal (Director of Finance and Estates)

CHAIRMAN..... DATE.....

DRAFT