

BRIGHTON HOVE & SUSSEX SIXTH FORM COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 18th MAY 2010 at 6.00 P.M. IN THE SPORTS CENTRE CAFE

Present: Michael Bewlock, Dominic Blythe (Chair), Sarah Bovill, Sue Smith.

In Attendance: Jutta Knapp, Chris Thomson, Louise Pennington, Tom Wolfenden.
Liz Foster - Hampshire Audit Services (Internal Auditors)

The meeting was quorate.

A10/16 Apologies and Welcomes

Tom Wolfenden was welcomed to the meeting.

A10/17 Minutes of the Meeting held on 4th March 2010

The Minutes were approved and signed by the Chair as a correct record of the meeting.

A10/18 Matters Arising

Item A010/06 Internal Audit Report December 2009 e) – Chris Thomson reported that with regard to work placements during enrichment week, processes had been put in place and that he would continue to monitor their implementation.

Item A10/10 Update on Risk Management – Regarding risk 28, CT confirmed that the action plan had been updated.

A10/19 Declaration of Interests

None declared.

A10/20 Internal Audit Report February 2010

Liz Foster, (Hampshire Audit Services) presented the Internal Audit Report to the Committee as follows:

- a) 5 areas were considered – learner numbers system, human resources, financial planning/budget setting/monitoring/forecasting, information management and follow up. It was noted that in all 5 areas, the audit, confirmed that there was an appropriate framework of control in place which was working in practice.
- b) Learner numbers system – no recommendations made.
- c) Human resources – 1 recommendation (page 18 of the papers, item 4.8 Control issues) – ensure references of previous CRB checks are documented and the copy destroyed.
- d) Financial planning, budget setting, monitoring and forecasting – 2 low priority recommendations were made (page 24, item 5.14 control issues) – complete audit trail of BACS records and consider appropriateness of Investment Policy for re-approval by Governors.
- e) Information Management – three high priority recommendations (6.11 – Data Protection Registration ensure no additional data sets are being maintained by staff, 6.12 – sensitive personal data should be removed from leavers' files and shredded and 6.14 (FOI Act information should be included in staff induction process and one low priority recommendation 6.17 – copyright legislation – include details in staff induction process.

- f) Follow up – one low priority recommendation outstanding – audit trail to ensure checks made re issues arising with verification of inventory item re Science technicians manager action.

The Committee sought clarification on a number of issues regarding learner number systems, HR (recruitment and retention data analysis) and budgetary control (variances). In response Jutta Knapp gave the Committee further details in connection with Learner numbers and budgetary control.

A10/21 Update on Internal Audit Recommendations

Jutta Knapp presented the Report to Committee, which noted that all audit recommendations had been implemented.

At this point, Liz Foster left the meeting.

A10/22 LSC assessment of our Financial Management and Control Evaluation (FMCE)

The Committee noted that the College's self-assessment grade (outstanding) for financial management and control, had been verified by the LSC's Regional Audit Manager.

A10/23 External Audit Planning Memorandum for the year ended 31st July 2010

The Memorandum was tabled (owing to the timing of the External Auditor tender process).

It was noted that the document was standard in structure and it was resolved that subject to any queries advised to Jutta Knapp prior to the Corporation Meeting on 7th July, the document should be recommended to Corporation for approval. **ACTION: Committee/JHK**

The Committee noted that the next set of financial statements to 31/7, will include the part repayment of capital costs. The Committee were also advised that at the next Finance and General Purposes Committee a review of plans for College refurbishment will take place.

Page 15 Regularity Audit – it was agreed that the wording – “The College has received numerous specific grants” - should be revised. **ACTION: Jutta Knapp**

A10/24 Update on Risk Management

Chris Thomson presented the Risk Management Report for noting and the following points were recorded:

- a) List of Changes to the Risk Management Survey given on page 45 of the papers, was noted and Chris Thomson also confirmed that he had added a “contingency arrangements” column.
- b) Risk 28 – Adverse Government/SCFC funding related decisions/rise in interest rates etc – reference to 3 year financial forecast assumptions has been added and will be revised once the new financial forecasts have been agreed by Corporation, via F & GP Committee. Jutta Knapp explained that guidance is given by LSC (not yet received anything from successor organisation – YPLA) regarding financial assumptions which Colleges should apply, in addition to the College's own specific assumptions. It is likely that the College's financial forecast will have to be revised when the YPLA does issue its assumptions. Chris Thomson tabled an additional schedule in respect of risk 28.
- c) Risk 11 Failure to meet the standards published in the College Charter; reputational damage – this has been revised in terms of likelihood and overall score, to reflect the potential for teaching staff taking industrial action in response to the College's financial

strategy – two additional controls have been added too. Chris Thomson gave an update on current discussions with staff and the NUT regarding the current financial strategy, to the Committee.

- d) Page 57 risk 29 – Failure to maintain financial viability of the College – Chris Thomson to update “part time teaching staff ranges”. **ACTION: Chris Thomson.**
- e) Page 62 risk 47 – difficulties arising from insufficient appropriate equipment – a discussion was held regarding the greater access to computers needed, balanced with budgetary constraints and computer usage.
- f) Page 64 risk 48 – Difficulties arising from insufficient fit for purpose teaching accommodation and staff workspaces – Dominic Blythe reported upon his recent Governor Links visit which included meeting the with members of the Media department and highlighting their concerns regarding both accommodation constraints and insufficiency of equipment. The Committee were advised that accommodation issues were not confined to BHASVIC and that numerous Colleges had similar accommodation constraints to manage.
- g) Page 65 risk 54 – Failure to operate efficient/effective and reliable systems – Jutta Knapp advised the Committee on the current systems in place and it was noted that although the College was not “leading edge” it continued to operate effective systems. It was also noted that the College was operating on a “wireless” basis, but that although students were able to access the internet they were currently unable to access the College network due to security issues. The College is investigating means to extend home computer access for students.

It was resolved that it would be useful for Corporation to see a schedule of the higher risks (category “9”). **ACTION: Chris Thomson**

A10/25 Anti-Fraud and Irregularity Policy

Jutta Knapp introduced the Policy to the Committee, confirming that the principles behind the policy were already detailed within the Colleges Business Procedures. The Committee noted that the procedures to the policy were included for information. It was noted that JUMCoG (Joint Union Management Consultation Group) had not yet reviewed this, but would do so before Corporation. Any recommendations arising from JUMCoG’s review, will be reported to Audit Committee members and then to Corporation, and incorporated into the Policy if agreed.

Following a query from Dominic Blythe regarding the new Bribery Act which has been passed by Parliament but not yet in place, it was agreed that Dominic and Jutta would liaise and include any additional and relevant legislation within the “Related Policies and Documents” clause. **ACTION: Dominic Blythe/Jutta Knapp.**

Following a suggestion by Sarah Bovill, it was resolved that an a second sentence should be added to the clause entitled “Individual Members of staff have a responsibility to:”, to give assurance that members of staff would have responsibility to report any reasonable suspicion, but would not suffer as a result of reporting a reasonable suspicion, should the suspicion be found to be incorrect. **ACTION: Jutta Knapp.**

A10/26 Fraud

There were no matters of fraud declared to the meeting.

A10/27 Data Protection Policy

The minor policy amendments were noted by the Committee and recommended to Corporation for approval. **ACTION: Jutta Knapp/Louise Pennington**

A10/28 Updated Disaster Recovery Plan

Jutta Knapp presented the revised Disaster Recovery Plan, advising the Committee that only minor changes had been made e.g. names, address, contact details.

It was noted that further revisions would be required in the case of “LSC” contact – revised to “YPLA” and internal auditors, following recent tender process. **ACTION: Jutta Knapp.**

The revised document was recommended to Corporation for approval. **ACTION: Jutta Knapp.**

A10/29 Committee Self-Assessment and Review of Terms of Reference

The Committee completed its annual self-assessment and at the same time reviewed its terms of reference (TOR). It was agreed that the TOR should be revised to reflect the change from LSC to YPLA funding. **ACTION: Louise Pennington**

The Committee agreed that positive answers could be applied to all 9 questions, apart from the following points:

- 1) Is the number of Committee members appropriate? Yes if have one more (Tom Wolfenden – prospective Governor to be approved at July Corporation).
- 2) Do Committee members have any group training needs to assist them in their work on the Committee? On the whole the members felt that further training was unnecessary at the moment (Sue Smith still to attend FE Sussex Governor Induction course, although has completed College in – house induction training). Dominic Blythe and Jutta Knapp offered to provide pre-committee training specific to Audit Committee as and when the need arose.

A10/30 Any Other Business

There was no other business.

A10/31 Date of Next Meeting

To be advised.

Louise Pennington
Clerk to the Corporation

CHAIR..... DATE.....

