

BRIGHTON HOVE & SUSSEX SIXTH FORM COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 22nd MAY 2008 at 6.00 P.M. IN THE SPORTS CENTRE CAFE

Present: Michael Bewlock, Ellen Walsh (Chair), Marion Wilcock.

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

The meeting was quorate.

A08/14 Apologies and Welcomes

None.

A08/15 Minutes of the Meeting held on 26th February 2008

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

A08/16 Matters Arising

There were no matters arising.

A08/17 Internal Audit Report February 2008

Liz Foster (Hampshire Audit Services) presented the Report to the Committee, the contents of which were noted.

In summary, the Auditors reviewed 5 business systems, namely: a) estates management, b) asset controls, c) procurement and payments, d) learning numbers system, e) follow up.

- a) Appropriate framework of control in place to manage risks identified and controls operating in practice. Planned maintenance was not considered in the light of the College's proposed Capital Project. There are no significant issues.
- b) Appropriate framework of control in place to manage the risks identified and controls appear to be operating in practice. However reference was made to page 23 where two recommendations have been made by the Auditors – i) physical checks of items on the inventories should be carried out on a regular basis (in this case – annually) and ii) new purchases should be added to the relevant inventory as soon as they are received by the College. In response to a query from MB regarding the fixed asset register (item 4.10, page 22 of papers), JHK confirmed that all fixed assets are logged onto the inventory.
- c) As first sentence of b), with the proviso that some exceptions arose with regard to the effectiveness of the controls operating in practice. Three recommendations were made by the Auditors, as detailed on page 28 – i) credit card details to be held securely, ii) direct debit mandates must be held in the Finance Office, iii) use of College credit card by staff should only be within the Finance Office. MB queried the procedure with regard to credit card payments made on line and JHK confirmed that a form of authorisation is completed in respect of any internet orders, to ensure that the College has a clear record for reconciliation purposes. With regard to the seventh item listed in the Actual Controls table on page 27, it was confirmed that “aggregating” should read “disaggregating”. **ACTION: JHK.**
- d) As first sentence of b). One recommendation was made that care should be taken to

ensure that the date of the last attendance recorded on Unit-e matches the date of last attendance on the register.

- e) The follow up comprised a review on the progress made in implementing agreed recommendations from the 2006/2007 review, namely financial planning, budget setting, monitoring and forecasting, human resources and information management and the financial statement auditors report. LF confirmed that controls implemented had been tested and appeared to be operating in practice. Recommendations were made in respect of manual checking of cheque book usage (page 35) and CRB checks should be held for no longer than 6 months from the date of appointment. Following a query from MB, JHK advised that the College's Data Protection Policy states that the person responsible for compliance with the Data Protection Act is the Data Protection Officer.

The recommendations' schedule was considered – pages 40 -44 and the target dates for actions noted.

A08/18 Outstanding Audit Recommendations

The outstanding Audit Recommendations arising from the December 2007 Audit Visit were considered and it was noted that all recommendations had been addressed by the College.

A08/19 Re-appointment and Remuneration of Internal Auditors

The Committee resolved that Liz Foster should remain in the meeting whilst discussions were held.

JHK advised the Committee that the College had developed a very good working relationship with Hampshire Audit Services over the years and that a good standard of service was experienced. The audit charges had been reviewed and benchmarked during the last year by Committee and these appeared to be competitive.

JHK proposed that the Internal Auditors be re-appointed at the agreed remuneration with immediate effect.

The Committee unanimously resolved to recommend to Corporation that the Internal Auditors be reappointed on the agreed remuneration. **ACTION: JHK**

A08/20 Review of External Audit Fees

JHK presented the paper to the Committee, the contents of which were noted. A discussion was held and it was agreed that the service levels were good and that the fees were acceptable in the light of the benchmarking figures (using information collated from other similar sized Sussex Colleges) given within the report.

A08/21 External Audit Planning Memorandum for the year ended 31 July 2008

JHK presented Tenon's External Audit Planning Memorandum which sets out the scope of external audit work for next year.

It was noted that the current audit partner's (Chris Mantel) period of rotation would end after this year and that it was proposed that he would introduce Chris Cairns, his successor, at the Audit Committee's November 2008 Meeting.

The audit work strategy was approved.

A08/22 Update on Risk Management

CT presented his report to the Committee for noting.

CT confirmed the following:

- a) The Survey had been updated with various minor amendments.
- b) The Action Plan has also been updated in order to be compliant with the Audit Committee's recommendations at its last meeting.
- c) There is one past minutes' action point still to be processed, namely the action points from the PFA Report considered at the last Audit Committee meeting – CT agreed to process this in time for the next Audit Meeting. **ACTION: CT**

A08/23 Review of Disaster Recovery Plan

JHK presented the revised Plan to the Committee and the following points were made:

- a) The Plan was reviewed in detail last, during 2004.
- b) No significant changes have been made, apart from updating contact details etc.
- c) The procedure on section 6 on page 103 is new – “In case of a sudden death in the College Community”. JHK explained that she would be liaising with Ray Parkinson to ensure that this takes account of the College's past experience of this, when a student died following an accident at a party, some years ago.
- d) It was also suggested that CT could liaise with other Colleges which had experienced a sudden death to establish actions taken.
- e) Page 107 – JHK agreed to amend Liz Foster's contact number to 01962 846687. **ACTION: JHK.**
- f) Minor IT recommendations (prioritising IT Systems) have also been taken into account, following recommendations made by the internal auditors during its 2006/2007 Audit visit.
- g) EW suggested that it might be worth JHK consulting its insurers (Zurich) to see whether they would provide a free independent risk review. **ACTION: JHK.**

The Plan was approved and recommended to Corporation.

A08/24 Any Other Business

- a) Mike Bewlock disclosed that his daughter would be attending BHASVIC as a student with effect from September 2008.
- b) EW advised that she had advised Peter Freeman that she would be stepping down as a Governor and Chair of Audit Committee after the last Corporation Meeting of the Summer Term. She explained that she had suggested a replacement Governor to Peter Freeman – an accountant colleague, Kate Blenkinsop. **ACTION: LEP to liaise with PF/EW.**

A08/25 Date of Next Meeting

To be agreed.

Louise Pennington
Clerk to the Corporation

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

