

LONGLEY PARK SIXTH FORM COLLEGE

MINUTES of a meeting of the
AUDIT COMMITTEE
held on 10 SEPTEMBER 2008 at 4.00pm
at the College, Horninglow Road, Sheffield

Present: Margaret Ferris (Chair)
Max Caley
Alan Hancock
Alastair Reid - from Minute 4

Auditors: Rob Barnett (RSM Bentley Jennison)
Richard Lewis (Baker Tilly)

In attendance: Janet Brown (Finance Manager)
Sharon Langridge (Clerk to the Corporation)
Mo Nisbet (Principal)
Trevor Wray (Deputy Principal) - from Minute 5

Apologies for absence were received from Paul White.

Action by

1 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

2 **MINUTES OF THE MEETING HELD ON 14 MAY 2008**

The Minutes of the meeting held on 14th May 2008 were approved as an accurate record and signed by the Chair.

3 **MATTERS ARISING**

There were no matters arising from the last meeting.

4 **FINANCIAL STATEMENTS' AUDITORS AUDIT STRATEGY DOCUMENT**

Richard Lewis presented the Audit Strategy Document and talked Members through the proposed audit plan.

The Finance Manager confirmed that the Executive was happy with the focus of the plan. She highlighted one area which remained an uncertainty, the FRS17 outcome. Richard explained that deficits were increasing as a result of market factors and the ageing population.

Members were assured of continuity of staffing throughout the audit process.

Richard confirmed that any issues identified during the audit process which were not listed in the key risks associated with the plan would be reported to the Committee at the next meeting. Members noted that no such issues had been identified in previous years.

The Committee accepted the Audit Strategy Document.

5 **INTERNAL AUDIT ANNUAL REPORT**

Rob Barnett presented the Internal Audit Annual Report. He confirmed that all of the audit opinions on the three main areas of risk management, governance and internal control, had been positive.

Members asked what measures needed to be put in place to move an area from an overall opinion of 'adequate' to 'substantial' level of assurance. Rob said that the implementation of audit recommendations by management would be reviewed along with other controls and should ensure such a move.

The Chair queried why the skills mix of the audit team had been higher than originally planned. Rob explained that RSM Bentley Jennison had taken this decision to address perceived delivery problems.

The Committee accepted the Internal Audit Annual Report.

6 **INTERNAL AUDIT STRATEGY**

Rob Barnett presented the Internal Audit Strategy for 2008-09. He informed Members that due to changes within RSM Bentley Jennison the internal audit team would be led by Ian Wallace (Partner) and Alison Yates (Client Manager) from the Leeds office. He added that it was intended to use staff from the Nottingham office that were familiar with the College for individual audits to ensure continuity of approach.

Richard Lewis asked why there was no reference to an audit of student numbers in the plan. Rob said that he would follow this up and report back to the Committee at the next meeting.

RB Dec '08

Richard offered to update the Committee on the LSC funding audit pilot at the next meeting. He also hoped to have information on the form the audit would take and its timing.

RL Dec '08

The Committee accepted the Internal Audit Strategy.

7 **ANNUAL REVIEW OF EFFECTIVENESS**

The Clerk to the Corporation circulated copies of the Committee's terms of reference and a list of the review questions that had formed the basis of the initial review in 2007.

Members agreed that the terms of reference were applicable and had been throughout the course of the year. There was an annual programme of business in place and this was amended as and when LSC requirements changed. Members were happy that there were sufficient meetings scheduled each year to accommodate the business cycle.

Members were confident that the Committee's membership encompassed the skills and expertise needed to meet its responsibilities and included a non-

governor member.

Members were satisfied with the present system of reporting and could not identify any improvements that could be made in chairing or clerking.

Members discussed benchmarking. They acknowledged that there was a time lag with the benchmarking information available from the LSC. The Deputy Principal suggested that potential benchmarking data could be discussed with the members of NORVIC (formerly the Yorkshire & Humberside Sixth Form College group) and a set of core data established. Members supported this suggestion and as the Principal to follow this up.

MN Oct '08

Alastair Reid said that it would be useful to include details on voting arrangements in the terms of reference. The Clerk agreed to make the necessary amendments.

SL Sep '08

8 **AUDIT RECOMMENDATIONS ACTION PLAN**

Members considered the on progress made in relation to audit recommendations made by either the Financial Statements Auditors or Internal Audit Service.

Rob Barnett recommended that a revised implementation date be introduced for outstanding audit recommendations. Members supported this proposal. Richard Lewis also suggested that the report could be organised to identify the relevant category of recommendation e.g. significant or merits attention. This proposal was also accepted.

SL Dec '08

The Deputy Principal said that it would be useful to have a period of consistency in relation to risk management to enable some time for systems to be embedded.

The Clerk agreed to date future reports for ease of reference.

SL Dec '08

9 **REPUTATIONAL RISK: FACEBOOK**

The Deputy Principal presented the report and advised Members that all of the major social networking sites were now being monitored on a regular basis. Members accepted that derogatory remarks on such sites posed a potential reputational risk for the College, its staff and its young people.

Alan Hancock advised Members that such sites were reviewed nationally by the Child Exploitation and Online Protection Centre (CEOP) although this was a vast area.

10 **ELECTION OF VICE-CHAIR**

The Clerk informed Members of the decision to introduce the position of Vice-Chair for each of the Corporation's Committees in order to supplement the membership of the Search, Governance & Remuneration Committee and sought a volunteer. Alastair Reid volunteered to take on this role.

