

LONGLEY PARK SIXTH FORM COLLEGE

**MINUTES of a meeting of the
AUDIT COMMITTEE
held on 7 MAY 2009 at 4.30pm
at the College, Horninglow Road, Sheffield**

Present: Margaret Ferris (Chair)
Alastair Reid
Paul White

Advisors: Alison Yates (RSM Bentley Jennison)

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

Apologies for absence were received from Max Caley, Alan Hancock, Richard Lewis (Baker Tilly) and Martin Standish (Baker Tilly).

Action by

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 MINUTES OF THE MEETING HELD ON 12 MARCH 2009

The Minutes of the meeting held on 12th March 2009 were approved as an accurate record and signed by the Chair.

3 MATTERS ARISING

There were no matters arising which did not appear elsewhere on the agenda.

4 INTERNAL AUDIT

(a) Financial Controls - Fixed Assets, Payroll and Budget Monitoring

Alison Yates presented the report. She explained that the audit had highlighted a few issues, but that the majority were housekeeping issues which merited attention.

The Committee reviewed the internal audit report and the management responses to the recommendations that had been made. Members noted that a fixed asset was defined as an item or items with a value of £2,000 or more which was capitalised. The Deputy Principal informed Members that a contractor would be coming into college over the summer to locate, identify, register and tag assets.

The Committee noted that there was a common theme throughout the reports relating to staff absence and resources. The Principal explained that recent staff absences had led to difficulties. The Finance Manager added that she

believed that this had led to an increase in the number of recommendations being made by the Internal Auditors. The Committee accepted that the Finance Section, with a small staff team of three people, would be adversely affected by absences and queried what support arrangements were in place. The Finance Manager informed Members that arrangements had been made to bring in agency staff to cover absences, however, there were difficulties in finding good staff and getting them up to speed. Members were pleased to note that contingency arrangements had been made as they acknowledged that absence through sickness could not be prevented.

The Committee accepted the internal audit report on financial control.

(b) Procurement

Alison Yates presented the report and advised the Committee that the audit had generated one significant recommendation relating to compliance with the College's financial regulations.

The Committee considered the internal audit report and the management responses to the recommendations that had been made. The Deputy Principal confirmed that in certain circumstances, when it might prove difficult to obtain quotes in line with the requirements of the financial regulations, then these could be suspended and action authorised by the Chair. The Finance Manager explained that as the College did not have a designated procurement officer (this role was effectively shared by the Deputy Principal, Estates & Operations Manager and Finance Manager) no central log had been maintained. She accepted the value of establishing a log going forward, but could not see any benefit in establishing a log retrospectively. Alison Yates concurred with this view. The Committee also agreed, particularly considering the resources issue, and as a retrospective log would bring no benefit.

The Committee noted that the EMM project was college-wide and not departmental and that officers were therefore considering how and if it would be feasible to implement the recommendation.

The Committee accepted the internal audit report on procurement.

(c) Follow-up

Alison Yates presented the report. She confirmed that the majority of recommendations had been implemented or that action had been taken and they were in the process of being implemented.

The Committee considered the follow-up report and noted that the number of recommendations that were rolling forward was increasing as the college matured. There was continued frustration at the continual reference to risk appetite as there was no guidance available. The Principal reported that she had contacted the Learning & Skills Council to seek their advice and that they considered the activities of the college to be of very little risk because of the nature of its provision. Alison Yates agreed to chase up the promised briefing.

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The Committee accepted the follow-up report.

(d) Progress Report

The Committee considered the progress report. Alison Yates confirmed that the annual programme of work had now been completed and that there were no major issues in the work that had been undertaken that would impact on their audit opinion. The Internal Audit Strategy for 2009-10 would be presented to the next meeting.

5 RISK MANAGEMENT REGISTERS 2008-09

The Deputy Principal presented the risk registers for the Committee's consideration. He explained that there were a number of audit recommendations that would be implemented for 2009-10. Members noted that the college had no risks that could not be mitigated.

The Deputy Principal summarised the high level risks and new risks that had been identified. He also drew attention to areas that formed part of a family of key controls.

Members discussed the risk registers, rating of risks and action planning.

The Committee **recommended** to the Governing Body that the Risk Registers for 2008-09 be approved.

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6 PROPOSED MEETING DATES 2009-10

The Committee considered the proposed meeting dates for 2009-10. Members were happy to continue with meeting at 4.30pm on a Thursday.

The meeting dates for 2009-10 were approved.

7 AUDIT RECOMMENDATIONS: PROGRESS REPORT

The Committee reviewed the report and discussed progress made to date on implementing audit recommendations. Members noted that most of this information had been covered in the IAS follow-up report earlier on the agenda.

The Committee noted the progress report.

8 POST INSPECTION/PROVIDER FINANCIAL ASSURANCE ACTION PLANNING

The Deputy Principal outlined the action points in response to the recommendations arising from the provider financial assurance review. He advised Members that credit was due to the Finance Manager and the Clerk to the Corporation that so few recommendations had been made.

The Principal informed the Committee that an overarching post inspection action plan would be presented to the Governing Body for consideration at its

meeting on 20th May.

9 **DATE OF NEXT MEETING**

Thursday 24th September 2009 at 4.30pm.

The meeting ended at 5.15pm.

Signed: (Chair)

Date: