

**The Sixth Form College Farnborough  
Audit Committee Meeting, 19 October 2011  
Minutes**

The meeting opened at 6.09 pm

Members Present: Phyllis Chan (Chair), Andrew Annette, Andrew Majury

In Attendance: Emma Crook (RSM Tenon), Gordon Dodds, Simon Jarvis, Avnish Savjani (Buzzacott), Alison Venner (Clerk)

Apologies: Mike Cheetham (RSM Tenon)

**1. A 11/13 Apologies for Absence**

Mike Cheetham from RSM Tenon sent his apologies; Emma Crook attended in his absence. Andrew Annette advised that he needed to leave at 7.15pm.

**2. A 11/14 Declaration of Pecuniary Interests**

None

**3. A 11/15 Minutes of 19 May 2011 meeting**

The minutes were accepted and signed by the Chair.

**4. A 11/16 Matters Arising  
Data Protection Procedures (11/4 e)**

Issued with agenda

A high level audit review had been undertaken by RSM Tenon in August 2011. The report had been issued to Committee members along with the College response to recommendations.

It was confirmed that as the College now uses Gmail, the need for staff to take files offsite on mobile devices has reduced considerably, as documents can be accessed remotely. There are only a few members of staff who need to take their laptops home; in these cases the laptops have been encrypted. Discussions took place on whether data could be removed for malicious reasons; it was established that systems are in place to track access if needed, however continuous monitoring of data movement would be very difficult. Detailed knowledge of the systems would be needed to access sensitive data.

The Committee were happy with the controls in place, and that RSM Tenon will follow up the recommendations as part of their audit. No further action required by the Committee.

**5. A 11/17 Chair's Business  
Review Terms of Reference**

Issued with agenda

The Terms of Reference were reviewed. The Committee will change name to "Audit and Risk" and duties will include the review of the risk register. The

Committee will meet to consider the risk register following the Principalship's update in the spring and again in the autumn in time for the Committee's reporting to the Corporation. If necessary, the Committee will meet termly, instead of bi-annually, in order to allow time for these reviews.

The last item under Committee Responsibilities in the revised Terms of Reference "To approve and maintain an inventory of all capital assets within the College" will be amended to:

"To ensure there is a system in place of maintaining an inventory of all capital assets within the College".

The first item under Policies in the draft revised Terms of Reference – '16-19 Bursary (EMA)' – will be removed. **Action: AV**

Andrew Majury will become a Co-opted member of the Committee when his term of office as a Parent Governor ends on 31 October 2011.

## **DECISION**

The terms of reference were reviewed and agreed, subject to minor changes, to incorporate the changes recommended by the Working Party which were agreed at the Corporation meeting of 10 October 2011.

### **6. A 11/18 Internal Audit Services annual report 2010/11**

Issued with agenda

The report was presented by Emma Crook. Attention was drawn to:

**Page 1** – The College received the highest grading of "Green" for Governance, Risk Management and Control. One low recommendation was raised for Risk Management, and three for Control with an unqualified overall opinion.

**Page 3** – Two recommendations made in 2009/10 are outstanding and will be followed up during the 2011/12 audit.

**Appendix A** – The Internal Assurance Map 2010/11 shows all areas as best grading "Green".

Emma was asked why there will only be one visit for 2011/12. A discussion took place as to the reasons for the change and to ensure that one visit will be adequate to review systems. There will be one longer visit, rather than two shorter ones - the time spent on the visit will still be the same as agreed in the tender. Governors were assured that if another visit was felt to be necessary by either the Auditors or Governors, it would be arranged.

All present were asked their views on the change to one visit; all were happy to adopt this process.

### **7. A 11/19 Annual Assessment of Internal Audit Services for 2010/11**

Issued with agenda

The report was agreed and will be signed by the Chair following a few minor amendments. **Action: AV/PC**

## **8. A 11/20 External (Financial Statements) Auditor's report on the 2010/11 College accounts.**

Emailed/tabled

Avnish Savjani presented the report to Governors. It was highlighted that as the meeting was being held earlier than previously, there had not been enough time for proof reading the report. It was agreed to schedule the meeting in November next year. **Action: AV**

- Results compared to the previous year and budget were very good.
- Comparisons against the averages for both sixth form colleges and Hampshire colleges show the College in a very good position.
- The statutory financial statements grade the College as "Outstanding".
- Payroll is increasing which reflects reductions to funding and the recent severance payments. Despite this, a healthy surplus has still been created.
- Avnish advised that the College is in a good position to cope with the expected sector changes.
- The Auditor's report 2010/11 of the financial statements, including regularity and propriety, will be unqualified when finalised.

A question was raised on "General reserves/Total income" wording, on the ratio comparison (Appendix, Item 4). It is intended to reflect that the College has retained surpluses and invested sums in fixed assets. It was agreed that this should be reworded to reflect the meaning better.

## **9. A 11/21 Audited Accounts for the Year 1 August 2010 – 31 July 2011**

Issued with agenda

Avnish advised that due to the early timing of the meeting, he had been unable to review the accounts in detail; however he was happy with the surplus and the balance sheet. The final report is expected to be ready by mid-November; this will be issued to Committee members, prior to it being taken to the Corporation meeting in December.

**Action: GD/AV**

A discussion took place on changes to the financial reporting systems expected from July 2015.

## **10. A 11/22 Audit Committee's annual report to the Corporation**

Issued with agenda

The Chair's annual report to the Corporation for the period 1 August 2010 to 31 July 2011 was approved, subject to two minor changes.

The following agenda item was brought forward in order for a Governor to leave.

## **12. A 11/24 Risk Register**

Issued with agenda

The Risk Register had been reviewed by Policy and Resources Committee on 20 June 2011, and approved by the Corporation on 4 July 2011.

The top risks had been highlighted in the report; inadequate and falling revenue remain the top risk, and is an issue which all colleges are facing. In future the risk register will be reviewed by the Audit Committee, and timely meetings will be arranged to fit in with the principalship's review of the register and the Committee's annual reporting to the Corporation. **Action: AV**

Andrew Annette and Avnish Savjani left the meeting at 7.25pm

### 11. A 11/23 Finance and Management Report for September 2011

Issued with agenda

Gordon presented the figures to the Committee, drawing attention to:

- The current surplus of £785k is slightly higher but no more than expected at this time of the year.
- Unforeseen staffing issues could mean the savings on the budget, presently predicted of £58k, could be reduced by the end of the year.
- The budget remains tight but expenditure is being monitored and controlled; if costs remain at the expected levels the surplus target should be met.

### 13. A 11/25 Bribery Act

Issued with agenda

The Committee discussed the AoC's model policy on Anti-bribery. It was agreed that a College policy would be written, based on the model policy and incorporated into the disciplinary policy.

The revised version will be e-mailed to Committee members prior to it being taken to the Corporation meeting in December. **Action: SJ/AV**

### 14. A 11/26 Any other business

A YPLA review is taking place on reducing the burden of audit. Gordon will feedback information to the committee when available. **Action: GD**

### Date of next meeting:

March - TBA

17 May 2012

The meeting closed at 7.47pm

### Actions

<b>A 11/17 Chair's Business - Terms of Reference</b>	
To make amendments and re-issue to the committee.	Alison Venner
To add a meeting to the spring term	
<b>A 11/19 Annual Assessment of Internal Audit Services for 2010/11</b>	
To make typo corrections and re-issue to the committee.	Alison Venner
Copy to be signed by Phyllis.	Phyllis Chan

<b>A 11/21 Audited Accounts for the Year 1 August 2010 – 31 July 2011</b>	
Finalised report to be sent to Alison, to issue to committee members prior to the December Corporation meeting.	Gordon Dodds Alison Venner

<b>A 11/25 Bribery Act</b>	
AoC model to be used to create a College policy. To be sent to Alison, to issue to committee members prior to the December Corporation meeting	Simon Jarvis Alison Venner

<b>A 11/26 Any other business</b>	
YPLA conference - review of audit requirements. Feedback to be given to committee	Gordon Dodds