

BLACKPOOL AND THE FYLDE COLLEGE
AUDIT COMMITTEE
MINUTES OF A MEETING HELD ON 20 APRIL 2022 AT 5.00PM
BY VIDEOCONFERENCE

Present: J Cole Independent Member (in the Chair)
P Hewetson Co-opted Subject Specialist
C Holt Independent Member

In attendance: J Butterfield, Internal Auditor, TIAA
P Howard, PDH Advisory (minutes)
A Mulvey, Vice Principal Finance and Planning

1. Chair and quorum

J Cole took the chair and noted that due notice of the meeting had been given to all members and that a quorum was present. She therefore declared the meeting duly convened and constituted.

2. Apologies for absence

Apologies for absence were received from S Layton and M Long (Independent Members).

3. Declarations of interest

No Committee members declared an interest in any of the agenda items.

4. Minutes of previous meeting

The minutes of the previous meeting held on 24 November 2021 were **AGREED** as a true and accurate record of proceedings.

5. Internal audit reports

- (i) J Butterfield presented a suite of internal audit reports for the Committee's review.
- (ii) With regard to the assurance review of budgetary controls, the Committee noted that it had received a substantial assurance level with no recommendations. In response to a question from P Hewetson, the Vice-Principal for Finance and Planning summarised the assumptions that are used in budget setting and reminded the Committee of the lagged funding arrangements in place for some income streams. In response to a question from C Holt, the Vice-Principal for Finance and Planning described the detailed nature of the planning process and noted his desire to further

strengthen budgetary analysis at local level. J Butterfield confirmed her view that budgetary control in the organisation was robust and appropriate.

- (iii) With regard to the assurance review of GDPR compliance, J Butterfield confirmed that the review had received reasonable assurance with two important and two routine action points arising from it. In response to a question from the Chair around the Data Protection Officer post, the Vice-Principal for Finance and Planning outlined the rationale for appointing the Chief Information Officer to the role. In particular, he clarified that the post holder is not responsible for day-to-day management of IT systems and processes and as a result was not considered to be conflicted. He noted, however, that this arrangement was currently subject to further consideration by the executive team.
- (iv) C Holt noted that the role of Data Protection Officer had been transferred to the previous Company Secretary and had later been returned to the Chief Information Officer. He therefore queried the rationale for returning the role, to which the Vice-Principal for Finance and Planning confirmed that appropriate segregation of roles was in place. The Committee acknowledged this but considered that it would be appropriate to review this arrangement in 8 months' time.

ACTION: Clerk to the Corporation (to schedule)

- (v) With regard to the assurance review of treasury management, confirmation was provided that a substantial assurance level had been reported and that no action points had been identified.
- (vi) With regard to the assurance review of risk mitigating controls, J Butterfield advised that a reasonable assurance level had been provided, with one important action point, four routine points and one operational action point. In response to a question from C Holt around the link between the risk register, the organisational strategy and curriculum areas, the Vice-Principal for Finance and Planning confirmed that the components are considered holistically within the organisation and noted the intention to include cross-references on the next iteration of the risk register which will be introduced in advance of the next financial year.
- (vii) With regard to the assurance review of safeguarding, confirmation was provided that reasonable assurance had been provided and that two important and two routine action points had been raised. The Committee noted that three of the action points had already been closed and that the fourth would be closed in the near future.
- (viii) The Committee received the reports and noted the content.

6. Internal audit findings tracking log

- (i) The Vice-Principal for Finance and Planning presented the audit findings tracking log which the Committee considered. Note was made of the fact that there were no recommendations for which an extension was requested.

- (ii) The Chair highlighted the fact that feedback had been received from the internal auditors on the longer-than-usual periods for the receipt of management responses and asked that this be fed back to the organisation for improvement.
- (iii) The Committee received the report and noted the content.

7. Scope of work of audit committees and internal auditors in college corporations

- (i) The Clerk to the Corporation presented a report which had been circulated with the agenda to share recently published guidance from the Department for Education around the scope of work of audit committees and internal auditors in college corporations. Committee members reviewed the documentation and were confident that it discharged its responsibilities appropriately.
- (ii) The Committee received the report and noted the content.

8. Risk management update

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to present the 2021/22 risk register for review.
- (ii) In response to a question from P Hewetson around cyber security, the Vice-Principal for Finance and Planning confirmed that whilst general insurance arrangements were in place which afforded a limited level of cover for cyber issues, due to their generic nature these were deemed to be less than the College would require and confirmed that a cyber specific insurance policy was being pursued. He further confirmed that regular meetings take place with the insurance broker to ensure optimum cover.
- (iii) P Hewetson noted that an end date of July 2022 had been set for a number of entries on the register, to which the Vice-Principal for Finance and Planning responded that the end dates reflect the end of the financial year and noted that many of the entries would also roll over onto the following year's register. He confirmed that there were no entries in respect of which he was unduly concerned.
- (iv) C Holt suggested that consideration should be given to identifying opportunities in the same way as identifying risks. It was agreed that this would be discussed when the risk appetite statement is next considered by the Corporation Board.
- (v) The Committee received the report and noted the content.

9. Bank/compliance report

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to summarise compliance with the covenant requirements of its loans.
- (ii) The Committee received the report and noted the content.

10. Other matters to report to the Committee

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to summarise the breaches of Financial Regulations that had been reported since the last meeting of the Committee. He briefed the Committee on the rationale for a number of the breaches and described the steps that had been taken to raise awareness of the processes to ensure compliance.
- (ii) In response to a question from P Hewetson, the Vice-Principal for Finance and Planning confirmed that disciplinary processes are available for use in the event of breaches of Financial Regulations, although these had not yet been used because a more educational and supportive approach was currently in place to achieve improved compliance.
- (iii) The Committee received the report and noted the content.

11. Dates of Committee meetings 2022/23 and 2023/24

- (i) The Clerk to the Corporation presented the schedule of agreed dates for 2022/23 and the provisional dates for 2023/24. He also invited the Committee to consider whether it would wish to retain the approach of holding meetings by videoconference going forwards or to return to on-site meetings.
- (ii) Following discussion, the Committee agreed to continue to hold its meetings by videoconference, regardless of the approach adopted for other meetings.

J Butterfield left the meeting

12. Procurement of internal audit contract

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to outline the recommendation of the panel which had recently been convened to consider the appointment of internal auditors. The Chair noted that whilst she had not been present during the interviews, she had been involved throughout the process and was confident that the recommendation from the panel was appropriate.
- (ii) Following discussion, the Committee agreed to recommend that the Corporation Board appoints Wylie and Bisset as its internal auditors for an initial contract period of 2 years, with an option to extend for a further 2 years.

13. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 15 June 2022, 5.00pm by videoconference.