

BLACKPOOL AND THE FYLDE COLLEGE
AUDIT COMMITTEE
MINUTES OF A MEETING HELD ON 24 NOVEMBER 2021 AT 5.00PM
BY VIDEOCONFERENCE

Present:

J Mills	Independent Member (in the Chair)
J Cole	Independent Member
P Hewetson	Co-opted Subject Specialist
C Holt	Independent Member
M Long	Independent Member

In attendance:

- J Butterfield, Internal Auditor, TIAA
- P Howard, PDH Advisory (minutes)
- S Hutchinson, External Auditor, Beever and Struthers
- A Mulvey, Vice Principal Finance and Planning
- B Robinson, Principal and Chief Executive
- S Smith, External Auditor, Beever and Struthers
- S Yeoman, Financial Controller

1. Chair and quorum

J Mills 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 (Independent Member).

3. Declarations of interest

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

4. Minutes of previous meeting

- (i) The minutes of the previous meeting held on 16 June 2021 were **AGREED** as a true and accurate record of proceedings.
- (ii) With regard to the action log, the Committee noted the annotations which had been included in the 'update' column and confirmation was provided that all actions had been completed.

5. Internal audit annual report 2020/21

- (i) J Butterfield presented the internal audit annual report for 2020/21 which had been circulated with the agenda, noting in particular the Head of Internal Audit's Opinion which stated that, for the areas reviewed during the year, B&FC had reasonable and effective risk management, control and governance processes in place.
- (ii) In response to a question from the Principal and Chief Executive around areas for improvement over the coming year, J Butterfield commented that the control environment at B&FC is very good and that previous recommendations had all been addressed. She noted that additional elements of good practice from elsewhere in the sector are also provided during the year for consideration.
- (iii) The Committee received the report and noted the content.

6. Internal audit reports

- (i) With regard to the assurance review of apprenticeships, J Butterfield noted that an overall assessment of 'significant assurance' had been provided and confirmed that there were no recommendations arising from the review.
- (ii) Note was made of the fact that the other two reports circulated with the agenda had been included in error as they had been presented to the previous meeting of the Committee.
- (iii) In response to a question from the Chair, J Butterfield briefed the Committee on the work that was underway from the current year's programme of audits and noted that whilst a number of meetings with staff had recently been impacted as a result of the Ofsted inspection, they had all been rescheduled to take place in the coming weeks.
- (iv) The Committee received the report and noted the content.

7. Audit findings tracking log

- (i) The Vice-Principal for Finance and Planning presented the audit findings tracking log which the Committee considered. He noted that there was one recommendation for which an extension of time was requested, to the end of January 2022, and the Committee agreed to the extension.
- (ii) The Committee received the report and noted the content.

8. Draft external audit management letter

- (i) S Hutchinson presented the draft external audit management letter which had been circulated with the agenda and commended the way in which the team at B&FC had worked with the team at Beever and Struthers. She noted that the audit was substantially complete and that it was expected that an unmodified audit opinion would be issued.

- (ii) S Smith discussed the content of the report in detail. In response to a question from P Hewetson around the audit adjustments, S Smith confirmed that there were no concerns arising from the findings. Clarification was also provided around a number of the tests that are undertaken as part of the year-end audit.
- (iii) The Vice-Principal for Finance and Planning took the opportunity to thank the audit team from Beever and Struthers for their focused work and support during the process, and the role of S Smith in this process was particularly emphasised.
- (iv) The Committee received the report and noted the content.

9. Teachers' pension scheme audit letter

- (i) S Hutchinson presented the pension scheme audit letter for the Committee's information.
- (ii) The Committee received the report and noted the content.

10. Draft annual report and financial statements

- (i) The Vice-Principal for Finance and Planning presented the draft annual report and financial statements and acknowledged the role of the Financial Controller in coordinating the process. A summary of the year-end position was provided.
- (ii) In response to a question from C Holt around the impact of COVID-19, the Vice-Principal for Finance and Planning confirmed that the level of flexibility referenced at page 9 of the report had now been returned to pre-COVID levels and noted the continuing pressures in some income streams. C Holt also noted the inclusion of various references to uncertainties around international student income as a result of Brexit, to which the Principal and Chief Executive commented that the impact of COVID had served to make the matter more complicated.
- (iii) Following consideration, the Committee **RECOMMENDED** the draft annual report and financial statements for the year ending 31 July 2021 to the Corporation Board for approval. The Committee also noted the content of the self-assessment of compliance with regulatory and propriety requirements.

11. Audit Committee annual report

- (i) The Committee considered the annual report which had been prepared on behalf of the Committee and circulated with the agenda.
- (ii) The Committee **APPROVED** the report as presented.

12. Risk management annual report

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to seek endorsement of the risk register prior to being

presented to the Corporation Board at its next meeting, and to propose an amendment to the usual timeline for reviewing the register.

- (ii) With regard to the proposed change to the timeline, the Committee recognised the rationale for the proposal, specifically to allow the process to better dovetail with wider strategic planning processes, and endorsed the proposed change to the timeline as outlined.
- (iii) With regard to the content of the risk register, the Vice-Principal drew the Committees' attention to the inclusion of 11 key risks on the risk register and outlined how the mitigating actions had been identified, as well as the process for regular review through the Senior Management Team.
- (iv) The Committee discussed the report in detail, agreeing to make a change to the wording of risk 6 to reflect some uncertainty around international income as discussed earlier in the meeting, as well as making more explicit reference in risk 3 to remaining abreast of technological developments. A discussion was also held around cybersecurity and wider market considerations as a result of this issue, which affects all industries and sectors.
- (v) The Committee received the report and noted the content.

13. Committee self-assessment

- (i) The Clerk to the Corporation presented the draft Committee self-assessment, which had been prepared by the Committee in advance of the meeting, for agreement.
- (ii) The Committee **APPROVED** the self-assessment as presented.

14. Committee terms of reference

- (i) The Clerk to the Corporation presented a report which had been circulated with the agenda to outline a number of proposed minor changes to the Committee's terms of reference.
- (ii) The Committee **RECOMMENDED** the proposed changes to the Corporation Board for approval.

15. Student Union accounts

- (i) The Vice-Principal for Finance and Planning introduced the report summarising the Students' Union Accounts and provided additional detail regarding the income and spending in response to questions from the Committee.
- (ii) The Committee received the report and Students' Union Accounts.

16. Procurement exceptions report

- (i) The Vice-Principal for Finance and Planning presented the annual procurement report which had been circulated with the agenda to summarise exceptions to procurement processes during 2020/21.
- (ii) The Committee received the report and noted the content.

17. ESFA confirmation of financial health rating

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to confirm B&FC's ESFA financial health rating for 2020/21 and 2021/22 and to set out college-specific and sector comparators of past and forecast financial position.
- (ii) The Committee received the report and noted the content.

18. Other matters to report to the Committee

There were no other matters to bring to the Committee's attention.

19. Committee training: Assurance v. reinsurance

The Clerk to the Corporation presented a training session on assurance versus reinsurance.

20. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 20 April 2022, 5.00pm by videoconference.