

BLACKPOOL AND THE FYLDE COLLEGE
AUDIT COMMITTEE ('the Committee')
MINUTES OF A MEETING HELD ON 1 MARCH 2023 AT 5.00PM
BY VIDEOCONFERENCE

Present:	Jane Cole	Independent Member (in the Chair)
	Peter Hewetson	Co-opted Subject Specialist
	Martin Long	Independent Member

In attendance:	Graham Gillespie	Wylie and Bisset
	Paul Howard	PDH Advisory (minutes)
	Alistair Mulvey	Vice Principal Finance and Planning
	Stephen Pringle	Wylie and Bisset
	Steve Yeoman	Financial Controller

1. Chair and quorum

- (i) Jane 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.
- (ii) Confirmation was also provided that the Committee had taken the opportunity to meet with the auditors in private before the meeting, in line with established best practice.

2. Apologies for absence

Apologies for absence were received from Chris Holt (Independent Member).

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 23 November 2022 were **AGREED** as a true and accurate record of proceedings. The Committee considered the action log and noted that there were no actions due or outstanding at the meeting.

5. Internal audit report: procurement

- (i) Graham Gillespie presented a report which had been circulated with the agenda to present the findings from a recent internal audit into B&FC's procurement arrangements. He noted the overall conclusion of strong assurance and highlighted the fact that that only two low risk recommendations had been made.

- (ii) In response to a question from Peter Hewetson, Steve Yeoman clarified the rationale for seeking to use existing suppliers wherever possible, that being to avoid indirect costs associated with setting up many one-off suppliers on the procurement system.
- (iii) Peter Hewetson compared the findings of the report with previous reports around compliance with Financial Regulations, which noted that a number of breaches had occurred as a result of invoices being received before purchase orders are raised. In response, Steve Yeoman commented that one of the main reasons for this is where a multi-year contract requires an annual purchase order to be raised, and due to turnover of staff the anniversary date had not been known and the invoice had been generated before a new purchase order for that year was raised. He confirmed that work was ongoing both internally and with suppliers to try and avoid this going forward.
- (iv) The Committee received the report and noted the content.

6. Internal audit tracking log

- (i) The Vice-Principal for Finance and Planning presented the internal audit tracking log which had been circulated with the agenda. He noted that there were no audit actions for which an extension to the deadline is requested.
- (ii) The Committee received the report and noted the content.

7. Risk management update

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to share the updated risk register for 2022/23.
- (ii) In response to a question from Peter Hewetson, the Vice-Principal for Finance and Planning commented that the highest risks related to general economic issues, energy procurement and the Local Government Pension Scheme. In response to a follow-up question from Peter Hewetson, the Vice-Principal for Finance and Planning confirmed that a new supply contract for gas had been procured and that a tender exercise was currently being undertaken in respect of the electricity supply.
- (iii) Martin Long reminded the Committee of his previous comments around cybersecurity training, to which the Vice-Principal for Finance and Planning advised that bitesize training had been built for staff during the year via the intranet and thanked Guy Baxter, Head of IT, for his work on this.
- (iv) The Committee endorsed the risk register as presented.

8. Compliance with Financial Regulations

- (i) The Financial Controller presented a report which had been circulated with the agenda to summarise the breaches of Financial Regulations and noted that the overall number of breaches continued to reduce. The Committee noted the focused work of the finance team in raising awareness of Financial Regulations, as shown on the covering report.
- (ii) The Committee received the report and noted the content.

9. Bank/compliance report

- (i) The Financial Controller presented a report which had been circulated with the agenda to share key headlines in relation to banking and compliance with bank covenants.
- (ii) The Committee received the report and noted the content.

10. Other matters to report

- (i) The Vice-Principal for Finance and Planning provided a verbal report, noting that there had been a concern raised in relation to alleged misalignment of some targets around Lancashire Energy HQ and LEP funding. He confirmed that the internal auditors had been instructed to review the concerns, and that he had briefed the Committee Chair immediately on receipt of the concern. Confirmation was provided by Wylie and Bisset that they were satisfied that everything had been done correctly and that there were no concerns or control weaknesses to raise.
- (ii) The Committee received and noted the verbal update.

11. Schedule of meetings

- (i) Paul Howard presented a report which had been circulated with the agenda to share the schedule of Committee meetings for 2023/24 and proposed dates for 2024/25.
- (ii) The Committee received the report and noted the content.

12. Training session: internal control environment

- (i) Wylie and Bisset delivered an informative training session on the internal control environment and Committee members had the opportunity to ask questions.

13. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 29 June 2023, 5.00pm by videoconference.