

BLACKPOOL AND THE FYLDE COLLEGE

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON TUESDAY 2 MARCH 2016 4.00PM IN THE MAIN COMMITTEE ROOM, BISPHAM CAMPUS

Present:	P Graves (in the Chair)	External Member
	H Broughton	External Member
	S Dunstan	Co-opted Specialist
	L Moffat	External Member

In attendance: P Howard, Company Secretary and Clerk to the Corporation
S Hughes, Director of Quality and Standards
A Milloy, Vice-Principal for Finance and Planning
S Yeoman, Head of Finance
H Doherty, Grant Thornton
C Moss, RSM
K Musgrave, RSM

1. Chairman and quorum

Paul Graves took the chair and noted that due notice had been given to all Committee Members and that a quorum was present. Accordingly he declared the meeting duly convened and constituted.

2. Apologies for absence

No apologies for absence were received.

3. Minutes of the previous meeting

The minutes of the previous meeting held on 25 November 2015 were considered, and note was made of the fact that the references to the internal and external audit firms had been transposed within minute reference 16. With this amendment, the minutes were **APPROVED** as a true and accurate record.

4. Internal audit reports

H Doherty presented a suite of reports that had been circulated with the agenda.

With regard to the cash collection report, the Committee noted that the overall assessment had been rated as green and that a total of four key findings had been identified, of which one was a medium priority and the remainder were a low priority.

The Committee discussed each of the key findings, and considered the proposed actions that had been listed against each finding. A particular discussion took place on the actions in respect of the medium priority finding and the Head of Finance provided assurance that the actions would be put in place in line with the timescales identified within the report.

With regard to the report on cashflow management and forecasting, the Committee discussed the findings and noted the various elements of good practice that had been highlighted. In response to a question from H Broughton around the arrangements for drawing down funds from the revolving credit facility, the Vice-Principal for Finance and Planning confirmed that up to £1m can be drawn down at any given time and described how interest is calculated.

With regard to the risk management report, the Vice-Principal for Finance and Planning reminded the Committee how risk appetite is calculated and applied.

With regard to the progress report, following discussion the Committee agreed to a sample-based approach.

The Committee **RECEIVED** the suite of reports and noted the content.

5. **Audit findings tracking log**

The Director of Quality and Standards presented the regular audit findings report and drew the Committee's particular attention to the fact that there were no recommendations requiring an extension to the agreed timescales.

The Committee **RECEIVED** the report and noted the content.

6. **Financial health of contracts**

The Vice-Principal for Finance and Planning presented a report to summarise the financial health of contracts as at January 2016. In response to a question from H Broughton regarding the risks section of the report, the Vice-Principal for Finance and Planning noted that delays in invoicing often relate to the phasing of activities. In response to a supplementary question from H Broughton, the Head of Finance briefed the Committee on the occasions when a credit check on suppliers is undertaken.

The Committee **RECEIVED** the report and noted the content. Following discussion, the Committee **AGREED** that it was not necessary for the report to be presented in future years.

7. **Student Union accounts**

The Vice-Principal for Finance and Planning presented the Student Union income and expenditure report as at 31 January 2016. Confirmation was provided that the Student Union is operating within budget.

The Committee **RECEIVED** the report and noted the content.

8. **Bank/compliance report**

The Vice-Principal for Finance and Planning presented the bank/compliance report for information.

The Committee **RECEIVED** the report and noted the content.

9. **Risk management report**

The Vice-Principal for Finance and Planning presented a report on risk management for the Committee's information. He provided an overview of the process used and P Graves suggested the need to consider including strategic area reviews as an item on the risk register at an appropriate point in time.

The Committee **RECEIVED** the report and noted the content.

10. **Review of financial regulations**

The Vice-Principal for Finance and Planning presented a number of proposed changes to the Corporation's Financial Regulations and the Committee was requested to make recommendations to the Board. The amendments were summarised in the covering report.

A discussion was held in relation to the write-off of debts, and the Committee discussed the different types of debt and the associated average value. Whilst noting that debts of up to £10k can be written off by the Principal under delegated authority from the Board, it was suggested that a threshold should be set whereby additional scrutiny is given if the aggregate total of single debt write-offs exceeds the threshold. The Vice-Principal for Finance and Planning agreed to consider this with a view to potentially including it in the next version of Financial Regulations.

The Committee **RECOMMENDED** the proposed amendments to Financial Regulations to the Board for approval.

11. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 15 June 2016, 4.00pm, at the Bispham Campus, Ashfield Road, Bispham, Blackpool, FY2 0HB.