

BLACKPOOL AND THE FYLDE COLLEGE
AUDIT COMMITTEE ('the Committee')
MINUTES OF A MEETING HELD ON 23 NOVEMBER 2022 AT 5.00PM
BY VIDEOCONFERENCE

Present:	Jane Cole	Independent Member (in the Chair)
	Peter Hewetson	Co-opted Subject Specialist
	Chris Holt	Independent Member
	Martin Long	Independent Member
In attendance:	Susan Brook	Wylie & Bisset
	Paul Howard	PDH Advisory (minutes)
	Sue Hutchinson	Beever and Struthers
	Helen Knowles	Beever and Struthers
	Alistair Mulvey	Vice Principal Finance and Planning
	Bev Robinson	Principal and Chief Executive
	Steve Yeoman	Financial Controller

1. Chair and quorum

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. 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 Suzy Layton (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 29 June 2022 were **AGREED** as a true and accurate record of proceedings. The Committee considered the action log and noted that all actions had been completed.

5. Matters arising: Cybersecurity training alignment to insurance requirements

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda in response to a query raised at the last meeting in relation to whether the cybersecurity training provided by B&FC aligns with the requirements of the new insurance policy that has been procured. He noted that the insurance policy does not specify the

elements of awareness training required and confirmed that 91% of employees had completed cybersecurity awareness training as at the date of the report.

- (ii) Martin Long reminded the Committee of its previous discussions around the frequency of refresher training and noted that in his own organisation this is undertaken on a monthly basis. In response, the Vice-Principal for Finance and Planning advised that regular reminders are sent to staff and the Principal and Chief Executive commented that the IT team were looking at the potential to introduce a requirement for staff to correctly answer a cybersecurity question on a regular basis in order for access to the network to be granted.
- (iii) Chris Holt also commented that some organisations had introduced random phishing tests to maintain awareness of the issue amongst staff, and the Vice-Principal for Finance and Planning confirmed that this is in place at B&FC.
- (iv) The Committee received the report and noted the content.

6. External audit management letter 2021/22

- (i) Sue Hutchings presented the draft external audit management letter for the year ended 31 July 2022 which had been circulated in advance of the meeting and discussed the content. She confirmed that audit work was substantially complete and that, subject to receipt of some final information in December 2022, it is expected that an unmodified opinion would be issued.
- (ii) The Vice-Principal for Finance and Planning took the opportunity to thank the audit team from Beaver and Struthers for their focused work and support during the process.
- (iii) The Committee received the report and noted the content.

7. Internal audit tracking log

- (i) The Vice-Principal for Finance and Planning presented the internal audit tracking log, noting that there were three requests for extensions to agreed deadline which were being requested in order to separate the review of the risk register by the Committee and the review of the policy.
- (ii) The Committee received the report, noted the content and **APPROVED** the extension requests contained in section 1 of the report.

8. Training: Financial reporting

- (i) Helen Knowles delivered an informative training session on how to read the annual report and financial statements and Committee members had the opportunity to ask questions.
- (ii) The Committee thanked Helen for her presentation.

9. Draft annual report and financial statements 2021/22

- (i) The Vice-Principal for Finance and Planning presented the draft annual report and financial statements for the year ended 31 July 2022 for the Committee's review. The Committee commended the quality of the content and Peter Hewetson highlighted the fact that the OFS grant note on page 48 of the report had been incorrectly calculated. The Vice-Principal for

Finance and Planning thanked him for highlighting this and confirmed that it would be amended prior to being presented to the Corporation Board for approval.

- (ii) Following consideration and with the amendment above, the Committee **RECOMMENDED** the draft annual report and financial statements for the year ending 31 July 2022 to the Corporation Board for approval. The Committee also noted the content of the self-assessment of compliance with regulatory and propriety requirements.

10. Audit Committee annual report 2021/22

- (i) The Committee considered the annual report which had been prepared on behalf of the Committee and circulated with the agenda, and Paul Howard suggested that two additional items be included prior to it being presented to the Board – the first being an update to the attendance section and the second being a reference to the fact that the Committee had also received a briefing on updated sector guidance on the scope of work of audit committees and internal auditors during the year.
- (ii) With these amendments, the Committee **APPROVED** the report as presented.

11. Risk management report

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to seek the Committee's endorsement of the proposed risk register for 2022/23 prior to presentation to the Corporation Board. Note was made of the need to reword risk 7.2 and the Vice-Principal for Finance and Planning confirmed that this would take place prior to presentation to the Board.
- (ii) The Committee **ENDORSED** the risk register as presented.

12. Committee self-assessment

- (i) Paul Howard presented the results of the committee self-assessment, which had been undertaken against the criteria set out in the Global Audit Committee Handbook published by KPMG's Audit Committee Institute.
- (ii) With regard to any areas of development, Committee members felt that they had a good understanding of the organisation and the sector but commented that it would be beneficial to provide some specific and tailored training for new Audit Committee members when appointed. The Vice-Principal for Finance and Planning also repeated his regular offer of support, noting that if any member wished to discuss anything or to gain a better understanding of the college or the sector, they could make contact with him directly as well as the Clerk.
- (iii) The Committee also suggested that it may be beneficial to incorporate a deep dive into a future report from a failing college to see what lessons could be learnt, or to select an adverse scenario from the risk register and work through it as a tabletop exercise.
- (iv) The Committee received the report and noted the content.

13. Review of Data Protection Officer arrangements

- (i) The Vice-Principal for Finance and Planning noted that this item had been requested for follow-up by the Committee at its April 2022 meeting and he provided a verbal update on the safeguards in place to ensure that the Data Protection Officer role remains independent and is not involved in day-to-day management of IT.
- (ii) The Committee noted the update and confirmed that it remained happy with the current arrangements.

14. Committee terms of reference

- (i) Paul Howard presented a report which had been circulated with the agenda to set out some proposed amendments to the Committee's terms of reference following routine review.
- (ii) The Committee **RECOMMENDED** the amended terms of reference to the Corporation Board for approval.

15. Student union accounts

- (i) The Vice-Principal for Finance and Planning presented a report which had been circulated with the agenda to summarise 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 noted the content.

16. Annual procurement report

- (i) The Vice-Principal for Finance and Planning presented the annual procurement report which had been circulated with the agenda and noted that the report outlines the benefits of having tested the market in relation to a number of contracts in order to ensure value for money.
- (ii) The Committee received the report and noted the content.

17. Compliance with Financial Regulations

- (i) The Financial Controller presented a report which had been circulated with the agenda to summarise any breaches of Financial Regulations, noting that these had predominately related to the same issue of supplier invoices being presented before purchase orders have been raised. He explained the work that had been done on this issue over the year, including the introduction of an amnesty period and the delivery of training workshops, and confirmed that disciplinary sanctions would be considered for persistent breaches which are behavioural rather than procedural in nature.
- (ii) The Committee received the report and noted the content.

18. Other matters to report to the Committee

The Vice-Principal for Finance and Planning confirmed that there were no other matters to report to the Committee.

19. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 1 March 2023, 5.00pm by videoconference.