

BLACKPOOL AND THE FYLDE COLLEGE
AUDIT COMMITTEE
MINUTES OF A MEETING HELD ON 12 JUNE 2019 AT 5.00PM
IN THE BOARDROOM ON THE BISPHAM CAMPUS

Present: J Mills (in the Chair) Independent Member
S Dunstan Co-opted Subject Specialist
L Moffat Independent Member

In attendance: J Cole, Independent Member (observing)
P Howard, PDH Advisory Limited (Clerk to the Corporation)
E McIntyre, KPMG
R Ryan, Chief Operating Officer
S Yeoman, Financial Controller
J Butterfield, TIAA

1. Chair and quorum

Judith Mills took the chair and noted that due notice had been given to all committee members and that a quorum was present. Accordingly, she declared the meeting duly convened and constituted.

2. Apologies for absence

Apologies for absence were received from K Gilmour.

3. Minutes of previous meeting

The minutes of the previous meeting held on 6 March 2019 were agreed as a true and accurate record.

With regard to matters arising, the committee noted that c.£2m of cost savings had been delivered on a recurrent basis and clarification was sought that this level of saving had not negatively impacted on the delivery of services. In response, the Chief Operating Officer noted that a comprehensive process had been followed and that no appeals against the decision had been received. He confirmed that all key performance indicators remained on track following implementation of the revised staffing arrangements and noted the intention to invite specialist management consultants to undertake an independent verification that the organisation is right-sized in early November 2019.

4. Internal audit reports

J Butterfield presented five internal audit reports which had been circulated with the agenda:

- Assurance review of treasury management;
- Assurance review of budgetary controls;
- Appraisal review of risk management framework;
- Appraisal review of sales force;
- Appraisal review of Student Voice; and

A follow up review was also presented.

The committee noted that two of the reviews had received an assessment of “substantial assurance” and three had received “reasonable assurance”.

With regard to the review of treasury management, the committee noted the existence of two priority two recommendations and that actions were in train. With regard to the review of budgetary controls, the committee noted that substantial assurance had been provided but S Dunstan iterated the importance of ensuring appropriate training is provided to budget holders on appointment as well as providing refresher training and updates at appropriate intervals.

The committee noted the content of the follow-up review, which confirmed that there were no outstanding management actions arising from previous internal audit reviews.

The committee **RECEIVED** the internal audit reports and noted the content.

5. Draft internal audit annual report

J Butterfield presented the draft internal audit annual report for FY2018/19 for discussion. S Dunstan noted the committee’s previous discussions around the performance measures as shown on page 2 of the report and suggested that a survey be incorporated following each assignment to seek qualitative feedback on the auditors’ performance. In response to a comment from S Dunstan around the high levels of assurance provided, J Butterfield confirmed that this was due to college’s high performance and noted that, across her entire client base, only 10 substantial assurance reports had been issued in the year, of which 5 were at B&FC.

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

6. Internal audit strategy and annual plan 2019/20

J Butterfield presented the proposed internal audit strategy and annual plan for 2019/20.

The committee **RECOMMENDED** the internal audit plan and the proposed number of audit days to the Corporation Board for approval.

7. Audit findings tracking log

The Chief Operating Officer presented a report which had been circulated with the agenda to outline progress against the recommendations that have been made in recent internal audit reports and the committee noted that there were no actions requiring an extension.

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

8. External audit annual plan and strategy

E McIntyre presented a report which had been circulated with the agenda to outline the proposed external audit annual plan and strategy.

In response to a question from S Dunstan around the assessment of going concern given recent changes to the insolvency regime for further education colleges, E McIntyre advised that the organisation's forecasting will be subject to review and there will be a focus on ensuring that management is applying appropriate stress testing.

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

9. Risk register

The Chief Operating Officer presented a report which had been circulated with the agenda to share the updated risk register with the committee. A summary of the changes had been included on the covering report for ease of reference.

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

10. Proposed update to Financial Regulations

The Financial Controller presented a report which had been circulated with the agenda to outline a number of proposed changes to B&FC's Financial Regulations.

The committee **RECOMMENDED** the changes to the Corporation Board for approval.

11. Review of terms of reference

The committee reviewed its terms of reference and agreed that they remained fit for purpose and that no changes were required.

12. Other matters to report

The Chief Operating Officer confirmed that there were no other matters to bring to the committee's attention.

13. Date, time and venue of next meeting

The next meeting of the Audit Committee will be held on 27 November 2019, 5.00pm in The Boardroom on the Bispham Campus.