



Mission Statement: *Inspiring learning, developing character, building futures*

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

Date: Tuesday 20th November 2018
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 4.30-5.40pm

Present: Ms D Taaffe (Chair)
 Cllr D Clapham
 Rev S Haskett
 Ms J Gray (Principal)

Together with: Ms L Gates (Head of Finance)
 Mr P Green (Head of Internal Audit- RSM)
 Mr G Hitchmough (Audit and Assurance Partners-Mazars)
 Mrs S Hawitt (Governance Administrator-FCAT)

Apologies: There were no apologies

		Action
28.2018	<p>Preliminaries The Chair welcomed everyone to the meeting. It was noted that the new Chair of the Corporation should be invited as an observer to the Audit committee Apologies were noted.</p>	Clerk
29.2018	<p>Declarations of Interest There were no declarations of interest.</p>	
30.2018	<p>Consideration of any items of urgent business. The Audit and Assurance Partner from Mazars declared an item of urgent business to be discussed later in the meeting</p>	
31.2018	<p>Confirmation of Quoracy It was noted the meeting was quorate</p>	
32.2018	<p>Minutes of the meeting held on 18th June 2018 The minutes of the meeting held on 18th June 2018 were approved</p>	
33.2018	<p>Matters arising from the minutes not covered elsewhere on the agenda a) Post 16 code of practice-(item 21.2018 from the previous minutes) confirmation the document had been distributed to Directors</p>	
34.2018	<p>Internal Audit Report-year ending 31st July 2018 Directors reviewed the Annual Internal Audit report for the year 2017-18 (paper 7.1) presented by the Head of Internal Audit from RSM. It was noted that the Internal Audit Opinion for 2017-18 was that the organisation has an adequate and effective framework for risk management, governance and internal control, however it has been identified through the work, further enhancements to the framework for risk management, governance and internal control are required to ensure that it remains adequate and effective.</p>	

It was noted that following a decision made by management, the college has moved to an 'agreed upon procedures' approach for the provision of its internal audit service going forward.

Directors Questions

Asked about the next steps in terms of planning for 2018-19, it was noted that college should return the letter of engagement which will set out the work to be completed.

Asked if Directors have the power to ask for external help and guidance should it be required it was noted that it is the Directors report that counts and RSM and other specialists would be available if required to carry out specific pieces of work agreed by the committee.

Directors were assured that RSM would continue to support the management team during a period of transition.

It was noted that the new arrangements would be reviewed after a 12 month period by the Audit committee

Directors considered the risks and agreed that the new Risk Register is in a much better format, easier to understand and easier to challenge individual risks.

35.2018

Annual Accounts for the year ending 31st July 2018

Directors received the Annual Accounts and Financial Statements for the year ending 31st July 2018 presented by Audit and Assurance Partner from Mazars

He highlighted that at the time of preparing the report 3 things remain outstanding :

- Finalisation and signing of the financial statements
- Extension of the post balance sheet events procedures; and
- Receipt of signed letter of representation

It was noted that these are all being addressed.

He gave Directors a page by page summary of the findings in the report highlighting the following; Income and expenditure, staff costs and pension liabilities. It was noted that the pension liability had decreased by £381K compared to the previous year.

Directors were informed that the Head of Finance is managing the budget very well and college have good cash reserves resulting in a strong position.

Overall the college has maintained an Outstanding Financial Health score.

It was noted that the Financial Plan submitted to the Education and Skills Funding Agency (ESFA) generated an anticipated Financial Health scoring for the year to 31st July of good.

It was noted that the decrease in ESFA recurrent grant is largely due to a reduction of student numbers and the termination of formula protection funding.

The Principal informed Directors that the college had applied for 'Growth Funding' due to an increase in students of 7%

Directors were invited to ask questions

There were no questions to answer

36.2018	<p>Consideration of any items of urgent business.</p> <p>The Audit and Assurance Partner from Mazars informed Directors of a very recent court ruling to equalise the pension defined benefit scheme for men and women. As a result the Annual Accounts could not be recommended to the Corporation for approval by the committee.</p> <p>Auditors are waiting further clarification regarding the action needed; Possible implications for the college;</p> <ul style="list-style-type: none"> • Non adjusting event-a disclosure will need to be added to the management accounts before they can be approved by the board. • Adjusting event-re-evaluation of the financial judgements disclosing any additional liability moving forward. <p>Questions from Directors</p> <p>Asked about the deadline date of the 4th December for signing off the annual accounts, it was noted that advice regarding the action needed would be provided by Mazars as soon as is practicable.</p> <p>It was agreed that any amended accounts would be sent to the Admin and Finance and Audit committees prior to the Corporation meeting on 4th December 2018.</p>	GH Clerk
37.2018	<p>Risk Management</p> <p>Project Argus Report-Directors received the Project Argus Report (paper 9.1) It was noted that key personnel of the college met to undertake the project ARGUS simulation, as a result some lessons had been learned including improving the Disaster Management Plan and sharing information with other staff and students and carrying out any further training required.</p> <p>Questions from Directors</p> <p>Asked about considering changes to the college website to help deter pre-planned attacks, it was noted that this refers to the layout and organisation of the estate.</p> <p>The Principal highlighted the improvements to security especially the access control points which is working really well. She praised the estates and IT teams for the work they had carried out which was well below budget, and as a result the roll out of the security systems was far more than initially planned.</p> <p>Risk Management and Assurance Policy-</p> <p>Directors received and considered the Risk Management and Assurance policy (paper 9.2) which outlines the colleges approach to risk management and assurance. It was noted that the document had been aligned to the new Risk register Assurance Template. Directors were informed that the policy will be reviewed after a 12 month period.</p> <p>Questions from Directors</p> <p>Asked about Directors roles and responsibilities and the plan for going forward, it was noted that the risk management report will be provided at the next Audit meeting in January</p> <p>37.2018 D1: Resolved: Directors approved the Risk Management and assurance Policy and agreed to review report twice per year.</p>	
38.2018	<p>Internal Audit Tracking Report</p> <p>Directors considered the Internal Audit Tracking Report (paper 10.1) presented by the Head of Finance, she gave an update on the progress made since the last meeting.</p>	
39.2018	<p>Review of 2017-18</p> <p>Directors considered the Annual Report of the Audit Committee year ending 31st July 2018 (paper 11.1) it was noted that further amendment to paragraph 4 is required to strengthen and highlight the changes to the risk management process.</p>	Clerk

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| 41.2018 | Private meeting of the committee with Auditors without staff
No meeting was necessary |
| 42.2018 | Private meeting of the committee without staff or Auditors
No meeting was necessary |
| 43.2018 | Identification of any new or amended risks
Directors noted the equalising of pension defined benefit scheme as a possible risk
Date and Time of next meeting
Tuesday 29 th January 2019 |

Signed _____

Date _____