



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

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

Date: Monday 17th June 2019
Venue: The Blackpool Sixth Form College
Room: Committee Room
Time: 4.30-5.20pm

Present: Ms C Coyne (Chair)
Cllr D Clapham
Cllr C Baxter
Ms J Gray (Principal)

Together with: Ms C Lancaster (Audit Partner-Mazars)
Ms L Gates (Head of Finance)
Mrs S Hawitt (Governance Administrator-FCAT)

Apologies: Mr G Hitchmough

		Action
13.2019	Preliminaries The Chair welcomed everyone to the meeting, especially Charlene Lancaster from Mazars who will take over from Gareth Hitchmough moving forward. Directors introduced themselves. Apologies were noted	
14.2019	Declarations of Interest There were no declarations of interest	
15.2019	Consideration of any items of urgent business. Directors discussed an item of urgent business relating to the number of members on the Audit committee, it was noted that this item will be considered by the Search and Governance meeting 17 th June 2019	
16.2019	Confirmation of Quoracy It was noted the meeting was quorate	
17.2019	Minutes of the meeting held on 29th January 2019 The minutes of the meeting held on 17 th June 2019 were approved.	
18.2019	Matters arising from the minutes not covered elsewhere on the agenda a) Key performance Indicators --(item 09.2019 from the previous minutes) confirmation amendments were made to the KPIs and they were redistributed to Directors via Google Drive	

b) **General Data Protection Regulations (GDPR)**- -(item 08.2019 from the previous A&F minutes) confirmation how often the GDPR action plan will be presented to this committee. **(Action)** the Principal informed Directors that the GDPR policy and action plan is complete, however is work towards the action plan is in progress. Asked how often Directors want to see the action plan it was agreed to add the item for discussion to the A&F agenda.

Clerk

19.2019 Internal Audit Plan

Directors received an Internal Audit Report on the advantages and disadvantages of registering for VAT (paper 7.1) presented by the Audit Partner from Mazars. Directors were informed that the college are very near the VAT registration threshold, conversations had taken place between the Head of Finance and Mazars to discuss the option for voluntary registration for VAT. The conclusion based on current activities is that at present registration will not occur, however it was noted that close monitoring of the situation will take place over the coming months and it is likely that registration will take place during the first term of the next academic year. It was agreed a decision will be brought to the December Corporation meeting.

Corp agenda

Questions from Directors

In response to a question about the current financial system should VAT registration take place, it was noted that the current system can be updated to include the VAT element without too much difficulty.

20.2019 Financial Audit Plan Year ending July 2019

Directors considered the Audit Strategy Memorandum for the year ending 31st July 2019 from Mazars (paper 8.1) presented by CL. She outlined the company's approach and scope of engagement and informed new Directors of the ESFA Post-16 Audit Code of Practice which sets out the guidance on the annual assurance arrangements for sixth form colleges.

Directors were informed of team changes within Mazars. Charlene Lancaster had taken over from Gareth Hitchmough and Ian Pinches is the Audit Manager and will attend the next Audit meeting.

Directors were informed that discussions had taken place between Head of Finance and the Audit partner from Mazars to agree a timetable for future audit work.

It was noted that significant risks and key areas of judgement include;

- Going concern and loan covenants
- Defined benefits pension scheme assumptions
- Depreciation accounting policy

Directors noted the proposed fees for 2019

Directors were asked to draw their attention to appendix B, C and D and were invited to ask questions

Directors noted that funding is a worrying factor and asked about worst case scenario in terms of the college's financial situation and the new insolvency regime, the Principal confirmed that the college are facing financial restraints and that cost cutting exercises had been implemented regarding staff recruitment, it was noted that the college are a good employer and staff remain for many years which is good in terms of experience but can be costly. Despite a decrease in funding and other financial restraints the grading for college remains good.

20.2019 D1 Resolved: recommend to the Corporation for approval the Financial Audit Plan

Agenda

21.2019 Internal Audit Tracking Report

Directors considered the Internal Audit Tracking report (paper 9.1) presented by the Head of Finance, for the benefit of new Directors she explained the tracking process. Directors were informed that the only remaining management action will be completed by July 2019.

Questions from Directors

In response to a question about recommendations for future audits, it was confirmed that the new arrangements are for this committee to decide if any specific audits need to be carried out, for example GDPR will require an audit in the future once all the details are in place. It was also noted that the Head of Finance will be responsible for adding any additional management actions to the Internal Audit Tracking report.

22.2019

Risk Management

Directors considered the Risk Management report (paper 10.1a) and the Risk Management Assurance Actions (paper 10.1b) presented by the Head of Finance. Directors were informed that the new reporting format is much more effective due to the discussions that take place at every SLT risk meeting. Directors were informed that the report now contains a category for archived risks, to ensure they remain on the system should they need to re-appear as a future risk.

It was noted that the Audit Committee must make a recommendation to the Board on the Annual Review of Effectiveness for the college.

Questions from Directors

Asked about the merged risks 4.03 and 4.05 'risks of failure to ensure staffing costs at or below 70% of income and how that is recorded, it was noted that this is a key objective and is discussed on a monthly basis and features as part of the Financial Health Risk.

Asked about the high rating for risk of fire to the college it was noted that since the report a fire safety exercise had been carried out and the outcome was outstanding which would have a positive impact on the rag rating.

The Audit Partner informed Directors that the system used by the college compared to other colleges in the sector is a very succinct format.

22.2019 D1 Resolved: recommend to the Corporation for approval the Risk Management Report 2019 and Assurance Actions

23.2019

Private meeting of the committee with Auditors without staff

No meeting was required

24.2019

Private meeting of the committee without staff or Auditors

No meeting was required

25.2019

Identification of any new or amended risks

The risk to the number of members to the Audit committee which will be discussed at Search and Governance Committee on 17th June 2019

Date and Time of next meeting

Monday 11th November 2019 at 6pm

Signed _____

Date _____