



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

## **MINUTES OF THE JOINT MEETING OF THE AUDIT & ADMINISTRATION & FINANCE COMMITTEES**

**Date:** Tuesday 16<sup>th</sup> November 2021  
**Virtual Meeting**  
**Time:** 4.00-6.00pm

**Present:** Ms Caroline Coyne (Chair of Audit)  
 Ms Jill Gray (Principal)  
 Cllr Don Clapham (Audit)  
 Mr Colin Simkins OBE (Audit)  
 Ms Debbie Taaffe (Chair of A&F)  
 Ms Wendy Middlemas (A&F)  
 Mr David Gascoigne (A&F)  
 Cllr Callum Baxter (A&F)  
 Mr Alistair Burr (A&F)  
 Ms Tharany Vijayarathnam (A&F)

**Together with:** Ms Lindsay Gates (Head of Finance)  
 Ms Amanda Crumblehulme (Assistant Principal: Business Support)  
 Mr Jon Marchant (Audit Partner-Mazars)  
 Ms Sue Hawitt-Clerk (Governance Administrator-FCAT)

**Apologies:** There were no apologies

		<b>Action</b>
<b>28.2021</b>	<b>Preliminaries</b> The Chair of Audit welcomed everyone to the joint meeting of the Audit & Admin & Finance committees, especially Tharany, her first meeting as a student director of the A&F committee.  There were no apologies	
<b>29.2021</b>	<b>Declarations of Interest</b> There were no declarations of interest	
<b>30.2021</b>	<b>Consideration of any items of urgent business.</b> There were no items of urgent business to discuss	
<b>31.2021</b>	<b>Confirmation of Quoracy</b> It was confirmed the meeting was quorate	
<b>32.2021</b>	<b>Minutes of the meeting held on 14<sup>th</sup> June 2021</b> The minutes of the Audit committee meeting held on 14 <sup>th</sup> June 2021 were approved	

33.2021	<p><b>Matters arising from the minutes not covered elsewhere on the agenda</b></p> <p>a) <b>Audit Strategy Memorandum</b>-(item 21.2021 from the previous minutes) confirmation the External Auditor provided an addendum to the Audit committee with the latest changes to scope of work and cost for 2021-22 which had been circulated to directors by email on 7<sup>th</sup> October 2021</p>
34.2021	<p><b>Internal Audit Reports (If appropriate)</b></p> <p>There were no Internal Audit reports to discuss</p> <p style="text-align: center;"><i>Jill Gray joined the meeting</i></p>
35.2021	<p><b>Annual Accounts for the Year 31<sup>st</sup> July 2021</b></p> <p><b>Audit Completion report 31<sup>st</sup> July 2021</b></p> <p>Directors received the audit completion report 31<sup>st</sup> July 2021 (paper 8.1) presented by the Audit Partner from Mazars, who gave a summary of the report highlighting significant key audit matters which included;</p> <p><b>Management override of controls</b>, of which there was nothing to report.</p> <p><b>Revenue Recognition</b> directors were given a description of potential fraud risk, it was noted that changes to control structures due to financial teams working from home during Covid-19 pandemic can increase risk factors, however from the work carried out by the auditors, no issues were identified</p> <p style="text-align: center;"><i>David Gascoigne joined the meeting</i></p> <p><b>Defined benefit pension scheme assumptions</b>, directors were informed that work carried out by the auditors included benchmarking against other colleges. It was noted that college assumptions are broadly in line with those used by other colleges in LGPS pension funds, although there is a wide variation in the salary increase assumptions. It was noted that salary growth at Blackpool Sixth is at the top end.</p> <p><b>Going Concern</b> directors were informed that auditors carried out an assessment to ensure that the college will exist for 12 months from approval of the accounts. The auditor explained to the committee how the assessment was carried out including, scrutinising relevant budgets, forecasts, student numbers and discussions with management.</p> <p>Challenges included the high staff costs which are above the KPIs as in prior years, however it was noted that there is headroom in the forecast even if this level of cost is forecast to continue (as it is). Directors recognised the established teaching staff comes with a high pay scale, however provides stability for the college which is deemed appropriate.</p> <p>Directors were informed that no issues were identified and agreed the college was a going concern.</p> <p><b>Other matters discussed with management</b>-further to the discussions carried out at the last audit meeting regarding changes to the Audit Code of Practice (ACOP) in relation to revenue testing, it was noted that the auditors determined the risk in relation to 16-19 funding to be a standard risk due to the history of compliance and the control processes in place in relation to the admission process. To reach this conclusion the auditors tested the admissions process from application to enrolment and there were no control points to raise.</p> <p>The Auditor thanked the Finance team for the work carried out which equates to approximately 180-200 hours on top of their work load.</p> <p><b>Questions/comments from Directors</b></p> <p>The Chair noted that the report was excellent and the Principal thanked the Auditor and stated that remote working had worked well.</p> <p><b>35.2021 D1 Resolved: to recommend to A&amp;F and the Corporation for approval the Annual Financial Statements 31st July 2021 including the draft representation letter</b></p>

<b>36.2021</b>	<p><b>Cyber Security</b></p> <p>Directors received the latest cyber security briefing (paper 9.1) presented by the Assistant Principal: Business Support, she informed directors of updates with regard to the next steps outlined in the original report and presentation. Directors were informed that a significant amount of work had been completed with the aim of soon being able to apply for accreditation, this included a better understanding by staff with the aim to carry out further work with students. Financial investment resulted in significant improvements to back up procedures which will help to mitigate the risk should a cyber-attack take place.</p>
<b>37.2021</b>	<p><b>Internal Tracking</b></p> <p>Directors received the Internal Audit Tracking Report 2021-22 (paper 10.1) presented by the Head of Finance. Directors were informed that progress had been made in all areas, three of which had been fully completed and will hopefully be removed from the tracking report before the next meeting and two of which will remain for further development to ensure they are fully tested.</p> <p><b>Questions from Directors</b></p> <p>In response to a question about what is still left to do to achieve a green rating, it was noted that both actions require further testing when college is fully functional following restrictions due to Covid-19.</p>
<b>38.2021</b>	<p><b>Audit Committee Performance 2020-21</b></p> <p><b>Annual Report</b></p> <p>Directors considered and approved the Annual Report of the Audit Committee year ending 31<sup>st</sup> July 2021</p> <p><b>Committee Terms of Reference</b></p> <p>Directors received and considered the committee Terms of Reference and made the following significant changes, and included further updates from the ACOP</p> <ul style="list-style-type: none"> <li>• The requirement to carry out a 3-year review of governance starting in 2022/23</li> <li>• The requirement for the Auditor to present their findings to the full board, it was agreed the Chair of the board would attend the Audit committee meeting in order to meet this requirement</li> </ul> <p><b>Key Performance Indicators 2020/21</b></p> <p>Directors reviewed progress made against the KPIs for 2020/21 and approved with the following amends. Directors approved with the same amends the KPIs 2021/22</p> <ul style="list-style-type: none"> <li>• Include the requirement to carry out a 3-year review of governance</li> <li>• Change the risk management review to biennial commencing 2021-22</li> </ul> <p><b>38.2021 D1 Resolved: to approve the annual report of the Audit Committee year ending 31<sup>st</sup> July 2021</b></p> <p><b>38.2021 D2 Resolved: to approve changes to the Terms of References</b></p>
<b>39.2021</b>	<p><b>Private meeting of the committee with Auditors without staff</b></p> <p>No meeting was required</p>
<b>40.2021</b>	<p><b>Private meeting of the committee without staff or Auditors</b></p> <p>No meeting was required</p>
<b>14.2021</b>	<p><b>Admin &amp; Finance Business Chaired by DT</b></p> <p>The Clerk confirmed quoracy of the A&amp;F members</p> <p><b>Minutes of the Admin and Finance meeting held on 24<sup>th</sup> June 2021</b></p>

	The minutes of the meeting held on 24 <sup>th</sup> June 2021 were approved	
15.2021	<p><b>Matters arising from the minutes not covered elsewhere on the agenda</b></p> <p>a) <b>College Reserves-</b>(item 08.2021 from the previous minutes) confirmation a sub-committee will be formed of the A&amp;F committee to develop further a dashboard of financial health in which to agree some measures to make an overall judgement on surplus/deficit. It was agreed DG will meet initially with the Head of Finance to discuss further</p> <p><i>Colin Simkins left the meeting</i></p>	DG/LG
16.2021	<p><b>Management Accounts</b></p> <p><b>Management Accounts for the period ending 30<sup>th</sup> September 2021</b></p> <p>Directors considered the management accounts for the period 30<sup>th</sup> September 2021 (paper 16.1) presented by the Head of Finance, it was noted there had been a few changes since the budget was set in July 2021 due to lots of unknowns. Directors were informed there will be a budget update in the Autumn term to reflect the changes which will include approved additional income of the ESFA tuition fund, agreed pay awards and additional unspent income brought forward, which included a considerable amount of bursary funding. Directors were informed that the focus will be on ensuring the bursary fund is getting used which may result in broadening the requirements for students.</p> <p>As it currently stands the financial position is good with a good surplus overall.</p> <p><b>Questions/comments from Directors</b></p> <p>The Principal noted that the staff costs as a % of income stands at 70.4% in the report, however this does not reflect a realistic picture as there is are unfilled positions at the college at present. Directors were reassured that all vacant staff positions are scrutinised in detail and will only be replaced if necessary to continue offering the service.</p> <p>Asked about unfilled positions and if that reflects increased costs to agency staff, it was noted that some positions may not be filled with agency staff due to creative ways of managing staffing at the college, for example remote teaching.</p> <p>Asked about the pressure linked to increased staffing costs, it was noted that a budget of 2.5% for all staff pay awards had been included in the budget and negotiations had come in less than expected, however additional pressure overtime could prove difficult as the living wage impacts on each and every level at the college.</p> <p><b>Annual Financial Statements for the year ending 31<sup>st</sup> July 2021</b></p> <p>Directors received the annual accounts year ending 31<sup>st</sup> July 2021(paper 16.2) presented by the Head of Finance. She gave a brief overview of the report which included the format noting there were no presentational changes apart from the strategic report at the beginning. It was noted that the financial position had not changed hugely from the management accounts presented to directors apart from late invoices which form part of the year end process.</p> <p>Directors were informed that the final financial position was much better than anticipated, it was noted savings had been made as a result of Covid-19, these included refunds on examinations, staff savings and transport costs.</p> <p><b>Questions from Directors</b></p> <p>Asked if there was an update on the changes to transport regulations to provide Public Service Vehicle Accessibility Regulations (PSVAR) compliant buses, it was noted that the situation is still ongoing.</p>	

In response to a question about the savings made in relation to operational costs linked to Covid-19 and if some of these could continue, it was noted that some savings for example printing would continue due to staff working very differently to pre-covid. It was also noted that the changes are welcome as the college is working hard towards becoming carbon neutral.

Directors were informed that although the college had made savings, the government has recognised lost learning, particularly for English and maths and a growing concern for mental well-being of students. Investment in these areas is likely needed to ensure students receive the support they need.

In response to a question about plans to spend the legacy gifted to the college, it was noted that the college do not know if there is further money to gain, it was also noted that a sub-committee was set up to manage the fund, however no further meetings had taken place yet. The Principal added that there are lots of factors to be considered before deciding on the right course of action.

#### **Letter from ESFA**

Directors received feedback about the College Financial Forecasting Return (CFFR) (paper 16.3) for 20-21 to 22-23, it was noted this new format is used by ESFA to confirm financial health following financial submissions by the college.

#### **Questions from Directors**

Asked if any other financial records need to be sent to ESFA it was noted that the summary of the annual accounts will be submitted at the end of December in the ESFA Finance Record.

In response to a question about the impact on families because of increased National Insurance and energy costs and if these additional costs had been considered in the projections, it was noted that energy costs at the college are currently fixed, therefore there will be no immediate effect and the increase to NI expected in April will be included in the Autumn update.

It was noted that the NI increase is an employer cost, but it was recognised that wider costs of inflation are impacting staff and it is hoped that will be helped by the pay award. It was noted that there may be an increase in applications for bursary funding /access funding as increased costs affect students and their families, but it was noted the underspend brought forward will assist with this.

#### **Financial Dashboard October 2021**

Directors received and noted the Financial Dashboard October 2021 (paper 16.4) provided by the ESFA based on information provided by the college.

Directors paid tribute to the Head of Finance and her team for the fabulous work carried out on behalf of the college.

**16.2021 D1 Resolved: recommend to the Corporation for approval the management accounts ending 30<sup>th</sup> September 2021**

**16.2021 D2 Resolved: recommend to the Corporation for approval the annual accounts and financial statements 31<sup>st</sup> July 2021**

### **17.2021 Staffing**

Directors received the staffing update October 2021 (paper 17.1) presented by the Assistant Principal: Business Support, the following highlights were noted, the age profile of staff over the years has remained broadly similar, however there is a continued move in overall staffing from the under 30 bracket to the higher age brackets. This coupled with low staff turnover rates indicate that staff remain with the college throughout their career.

It was noted that data had not been provided for sickness absence for 2020-21 academic year as it does not paint an accurate picture due to the impact of Covid-19. This is due to the recording of self-isolation and working from home. It was noted there had been an increase in maternity leave over the last academic year.

#### **Questions from Directors**

Asked if the government changes to maternity as a result of Covid-19 will have an impact on staff working at the college, it was noted that risk assessments would need to be carried out on an individual basis to manage any risks.

Asked if the growth in staff at the college since 2017-18 is linked to an increase in student numbers, it was noted some departments such as social science had seen huge growth which then leads to additional teaching and support staff.

Asked about 3 staff currently on maternity leave in business and IT and the impact if any this is having, it was noted that these are managed with fixed term rolling appointments rather than using agency staff. Benefits have included using trainee teachers from the SCITT programme which can provide flexibility.

*Caroline Coyne left the meeting*

Asked how college are managing employees who are unvaccinated it was noted that the college acknowledge that there may be genuine reasons for not taking the vaccine as well as personal choice, all employees are treated the same, however for some it is not possible to work from home.

**18.2021**

### **Health & Safety**

Directors received and consider the Health and Safety report no 1 of 4 2021-22 (paper 18.1) presented by the Assistant Principal: Business Support. She informed directors that Nick Andrews had joined the college as Head of Estates on 2<sup>nd</sup> August 2021. He had chosen to review all college systems and made some improvements to reporting providing even more accurate data for directors.

Directors were informed that a planned staff only fire drill had been carried out on 3<sup>rd</sup> September, this was due to the college operating on plan B making it more difficult to carry out an evacuation with all students, however a fire safety briefing had been shared with all students.

Directors were given an update on the Covid-19 situation at the college, it was noted that there had been a small outbreak of positive cases in the maths department (8 students and 3 members of staff) guidance from Public Health suggests lowering the threshold for PCR test to include any symptoms. Despite the slight increase in positive cases the situation is being managed well.

Directors were informed that meetings of the Health and Safety Advisory Committee (HASAC) are taking place. The committee provide an opportunity to discuss college updates, initiatives and for concerns to be raised.

#### **Questions from Directors**

Directors noted that there were no near misses recorded in the report and asked if these will be recorded in the future, it was noted that education and expectations are required before cases can be recorded which the new Head of Estates is reviewing.

The Principal stated that the new Head of Estates brings a fresh pair of eyes to the college and has already made some positive changes. It was agreed to invite him to a future A&F committee meeting.

#### **Fire Safety Evacuation Report**

Directors received the Fire Safety Evacuation Report (paper 18.2) from 3<sup>rd</sup> September 2021 presented by the Assistant Principal: Business Support, directors were invited to ask questions

There were no questions to answer.

**19.2021**

### **Admin & Finance Committee Performance 2020-21**

Directors received and considered the committee's Terms of Reference 2020-21 and made the following changes.

Agenda

- Review the Disaster Management Plan every 2 years commencing 2023

#### **Key Performance Indicators**

Directors reviewed the progress made against the KPIs 2020-21 (paper 19.2) and the KPI's 2021-22 and agreed to remove the Utilisation Room Survey from both documents as this information is collected through the estates department and does not have to come through committee. It was agreed section 5 needs rewording which the Principal and Assistant Principal agreed to do.

JG/AC

**20.2021**

#### **Identification of any new or amended risks**

No new or amended risks were identified

Directors were prompted to update their Directors' Personal Record (DPR) with attendance for this meeting - as two separate meetings

The Clerk thanked the Chair of A&F committee on behalf of directors as this was her last meeting as Chair on this committee.

**Audit  
A&F**

#### **Date and Time of next meeting**

Monday 24<sup>th</sup> January 2022 at 4pm  
Tuesday 8<sup>th</sup> March 2022 at 4pm

Signed \_\_\_\_\_

Date\_\_\_\_\_