



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

## MINUTES OF THE MEETING OF THE JOINT AUDIT/ADMINISTRATION & FINANCE COMMITTEE

**Date:** Tuesday 6<sup>th</sup> December 2022  
**Location:** Via Google Meet  
**Time:** 5.00-7.10pm

**Present:** Ms Caroline Coyne (Chair)  
 Ms Jill Gray (Principal)  
 Mr Callum Baxter  
 Cllr Don Clapham  
 Ms Debbie Taaffe  
 Ms Sukie Woodhouse  
 Mr David Gascoigne (Chair of A&F)  
 Mr Alistair Burr  
 Ms Tabitha Davey

**Together with:** Ms Amanda Crumblehulme (Assistant Principal: Business Support)  
 Mr Nick Andrews (Head of Estates)  
 Mr Jon Marchant (Audit Partner-Mazars)

**Apologies:** Mr Ray Baker and Ms Lindsay Gates

		<b>Action</b>
<b>32.2022</b>	<b>Preliminaries</b> The Chair of the Audit Committee welcomed both Audit and Administration and Finance committee members to the virtual joint meeting. Apologies were noted.	
<b>33.2022</b>	<b>Declarations of Interest</b> There were no declarations of interest	
<b>34.2022</b>	<b>Consideration of any items of urgent business</b> There were no items of urgent business to discuss	
<b>45.2022</b>	<b>Confirmation of Quoracy</b> It was noted the meeting was quorate	
<b>46.2022</b>	<b>Minutes of the meeting held on 13<sup>th</sup> June 2022</b> The minutes of the meeting were approved, it was noted that the Cyber Security information will not be included in the minutes on the college website due to confidentiality.	
<b>47.2022</b>	<b>Matters arising from the minutes not covered elsewhere on the agenda</b> <ul style="list-style-type: none"> <li><b>a) External Audit Plan</b>-(item 22.2022 from the previous minutes) confirmation the deadline date 31<sup>st</sup> December for submission to the ESFA will be met.</li> <li><b>b)</b> Confirmation the Audit fee had been updated on the appendix engagement letter to reflect £19,500</li> <li><b>c) Risk Management</b>-(item 24.2022 from the previous minutes) confirmation enrolment and market share data had been shared with directors</li> </ul>	

48.2022	<p><b>Internal Audit Reports (If appropriate)</b> there were no internal audit reports to discuss, it was noted that Safeguarding and Cyber Security audits are carried out on a regular basis, directors were asked to consider any additional internal audits going forward.</p>	Action Directors
49.2022	<p><b>Annual Accounts for the year 31<sup>st</sup> July 2022</b>  <b>Audit Completion Report 31<sup>st</sup> July 2022</b>-Directors received the report (paper 8.1) presented by the Audit Partner from Mazars, who gave a summary of the report highlighting significant key audit matters which included; <b>management override of controls</b>, it was noted all significant areas of subjectivity had been reviewed and discussed with management and was considered to be free from management bias.</p> <p><b>Revenue recognition</b>, it was noted that changes to funding through the admission process could potentially pose a risk, however management at the college are monitoring student numbers very closely, findings found controls data to be accurate and that no issues were identified.</p> <p><b>Defined benefit pension scheme assumptions</b>, directors were informed that the actuarial valuation report prepared for LGPS had been reviewed by the specialist actuarial valuations team, from the work performed by the auditors it was noted that the financial assumptions used by the college are reasonable and can be accepted. The draft report indicates no issues with the key actuarial assumptions.</p> <p>The Auditor noted that there could be a discrepancy across the college sector due to the CPI rate used to calculate pensions being much lower than the inflation rate, further information will be available in April.</p> <p>The Auditor noted the reclassification of sixth form colleges by the Office for National Statistics (ONS) on 29<sup>th</sup> November 2022 and some of the implications for future financial statements but it is too early to assess the impact, further information will be available in due course.</p> <p>In summary he informed directors that college had a clean bill of health and that the finance team do an excellent job in looking after college finances, he emphasised that across the college sector audit is getting tougher so to gain a clean bill of health is quite an achievement.</p> <p><b>Questions from directors</b>  In response to a question, it was noted that public sector borrowing for academies would still require permission.  In response to a question about the availability of future public funding and the impact on Blackpool Sixth, it was noted that student numbers at Blackpool Sixth continue to remain stable which is positive.  Directors were given some feedback from a meeting attended by the Head of Finance; it was noted that the government had not yet published the capital funding due to the college but that it is expected to be formula based and any updates will be communicated to directors.  Asked about the actuarial gain/loss in respect of pension schemes of £5.2m being a very different picture to previous years, it was explained this is because of the measurement of the pension assets on the balance sheet. It was noted that the pension measurement FRS102 is a calculation at a given point in time and is subject to change because of different factors.</p>	

	<p>In response to a question about what other work was carried out to ensure consistencies resulting in nothing to report, it was noted that the following work in respect of funding body grant income took place;</p> <ul style="list-style-type: none"> <li>• gaining an understanding of the controls in place relating to Individual Learner Records (ILRs) specifically in respect of enrolment, eligibility for funding and monitoring of student progression.</li> <li>• documenting whether ESFA reviews had been conducted in respect of ILRs</li> <li>• documenting the college's MIS procedures</li> <li>• procedures in respect of 16-19 income</li> </ul> <p>Directors asked if it would be appropriate to carry out an internal audit around testing non-financial KPIs</p> <p><b>49.2022 D1 Resolved: to approve the Audit Completion Report and recommend to the Corporation for approval</b></p>	<b>Action</b>
<b>50.2022</b>	<p><b>Annual report and Financial Statements for the year end 31<sup>st</sup> July 2022</b>  Directors received the Annual Report and Financial Statements for the year end 31<sup>st</sup> July 2022 (paper 8.2) presented by the Principal.  <b>Questions from Directors</b>  In response to a question about the risk identified on page 9 of the report and if these match up with the full board meeting in July 2022, the Principal explained the risks in the report and why they have been included.  <b>50.2022 D1 resolved: to recommend Annual Report and Financial Statements to the Administration and Finance Committee for approval.</b>  <b>50.2022 D2 resolved: the A&amp;F committee to recommend the annual report and financial statements to the Corporation for approval.</b></p>	
<b>51.2022</b>	<p><b>Internal Tracking</b>  Directors received the Internal Audit Tracking report (paper 9.1) presented by the Principal, it was noted there is only one management action which will be a target of the safeguarding team for 2022-23</p>	
<b>52.2022</b>	<p><b>Committee Performance 2021-22</b>  <b>Annual Report</b>  Directors considered and approved the Annual Report of the Audit Committee year ending 31<sup>st</sup> July 2022  <i>Sukie Woodhouse joined the meeting</i>  <b>Committee Term of Reference</b>  Directors considered and approved the Terms of Reference</p> <p><b>Committee Key Performance Indicators 2021-22</b>  Directors reviewed progress made against the KPIs for 2021-22 and approved  Directors approved the KPIs for 2022-23</p> <p><b>52.2022 D1 resolved: to approve the Annual Report of the Audit Committee year ending 31<sup>st</sup> July 2022</b>  <b>52.2022 D2 resolved: to approve the Audit Committee Terms of Reference</b></p>	
<b>53.2022</b>	<p><b>Private meeting of the committee with Auditors without staff</b>  No meeting was required</p>	
<b>54.2022</b>	<p><b>Private meeting of the committee without staff or Auditors</b>  No meeting was required</p>	
<b>55.2022</b>	<p><b>Identification of any new or amended risks</b></p>	

	<p>No new or amended risks were identified</p> <p>There was an opportunity for Audit members with the exception to the Chair of the Corporation to leave the meeting.  <i>Caroline Coyne left the meeting</i>  <i>Don Clapham left the meeting</i>  <i>Debbie Taaffe left the meeting</i>  <i>Jon Marchant left the meeting</i>  <i>Nick Andrews joined the meeting</i></p>	
56.2022	<p><b>Confirmation the meeting remains quorate</b></p> <p>It was noted the meeting to discuss A&amp;F business remained quorate</p>	
59.2022	<p><b>Minutes of the meeting held on 27<sup>th</sup> June 2022</b></p> <p>The minutes of the A&amp;F committee meeting held on 27<sup>th</sup> June 2022 were approved</p>	
60.2022	<p><b>Matters arising from the minutes not covered elsewhere on the agenda</b></p> <p>a) <b>Health and Safety</b>-(item 20.2022 from the previous minutes)  confirmation information regarding the mapping of appropriately first aid trained staff across all areas of the college will be presented to directors when further work is carried out</p>	
61.2022	<p><b>Management Accounts</b></p> <p>Directors received and considered the management accounts for the month end 30<sup>th</sup> September 2022.</p> <p><b>Questions and comments from directors</b></p> <p>In response to a question about staffing costs being below 70%, it was noted that this is a temporary situation due to some staff not yet being replaced, it was also noted that specialist roles with a high salary can make a significant difference to the percentage of staffing costs.</p> <p>In response to a question about the budget process, it was noted that the Head of Finance is currently working on reforecasting the budget due to many changes and will present it to the A&amp;F Committee either at the next meeting or an additional meeting if required.</p> <p>It was noted that there is no opportunity to discuss an accurate budget until March, that said, directors asked if the schedule of meetings need changing. A recommendation from directors was to change the date of the second A&amp;F committee meeting to look at the budget in January</p> <p>A discussion took place regarding costs to transport, examinations and pay awards, it was noted that management have very difficult decisions to make in regards to balancing the budget, it was noted that college need to provide so much more student support in terms of safeguarding and mental health with less funding available.</p> <p>One option for consideration would be to look at using college reserves as an exceptional circumstance, directors were given assurance that retention had improved slightly on last year.</p> <p>In response to a question about the next retention report due it was noted that the usual schedule is May (Standards Board), however directors could see it as early as March (Corporation Board)</p>	<p>action</p> <p>Action</p>
62.2022	<p><b>ONS re-classification</b></p> <p>Directors received a letter from the ESFA (paper 4.2) outlining the reclassification of colleges and guidance on borrowing arrangements requests by college to the DFE (paper 4.3) These were discussed earlier in the meeting by the Audit Partner from Mazars.</p>	
63.2022	<p><b>Health and Safety</b></p>	

Directors received and considered the Health and Safety report (paper 5.1) and Fire Safety Evacuation reports (papers 5.2) presented by the Head of Estates; it was noted there were a few minor areas to focus on regarding the recent fire safety drills but overall, it was good with everyone out of the building within 5 minutes. It was noted that the college are fully compliant with Health and Safety and there were much more robust processes in place, H&S reporting had improved over the last year and next year 22-23 will give a better like for like comparison.

Directors were informed that recorded accidents and first aid treatment had increased from 29 the previous year to 103, it was noted that improvements in reporting methods will account for some of the increase, however there are more incidents involving medical conditions amongst students possibly linked to mental health, it was noted that providing appropriate support as soon as possible remains a priority as does the recruitment of more first aiders.

#### **Questions from Directors**

Asked about the reporting process and how easy it is, it was noted that currently staff report using a simple Google form, a discussion took place about raising the awareness of H&S amongst all staff, it was noted that a H&S bulletin will be going to all staff every half term.

Directors were assured that the college is a very safe environment, however staff need to remain vigilant at all times.

Asked about any data relating to self-harm compared to 2019, it was noted that there was no hard data, however anecdotally there are more safeguarding and medical related incidents prior to Covid.

In light of a recent reported security incident directors asked if it was possible to look at security, especially in terms of informing staff to allow them to be more vigilant. It was noted that a colleague from County Terrorism had agreed to come into college to look at potential vulnerabilities.

It was noted that one of the directors entered the college without her ID badge and was not challenged, in response to how she entered the building, it was noted that it was as people left the building.

A discussion followed about the fine balance between a secure safe and welcoming environment.

It was noted that continuing to discuss the safety culture at the college can be a reminder for staff and students to be even more vigilant.

**64.2022**

#### **Staffing update**

Directors received and considered the latest staffing report (paper 6.1) presented by the Assistant Principal: Business Support, she highlighted that the profile of staff had not changed since 21/22 apart from an increase in support staff in terms of safeguarding and well-being.

It was noted that sickness absence had not been reported on as reporting is different than previous years due to Covid.

#### **Questions from Directors**

In response to a question about how the college are trying to recruit to vacant positions, it was noted that a targeted recruitment campaign had worked well with high calibre candidates.

A discussion took place about how we attract people to work in Blackpool, it was noted that there are issues across schools and colleges in recruiting and retaining staff.

In response to a question about the increase in support staff, it was noted that there had been an increase in roles to help keep students happy, safe and successful at college. Students are requiring much more support in terms of wrap around care and additional learning.

Directors noted that staff turnover is an increasing high risk and asked for information about leavers in future reports

**Action**

<b>65.2022</b>	<b>Committee performance</b> Directors received and reviewed their performance against the Key Performance Indicators 2021-22 (paper 7.1). They asked for A&F committee meeting dates to be reviewed in line with discussions (above 61.2022) about the budget. Directors received and approved the KPIs for 2022-23 (paper 7.2)
<b>66.2022</b>	<b>Terms of Reference</b> Directors reviewed and approved with slight amends which the Clerk agreed to make the committee Terms of Reference
<b>67.2022</b>	<b>Identification of any new or amended risks</b> No new or amended risks were identified
<b>68.2022</b>	<b>Directors were asked to update their DPR with attendance for this meeting</b>  <b>Date and Time of next meeting</b> Tuesday 7 <sup>th</sup> March 2023 at 4pm

Signed \_\_\_\_\_

Date\_\_\_\_\_