

Brooke House Sixth Form College

Minutes of a joint meeting of the **F&GP Committee** held on 23 November 2017 at 1700hrs.

Present	Stephen Blackshaw (Chairman)	David Blagbrough (Chairman)	Sally Townsend
	Ken Warman (Principal)		
In Attendance	Sam Abbas (RSM)	Ralph Devereux (Clerk)	Nalini Seeromben (FD)
	Rajeev Shaunak (McIntyre Hudson)		

The Audit Committee had not been able to attend the meeting, which had been planned as a joint event. However, the full set of papers had been circulated and input had been received; this would inform considerations, accordingly, it was decided to continue as an F&GP Committee meeting. The Corporation Chair approved this process under his powers to enable necessary action and it would be fully explained at the Corporation meeting,

The Chair commented that the meeting papers had been circulated later than should be expected. It was important that members had the information in time to study and acquaint themselves with the information in accordance with the Corporation Standing Orders. The comments were noted.

15/17 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

The apologies were accepted. No notice had been received of any member becoming ineligible to hold office and there were no interests declared.

16/17 MINUTES OF/ACTIONS FROM THE LAST MEETING AND URGENT BUSINESS

- a. The minutes of the last F&GP meeting, held on 6 October were confirmed and the Clerk was delegated to sign electronically on behalf of the Chair. **(Action 1)**
- b. Actions Table. The Actions from the last meeting listed in the table were considered, outstanding were:

Action 1	04/17a. Ratio of employed:agency staff to be notified.	Awaited
Action 8	10/17. Worked up comparisons of catering options to next meeting	Awayday
Action 9	11/17. SMT study to next meeting.	
Action 10	12/17. RR and Cleaning Contract to next agenda.	

- c. It was agreed to consider 2 items of urgent business from the Principal.

- a. **The information was received.**
- b. **Actions had been identified. (See Table 22/17 below)**

17/17 AFS

- a. Audit Committee Annual Report to the Corporation. The committee annual report to the Corporation, which would inform the Corporation's consideration of the AFS, was considered. The positive overall IAS Opinion for the year (Including for Governance) would be included in the Report **(Action 2)**, which was then recommended to the Corporation. **(Action 3)** It was agreed that membership should be increased and action would be taken. **(Action 4)**
- b. External Auditors Management Letter. The external auditor's draft Management letter was then considered, page by page, with reference to the AFS and questions were satisfactorily resolved; unresolved issues in the circulated copies had now been finalised and the final

version was clean. The final version of the letter was recommended to the Corporation. **(Action 5)**

- c. Corporation Statement and Accounts. The Committee then scrutinized the narrative of the AFS, with respect to the systems of financial control, RM and governance processes and the financial performance as detailed in the accounts. Some typing and detail errors (ie Casterbridge) were noted for correction, it was also agreed that the tone of the narrative should generally be more optimistic and confident and there were some inconsistencies with committee membership details. The overall outcome, an unqualified opinion and a surplus of £50k was noted. The AFS was then discussed and it was noted that the audit process had gone smoothly; some minor presentational changes were agreed. Thanks were recorded to the auditors for their open and professional approach to the work. The AFS Governance Statement and accounts were conditionally recommended to the Corporation for approval. **(Action 6)**

a. **The information was received.**

b. **Actions had been identified.** (See Table 22/17 below)

18/17 INTERNAL AUDIT MATTERS

- a. IAS Annual Report. The Annual Report for 2016/17 was considered in detail and the opinion was noted as:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further improvements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.

Appendix B was then considered item by item and it was noted that assurance from the IAS at the last Audit Committee meeting (06/17) that the Credit and Debit Card Review outcome would not affect that opinion had been implemented. However, there was concern that this report had still not been considered by the Audit Committee and could not therefore reflect their views, it had also not been finalised and circulated as required by Actions 5&6 (also in minute 06/17). Assurance was sought and received that the IAS and Management would urgently address this issue, possibly electronically. **(Action 7)** The Corporation Self-Assessment Report (SAR), completed after the Strategic Planning Session in January, had not been recognised in the Report; Committee appraisal was discussed and it was agreed that any such process should be robust and properly validated by the Corporation who was the determining authority for the Terms of Reference (TOR), the value of unmoderated assessment was dubious. The IAS also undertook to replace references to the former Finance Director with the present incumbent. Notwithstanding, The Report was recommended to the Corporation as amended. It was also agreed that the Report should form part of the response to the ESFA letter which had recently been received and would soon be considered by the Corporation and Committee Chairs and the Principal, also it should be highlighted in the AC Annual Report. **(Action 8)** It was suggested that that an AC meeting should be included on the January awayday agenda and this would be explored. **(Action 9)**

- b. IAS Plan. The internal audit plan for 2017/8-2019/20, had been informed by but not limited to, the College strategic objectives and previous work had been jointly considered at length by the IAS and the DoF; the areas to be tested during the 2-year life of the plan were tabulated, at Annex B, and after discussion and reference to Appendix A (Detailed Plan for 2017/18– 26 days) were felt to be appropriate. Although the possibility of bringing the cyber security forward to the current year was considered, it was agreed to accept the schedule as detailed. The plan was linked to identified key risks. It was agreed that the Plan covered key risks, priority areas and would provide sufficient assurance to facilitate the risk profile. The Plan together with the associated fee (increased by 2% to £20,405) was recommended to the Corporation for consideration and approval. **(Action 10)** The options offered regarding GDPR training would be agreed between the AC Chair and the Principal.
- c. Risk Management (RM). RM matters were postponed to form an integral element of the forthcoming strategic planning session over 19/20 January.

- a. The information was received.
- b. Actions had been identified. (See Table 22/17 below)

19/17 MANAGEMENT ACCOUNTS

Members recorded satisfaction with the clear and easily understood revised format of the Management Accounts, it was agreed to add opening and closing balances to the I&E Table. The accounts, which were accurate to 31 October were then discussed. The surplus, considerably higher than the forecast was due to the front loaded profiling of annual funding payments. The detailed numbers were then considered, concern was expressed at the divergence of actual performance against the budgetary targets and the need to get back to plan asap was accepted. **(Action 11)** There was then detailed consideration of the agency costs allocation in relation to permanent staff costs, there was sensitivity regarding this issue in particular since past experience had shown this to be a difficult area. Influencing issues such as current sickness levels were accepted, but it was stressed that realistic numbers were required to enable accurate budgetary control and if a deficit was to be avoided. The possible additional income from the "car park" and "mobile 'phone masts" projects should not be assumed. It was agreed to circulate the November accounts asap to all Committee members **(Action 12)** and to complete a full reforecast to "Snap back" to the budget **(Action 13)**. Performance indicators of 71 cash days, a CR of 1.58 and staff costs ratio of 73.2% were noted.

- a. The information was received.
- b. Actions had been identified. (See Table 22/17 below)

20/17 URGENT BUSINESS

The Principal advised that 2 applications for additional funding had been submitted:

- a. enabling funds for an additional 30 work placements: and
- b. enabling funds to facilitate colleges under scrutiny to partner with Grade 1 or 2 similar colleges, the preferred partner had recently withdrawn at short notice and a replacement was required by 5 January 2018 to remain in scope.

21/17 DATE OF NEXT METING

The next meetings would be on 19/20 January 2018, time to be agreed.

22/17 ACTION REGISTER

Ref		Resp	Date
Action 1	16/17a. Minutes confirmed for electronic signature.	Clerk	asap
Action 2	17/17a. IAS Opinion to be included in the AC Annual Report.		
Action 3	17/17a. AC Annual Report recommended to the Corporation.	Chair	14.12.17
Action 4	17/17a. AC membership to be increased.	All	asap
Action 5	17/17b. Ext Aud Mgt Letter recommended to Corporation.	Chair	14.12.17
Action 6	17/17c. AFS recommended to Corporation.		
Action 7	18/17a. Outstanding IAS Report to be considered.	KW/JC/IAS	asap
Action 8	18/17a. IAS Report to inform response to ESFA letter.	DB/SB	asap
Action 9	18/17a. AC meeting tba for awayday.	Clerk	19.01.18
Action 10	18/17b. IAS Annual Plan recommended to Corporation.	Clerk	14.12.17
Action 11	19/17. Correct financial position back to budget.	FD	asap
Action 12	19/17. November Mgt Accts to be electronically circulated.		
Action 13	19/17. Budget re-forecast tbc.		