



## Brooke House Sixth Form College

Minutes of a joint meeting of the Audit Committee (AC) and the Finance and General Purposes Committee (FGP) held on 19 November 2019 at 0800hrs.

|                      |  |   |   |
|----------------------|--|---|---|
| <b>Present</b>       | Steve Blackshaw                                | James Cross<br>(AC Chair)(1-06/19 only) | Sally Townsend<br>(FRC Chair)                         |
| <b>In Attendance</b> | Adrian Cottrell<br>(VP(F&R))                   |   | Ralph Devereux<br>(Clerk)                             |
|                      | Mike Eagle<br>(McIntyre Hudson) (1-06/19 only) | Nick Fanning<br>(RSM) (1-06/19 only)    | Rajeev Shaunak<br>(McIntyre Hudson)<br>(1-06/19 only) |
|                      | Kevin Watson<br>(Principal)                    |   |   |
| <b>Apologies</b>     | Jonathan Beake                                 | Sheridan Mangal                         |   |

### 01/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

- a. No notice had been received of any member becoming ineligible to hold office, the meeting was quorate (as a joint agency) and no interests were declared.
  - b. It was agreed that James would act as Chair for Items 1-9. **(Action 1)**
- a. **The information was noted and received.**
  - b. **Actions had been identified. (Register at 11/19)**

### 02/19 MINUTES OF/ACTIONS FROM THE LAST MEETING

- a. The Minutes of the last meetings held on:
    - (i) 26 September 2019 (AC); and
    - (ii) 9 October 2019 (FGP).were confirmed for electronic signature, Clerk to action. **(Action 2)**
  - b. All actions identified at the last meeting had been completed.
- a. **The information was noted and received.**
  - b. **Actions had been identified. (Register at 11/19)**

### 03/19 MATTERS ARISING AND URGENT BUSINESS

There were no matters arising and no urgent business requested.

### 04/19 ANNUAL FINANCIAL STATEMENTS

- a. AC Annual Report. The committee's annual report to the Corporation, which would inform the Corporation's consideration of the AFS, was considered and discussed, the final IAS Annual Report had now been received and the Annual Opinion had been re-assessed at "Amber Green", which would require amendment at para 7.4; **(Action 3)** there were some further small corrections identified, with these incorporated, the Report was recommended to the Corporation. **(Action 4)**
- b. Assurance Report. Matters relating to Governance and Internal Control had been drawn together and tabulated into a comprehensive RAG rated document, which included management, IAS and other assurances on individual issues; the detail was welcomed as a ready assurance source. Issues around HR and Staff Productivity and timely circulation of papers for governance meetings were discussed and were agreed as relevant for consideration during the next update, no changes

in assurance were necessary for this version which was recommended to the Corporation. **(Action 5)**

- c. External Audit Management Letter. The external auditor's Management Report, which reviewed the systems and financial arrangements in the College, was then considered. The Report comprised several sections and each was considered in turn; with reference to the AFS, there were no qualifications to either the main or regularity reports. The key financial performance issues were considered and noted. The assessment as a going concern was discussed, a focused and separate paper was at (Agenda Item 10b) Each sections of the report was considered, and some minor changes agreed.
- d. Financial statements. The Audit Committee remit was to scrutinize the narrative of the AFS, the Corporate Governance Statement with respect to the systems of financial control, RM and governance processes and the financial performance as detailed in the accounts; the outcome was noted. The AFS was then discussed in general and it was noted that the audit process had gone smoothly; small factual and presentational changes, some arising from the consideration of the Management Report had been identified and would be incorporated into the document before presentation to the Corporation. **(Action 6)**. The "Going Concern" statement on P15 was considered and agreed. Thanks, were recorded to the auditors for their open and professional approach to the work. The AFS Governance Statement, accounts and all External Audit information were conditionally recommended to the Corporation for approval. **(Action 7)**
  - a. **The information was noted and received.**
  - b. **Actions had been identified. (Register at 11/19)**

#### **05/19 INTERNAL AUDIT REPORTS**

- a. Annual Report 2018/19. The IAS Annual Report for 2018/19 was a standalone document which would inform the Annual Financial Statement (AFS) "Statement of Internal Governance and Internal Control", and thus the ESFA on internal audit issues, it was a digest of previous information presented to the committee. The Report, which had been positively upgraded after a formal request, (AC 05/19) had been circulated for consideration in advance of the meeting and was then considered; the report had also informed the annual committee report to the Corporation, which had been considered earlier in the meeting. The revised overall opinion (Para 1.1), was that "the organisation has an adequate and effective framework for risk-management, governance and internal control. However, the IAS work had identified further enhancements to the framework of risk-management, governance and internal control to ensure that it remains adequate and effective."
- b. Audit Plan 2019/20. The draft internal audit strategy for 2019/22, had been considered at the previous AC meeting and had been informed by but not limited to, the College strategic objectives and had been jointly considered at length by the IAS and the College Executive; 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. Appendix C was an explanation of the Internal Audit Charter. The final Plan and the associated fee was then recommended to the Corporation approval. **(Action 8)**
  - a. **The information was noted and received.**
  - b. **Actions had been identified. (Register at 11/19)**

#### **06/19 RISK MANAGEMENT (RM) ANNUAL REPORT**

The annual RM Report and Policy were considered and recommended to the Corporation. **(Action 9)** It was agreed that the greatly improved and revised risk arrangements had presented a sound improvement in data presentation.

- a. **The information was noted and received.**
- b. **Actions had been identified. (Register at 11/19)**

**James Cross left the meeting and Sally Townsend assumed the Chair.**

## 07/19 FINANCE

- a. Reconciliation. The reconciliation between the July Management Accounts and the financial statements had only involved a single mis-posting statement; an outstanding performance, which prompted a congratulatory comment from the External Auditor also echoed by the Committee Chair. Thanks were recorded to the VP(F&R) and his staff for the achievement. **(Action 10)**
  - b. Going Concern. The Going Concern issue had been considered several times during the discussions and all influencing considerations and matters had been drawn together into a comprehensive paper. The essential and strongest influence was the size of the student population. The paper was clear and comprehensive and was recommended to the Corporation to inform their consideration at the next meeting. **(Action 11)**
  - c. Management Accounts. The summary of accounts, supplemented by graphical and tabulated information accurate to 31 October was studied and discussed. The current ytd forecast was for a slight deficit (c£14k); all variations from budget were clearly detailed in the accompanying papers and were discussed individually. Income was positive by £11k and expenditure was also adverse, staff costs were slightly over budget as was the non-pay element (£14k), all contributing factors were detailed in the papers and were explained. Financial Health remained as "Requires Improvement" The balance sheet was considered and noted. Key PIs were noted; there were 22 cash days in hand, the adjusted CR was .95 and the staffing ratio was 79.5%. All covenants remained in scope. The information was received and recommended to the Corporation. **(Action 12)**
- a. **The information was noted and received.**
  - b. **Actions had been identified. (Register at 11/19)**

## 08/19 TRACKERS.

- a. Recovery Plan. The progress against the recovery plan drafted in July had been tabulated and updated to reflect the lower than expected student recruitment. The revised numbers were explained, considered and agreed and had informed a fully updated financial plan. Of note was that original planned reductions had been met the challenge now was to increase the number on roll. The Financial Health was forecast as "RI" until 2021 when it should move to "Good". For the current year good financial controls would be necessary to achieve a score of 130 at the lowest point.
- b. Suppliers. The college supplier listing was discussed. The cleaning contract tender process had now been completed and when details were received from the controlling agency the full details would be circulated to all members. There were several points for consideration and it was agreed to bring detail to the next meeting.

**The information was received.**

## 09/19 URGENT BUSINESS

All financial information was more positive, and the true positions informed, which allowed confident planning and monitoring; thanks were again recorded to all involved in the process.

## 10/19 NEXT MEETINGS

The next meetings would be held on:

- a. AC 16 March 2020; and
- b. FGP 22 January 2020.

## 11/19 ACTION REGISTER

| Note referenced minute for full detail. |   | Resp    | Date     |
|---|---|---------|----------|
| <b>Action 1</b>                         | 01/19b. JC to Chair meeting (Items 1-9)                           | Clerk   | wie      |
| <b>Action 2</b>                         | 02/19a. Last minutes (26.09.19 & 9.10.19) approved for signature. |         |          |
| <b>Action 3</b>                         | 04/19a. ACAR Para 7.4 to be amended                               | VP(F&R) |          |
| <b>Action 4</b>                         | 04/19a. ACAR recommended to the Corporation.                      | Chair   | 12.12.19 |
| <b>Action 5</b>                         | 04/19b. Assurance Report recommended to the Corporation.          |         |          |
| <b>Action 6</b>                         | 04/19d. Changes to document agreed for incorporation.             | VP(F&R) | 12.12.19 |

|                  |  |              |                 |
|------------------|--|--------------|-----------------|
| <b>Action 7</b>  | 04/19d. All Ext Audit papers recommended to Corporation    | <b>Chair</b> |                 |
| <b>Action 8</b>  | 05/19b. IAS Audit Plan and fee recommended to Corporation. |              |                 |
| <b>Action 9</b>  | 06/19. RM Policy and annual report rec to the Corporation. |              |                 |
| <b>Action 10</b> | 07/19a. Thanks recorded to VP(F&R) and staff.              | <b>Chair</b> | <b>wie</b>      |
| <b>Action 11</b> | 07/19b. Going Concern paper recommended to Corporation.    |              | <b>12.12.19</b> |
| <b>Action 12</b> | 07/19c. Mgt Accts recommended to Corporation.              |              |                 |

*Ralph Deveraux (Clerk) for James Cross (Chair)*  
Issue/Revised (Date) for James Cross (Chair) (04/11/2018)






# JointAudit&F&GPMinutesNew18.11.19RD

Final Audit Report

2020-04-17

|                 |   |
|-----------------|---|
| Created:        | 2020-04-17                                  |
| By:             | Ralph Devereux (office.mpe@btconnect.com)   |
| Status:         | Signed                                      |
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