



BURY COLLEGE FURTHER EDUCATION CORPORATION

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY, 10th MARCH 2020

Meeting Commenced: 1.00 p.m.
Meeting Closed: 1.43 p.m.

Present:

Liaqat Ali	Independent Corporation Member - Chair
Peter Bury	Independent Corporation Member
Anne Holt	Business Support Staff Corporation Member
Danny Weidenbaum	Co-opted Committee Member (Via Skype)

In Attendance:

Andrew Harrison	Deputy Principal Finance & Corporate Services
Peter Ryan	Clerk to the Corporation
Becky Tootell	Deputy Principal Curriculum, Quality and Standards
Louise Tweedie	RSM

AC19/20.15 APOLOGIES FOR ABSENCE

Apologies for absence were received from Phil Johnson and Tom Pool.

AC19/20.16 DECLARATIONS OF INTEREST

There were no declarations of interest in relation to any of the items on the agenda for the meeting.

AC19/20.17 STANDING ITEM – Meeting between Auditors and the Audit Committee

The Audit Committee agreed that there was no reason to meet with the Auditors to the exclusion of College Management.

AC19/20.18 MINUTES

The Minutes of the Audit Committee meeting held on 29th November 2019 were approved and signed as a true and correct record.

AC19/20.19 MATTERS ARISING

The Clerk presented the Matters Arising Report and advised the Committee that all agreed actions had been implemented.

It was **Resolved** that the contents of the report and management actions implemented should be noted.

AC19/20.20 INTERNAL AUDITORS

a) Internal Audit Service Reports

i) Staff and Student Mental Health and Wellbeing

Louise Tweedie, RSM introduced the report and highlighted the following:

- Taking account of the issues identified, the Corporation can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed and are being consistently applied;

- 3 low priority management actions had been identified and timescales agreed for their implementation.

Following a question, it was confirmed that the increase in safeguarding reporting was due to Learners being more willing to report and better processes to facilitate reporting.

It was **Resolved** that the contents of the report should be noted.

ii) Financial Management Processes - Compliance with DfE Insolvency Guidance

Louise Tweedie, RSM introduced the report and highlighted the following:

- Taking account of the issues identified, the Corporation can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed and are being consistently applied; and
- 1 low priority management action had been identified and this had been implemented.

It was **Resolved** that the contents of the report should be noted.

iii) Framework for Senior Staff Pay and Anti-Fraud Arrangements

Louise Tweedie, RSM introduced the report and highlighted the following:

- Taking account of the issues identified, the Corporation can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed and are being consistently applied;
- 3 low priority management actions had been identified and timescales agreed for their implementation.

Following a question, it was confirmed that cash was always a risk and the College minimised the availability and access to cash as did College contractors such as the catering contractor who facilitated cashless and cash payments.

It was **Resolved** that the contents of the report should be noted.

b) Internal Audit Service Progress Report 2019/20

Louise Tweedie, RSM introduced the report and confirmed that the audit plan would be delivered as agreed, with the following audits being implemented:

- Financial Sustainability / Financial Planning Framework w/c 9th March 2020; and
- Follow Up w/c 9th March 2020.

There had been no changes to the 2019/20 internal audit plan.

In addition, following a twelve-week consultation in early Autumn 2019, the Chartered Institute of Internal Auditors had published its new Internal Audit Code of Practice. The Code is principles based and is intended as an 'industry benchmark' aiming to embed consistent good practice across the internal audit profession. The Code is to be applied in conjunction with the existing International Professional Practices Framework (IPPF). Details were outlined within the report. If the Code was agreed and adopted RSM would also report on cultural themes across the College.

It was **Resolved** that Internal Audit Service Progress Report should be received.

c) Further Education - Benchmarking of Internal Audit findings 2018/19

Louise Tweedie, RSM introduced the report and confirmed that as part of the internal audit service, RSM provided benchmarking data to clients within internal audit assignment reports. At the assignment level, benchmarking provided a comparison against the numbers of actions agreed, and the assurance opinions provided in similar audits performed across the sector in the client base.

The conclusions from the benchmarking report were as follows:

RSM Internal Audit Assurance Levels 2018/19

	No Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance
Bury College	0	0	1 (33%)	2 (66%)
Average across RSM FE client base in 2018/19	2.6%	15.9%	37.8%	43.7%

Management actions resulting from RSM Internal Audit findings 2018/19

	High Priority	Medium Priority	Low Priority	Total Average
Bury College	0	1.3 (4 Actions)	1.3 (4 Actions)	2.6
Average across RSM FE client base in 2018/19	0.5	2.2	2.7	5.4

In summary, in relation to both assurance levels and management actions, the College was performing better than the average for RSM FE clients. In addition, at the year-end RSM provided clients with their head of internal audit opinion. The College had secured the highest audit opinion.

It was **Resolved** that Internal Audit Service Benchmarking of Internal Audit findings 2018/19 should be received.

AC19/20.21 **EXTERNAL AUDITORS**

There were no reports from the External Auditor.

AC19/20.22 **OTHER AUDITS**

There were no Other Audit reports. A report on the contributions to the Greater Manchester Pension Scheme would be submitted to the next meeting.

AC19/20.23 **MONITORING REPORTS (STANDING ITEM)**

(a) Risk Management Register 2019/20

The Deputy Principal Finance and Corporate Services confirmed that as shared with the Corporation on 29th October 2019, the College has adopted a more targeted Risk Management approach. The Leadership Team on 8th July 2019 identified 10 High Risks and these were agreed at the Corporation Strategy event on 24th September 2019. The Executive Team had completed the full Risk Register incorporating the High-Risk Register. The second term update of the High-Risk Register Action Plan was presented to the Audit Committee for consideration.

Following questions, it was confirmed that there were no major changes in the risk position for any of the 10 high risks.

In addition, given recent events, an additional risk HR11 had been added to the High-Risk Register relating to the Coronavirus.

Members requested details of action taken and those planned. It was confirmed that control/mitigating actions to 9th March 2020, included:

- Regular communication with staff and students;
- Advice on hygiene and constant reference to PHE guidance on self-isolation etc;
- Additional cleaning requirements of Bulloughs and contingency plans for deep cleans; and
- A review of the Business Continuity Plan

In addition, actions for March 2020, included:

- Continue to monitor all PHE guidance and liaise with agencies to ensure regular communication with staff and students;

- Planning to complete student's syllabus as soon as possible whilst still able to access College facilities;
- Curriculum staff to plan how learning can be delivered remotely should there be a closure/partial closure of the College;
- Exams plan should there be significant restrictions on exam attendance; and
- IT plan for large scale remote access including additional server capacity.

It was **Resolved** that the contents of the report should be noted.

(b) Audit Recommendations Monitoring Report 2019/20 Update

The Clerk introduced the report and asked Members to consider and note the Audit Recommendations Implementation Tracking Report 2019/20, as at March 2020.

It was **Resolved** that the contents of the report should be noted.

(c) Accuracy of Funding and Data Returns

The Deputy Principal Finance and Resources confirmed that in light of the latest guidance, Governors had identified that current arrangements would be enhanced by including a standing agenda item on the Audit Committee to report on the accuracy of Funding and Data Returns.

Following questions, Members were assured that the College had a good track record of accurate and timely funding and data returns. All Returns for 2018/19 and 2019/20 to date had completed timely and accurately.

In addition, GMCA had introduced a number of pilots in relation to funding eligibility that differed from the ESFA funding rules. Accordingly, the College had a number of GMCA interim measures in place to ensure the generation of the correct level of funding for these learners. Further information from GMCA was awaited to provide a permanent solution to such issues.

It was **Resolved** that the contents of the report should be noted.

(d) Fraud Log

The Deputy Principal Finance and Corporate Services confirmed that the College Fraud Log was presented to the Audit Committee, in accordance with Bury College Anti-Fraud and Irregularity Policy.

The Fraud Log recorded the nature of suspected/actual fraud/irregularity, actions taken to prevent reoccurrence and lessons learned.

It was **Resolved** that the contents of the report should be noted.

(e) Gifts/Hospitality/Overseas Travel

The Deputy Principal Finance and Corporate Services confirmed that one of the actions within the College Solvency & Financial Viability Action Plan was the introduction of regular reports to the Audit Committee on sensitive and high-profile items of expenditure, as follows:

Overseas Travel – there had been no business trips abroad in 2019/20 year-to-date. The College ran a small number of student trips abroad mainly for travel & tourism students. The aim was that they are cost neutral from student contributions. The cost of the trip was covered for the accompanying staff.

Gifts & Hospitality – No declarable offer of gifts or hospitality had been identified in 2019/20.

It was **Resolved** that the contents of the report should be noted.

(f) Solvency and Financial Viability Update

The Deputy Principal Finance and Corporate Services confirmed that at the Corporation meeting held on 28th October 2019, Members had reviewed the recommendations within the ESFA Bourneville College report and the Regularity Self-Assessment Questionnaire and agreed an action plan which would be monitored by the Audit Committee. Following the Internal Audit of Financial Management Processes - Compliance with DfE Insolvency Guidance, the action plan had been updated to include action owners and target completion dates.

Members reviewed the Solvency and Financial Viability action plan and noted that actions were on track for completion within the agreed timescales.

In June 2019, the Audit Committee reviewed the College position in respect of the Audit Code of Practice Anti-Fraud Checklist and an update was provided within the report.

In addition, the Insolvency Guidance was reviewed annually by the DfE and a summary of the Key Points were highlighted within the report. The full version of the January 2020 Guidance was available on the Governor Portal, this now referred to the implementation of the Integrated Financial Model for Colleges (IFMC).

It was **Resolved** that the contents of the report should be noted.

AC19/20.24 **POST MEETING EVALUATION**

The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 29th November 2019 and it was noted that the overall feedback was positive with no concerns having been highlighted.

It was **Resolved** that the contents of the report should be noted.

AC19/20.25 **DATE AND TIME OF NEXT MEETING**

- 1.00pm Thursday, 18th June 2020

Venue: Beacon Centre Board Room

There being no further discussion the meeting closed at 1.43 p.m.

Signed and approved as an accurate record of the meeting

Signature.....Date.....

Summary of Actions - Audit Committee			
10th March 2020			
Item	Action	Person Responsible	Timescale
AC19/20.22 Other Audits	A report on the contributions to the Greater Manchester Pension Scheme would be submitted to the next meeting.	Deputy Principal Finance and Corporate Services	Audit Committee 18 th June 2020