



BURY COLLEGE FURTHER EDUCATION CORPORATION

MINUTES OF THE AUDIT COMMITTEE MEETING HELD VIA TEAMS ON TUESDAY, 18th JUNE 2024

Meeting Commenced: 1.00 p.m.
Meeting Closed: 1.38 p.m.

Present:

Liaqat Ali	Independent Corporation Member - Chair
Anne Holt	Business Support Staff Corporation Member
Stephanie Nixon	Independent Corporation Member
Danny Weidenbaum	Co-opted Committee Member

In Attendance:

Stephen Bewley	DfE – Immersion Programme
Scott Gillon	Wylie and Bisset
Lee Glover	Validera
Daniel Hassan	Validera
Abrar Kamil	DfE – Immersion Programme
Tracy Pullein	Vice Principal Finance and Corporate Resources
Peter Ryan	Clerk to the Corporation
William Simpson	RSM
Becky Tootell	Deputy Principal

AC23/24.28	<u>APOLOGIES FOR ABSENCE (AGENDA ITEM 1)</u>
	Apologies for absence were received from Phil Johnson and the Chair welcomed to the meeting Lee Glover and Daniel Hassan from Validera (Internal Audit Service) and Abrar Kamil and Stephen Bewley who were attending as part of the DfE Immersion visit to the College.
AC23/24.29	<u>DECLARATIONS OF INTEREST (AGENDA ITEM 2)</u>
	There were no declarations of interest in relation to any of the items on the Agenda for the meeting.
AC23/24.30	<u>STANDING ITEM – Meeting between Auditors and the Audit Committee (AGENDA ITEM 3)</u>
	The Audit Committee agreed that there was no reason to meet with the Auditors to the exclusion of College Management.
AC23/24.31	<u>MINUTES (AGENDA ITEM 4)</u>
	The Minutes of the Audit Committee meeting held on 5 th March 2024 were approved and signed as a true and correct record.
AC23/24.32	<u>MATTERS ARISING (AGENDA ITEM 5)</u>
	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.
AC23/24.33	<u>INTERNAL AUDITORS - RSM (AGENDA ITEM 6)</u>
	<i>a) Internal Audit – Student Journey Recruitment Processes</i>
	William Simpson, RSM presented the report and confirmed that: <ul style="list-style-type: none"> • Taking account of the issues identified, the Corporation Board can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective; and

	<ul style="list-style-type: none"> • No management actions had been identified.
	It was Resolved that the contents of the report should be noted.
	<i>ajii Internal Audit – Data Protection Governance Framework</i>
	William Simpson, RSM presented the report and confirmed that: <ul style="list-style-type: none"> • The College has a framework in place when compared with similar organisations; • 1 area of good practice had been highlighted for the College to consider; and • 3 management actions had been identified and agreed.
	It was Resolved that the contents of the report should be noted.
	<i>ajiii Internal Audit – Key Financial Controls – Managing Public Money Framework</i>
	William Simpson, RSM presented the report and confirmed that: <ul style="list-style-type: none"> • Taking account of the issues identified, the Corporation Board can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective; and • No management actions had been identified. <p>Following a question, it was confirmed that item 10 on the agenda included a review of the College Financial Handbook which included 4 action points to ensure compliance.</p>
	It was Resolved that the contents of the report should be noted.
	<i>ajiv Internal Audit – Follow Up</i>
	William Simpson, RSM presented the report and confirmed that: <ul style="list-style-type: none"> • Taking account of the issues identified, the College had demonstrated good progress in implementing agreed actions; and • Of the five management actions followed up (two 'medium' priority and three 'low' priority), it was confirmed that four had been fully implemented, with one 'low' priority action confirmed as not implemented and a revised management action had been agreed. <p>Following a question, it was confirmed that the outstanding action point had been addressed and the Quality Team planned to redesign the form to ensure that the field required a positive input in order to complete the form.</p>
	It was Resolved that the contents of the report should be noted.
	<i>b) Internal Audit Progress Report 2023/24</i>
	William Simpson, RSM introduced the report and confirmed that the agreed plan had been completed within agreed timescales. <p>The Chair thanked RSM for the provision of Internal Audit Services to the College. William confirmed that a disengagement letter would be issued and the Annual Report 2023/24 issued after the year end.</p>
	It was Resolved that the contents of the report should be noted.
AC23/24.34	<u>INTERNAL AUDITORS - VALIDERA (AGENDA ITEM 7)</u>
	<i>Internal Audit Needs and Plan 2024/25</i>
	Lee Glover thanked Members for appointing Validera to provide Internal Audit Services to the College. Daniel Hassan introduced the report and confirmed that Validera's audit approach was risk based. In order to identify the areas where internal audit input may realise most value, Validera needed to understand the risks facing the organisation and the perceived level of risk these represent to the achievement of objectives. When undertaking the ANA, Validera had: <ul style="list-style-type: none"> • Confirmed core objectives and specific key risks recognised by the organisation through analysis of key documents and discussion; and

	<ul style="list-style-type: none"> Identified and considered the sources of assurance available to identify where internal audit is the appropriate assurance provider. <p>It was confirmed that the draft plan was fully flexible. Members of the Committee reviewed the draft plan and it was considered that:</p> <ul style="list-style-type: none"> The level of audit resource was accepted by the Committee and agreed as appropriate to provide the assurance it required; and The Plan reflected the areas that the Committee believed should be covered as priority for 2024/25.
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> The contents of the report should be noted; and A recommendation be made to the Corporation to approve the Internal Audit Needs & Audit Plan 2024/25.
AC23/24.35	EXTERNAL AUDITORS (AGENDA ITEM 8)
	<i>a) External Audit Plan 2023/24 and Letter of Engagement</i>
	<p>Scott Gillon, Wylie & Bisset presented the Audit Plan and Letter of Engagement for the Bury College Financial Statements and Regularity Audit for the year ending 31st July 2024. The Audit Plan had been prepared to provide the Audit Committee with an overview of the preliminary audit planning procedures in relation to the financial statements of the College for the year ended 31st July 2024. The Letter of Engagement detailed the scope of service in relation to the Regularity Audit of the Financial Statements, there were no changes to the standard terms of business by Wylie & Bisset (Audit) Limited.</p> <p>Scott Gillon highlighted the following:</p> <ul style="list-style-type: none"> The Audit Approach; Audit objectives; Arrangements for the Prevention and Detection of Fraud and Irregularities; Key Risk Areas; Accounting Estimates and Related Disclosures; The Risk Matrix; The Audit Team and Independence; and Timescales and Reporting.
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> The contents of the report should be noted; and A recommendation be made to the Corporation to approve the External Audit Plan for 2023/24 and that the Letter of Engagement be agreed and signed.
	<i>b) Wylie & Bisset Rebranding effective from 3rd June 2024</i>
	<p>Scott Gillon, Wylie & Bisset provide details of the rebranding that had become effective from 3rd June 2024. Following a question, it was confirmed that this would not amend the contract awarded for the provision of External Audit Services.</p>
	<p>It was Resolved that the contents of the report should be noted.</p>
AC23/24.36	OTHER AUDITS (AGENDA ITEM 9)
	<i>a) DfE Subcontracting Assurance Letter 2022/23</i>
	<p>The Vice Principal confirmed that following an assurance review of the subcontracting standard for the College for the 2022/23 funding year the DfE have confirmed in the letter appended, that:</p> <p>“After carefully reviewing your report and other relevant information held by the Department, we can confirm that your organisation has achieved the standard for the 2022 to 2023 funding year. The next time you will be required to submit an assurance review of the subcontracting standard will be 31 July 2026.”</p>

	<p>b) Audit Certificate of Expenditure – Taking Teaching Further</p> <p>The Vice Principal confirmed that in accordance with latest guidance and regulation the College was required to commission an Audited Certificate of Expenditure for the Taking Teaching Further initiative and to submit the certification to the DfE by 30th June 2024 deadline. Wylie & Bisset had concluded that:</p> <p>“Nothing has come to our attention that causes us to believe that the accompanying schedule has not been prepared in all material respects in accordance with the grant funded activities.”</p>
	<p>c) Audited Certificate of Expenditure – Skills Injection Fund Round 1</p> <p>The Vice Principal confirmed that to comply with the terms and conditions of the Grant Funding agreement the College was required to commission an Audited Annual Certificate of Expenditure for the Skills Injection Fund (SIF)1 Project, to be submitted to the Department for Education by 30th June 2024 deadline. Wylie & Bisset had concluded that:</p> <p>“ In our opinion, having carried out our work in all material respects, the expenditure for the year ended 2023–24 and the grant conditions have been met and the grant funding has been spent for the intended purposes.”</p>
	It was Resolved that the contents of the reports should be noted.
AC23/24.37	POLICY ACTIONS (AGENDA ITEM 10)
	<p>a) Post 16 Audit Code of Practice</p> <p>The Clerk confirmed that the Post-16 Audit Code of Practice (the ‘Code’) set out a common standard for the provision of assurance in relation to the funding of post-16 providers. It had been updated in March 2024 and the report highlighted the changes that had been made. The College would continue to act in accordance with the Audit Code of Practice and the College Financial Handbook, which was a separate agenda item.</p> <p>Following a question, the Clerk confirmed that the ESFA intended to carry out a comprehensive review of the Audit Code towards the end of 2024.</p>
	It was Resolved that the contents of the report should be noted.
	<p>b) Anti-Fraud Checklist</p> <p>The Clerk confirmed that the March 2024 Post-16 Audit Code of Practice set out a common standard for the provision of assurance in relation to funding of post-16 providers. Annex D of the Code was an Anti-fraud checklist for post-16 providers. The 10 questions within the checklist were intended to help providers review their arrangements for preventing, detecting and dealing with fraud should it occur. Arrangements will vary according to the size, structure and complexity of the provider.</p> <p>Members reviewed the College position in respect of the 10 questions contained within the checklist and agreed that no additional actions were required.</p>
	It was Resolved that:
	<p>i) The contents of the report should be noted; and</p> <p>ii) The College position in respect of the Anti-Fraud Checklist is approved.</p>
	<p>c) Fraud Risk Self-Assessment</p> <p>The Clerk confirmed that on 10th March 2020, the Audit Committee reviewed the Internal Audit report - GDPR Framework for Senior Staff Pay and Anti-Fraud Arrangements. This included the following action:</p> <p>“The College will undertake a documented fraud risk self-assessment exercise in order to demonstrate how the area’s most vulnerable to suspected fraud have been identified. This will be used to highlight the controls and proposed actions for a range of identified fraud related risks. The self-assessment document will also be used to assign management owners and timeframes</p>

	<p>to the related tasks, which will be monitored by management and/or governors on an ongoing basis.”</p> <p>The Fraud Risk Self-Assessment was agreed by the Audit Committee on 18th June 2020 and the latest version was submitted for the review and consideration of the Committee.</p>
	<p>It was Resolved that:</p> <p>i) The contents of the report should be noted; and</p> <p>ii) The Fraud Risk Assessment is approved.</p>
	<p>d) Fraud Response Plan Update</p>
	<p>The Vice Principal confirmed that the Fraud Response Plan had been reviewed and amended and the draft highlighted those changes from the November 2021 approved version. A summary of the changes made was as follows:</p> <ul style="list-style-type: none"> • Revised Titles where necessary; • Inclusion of External Auditors to list of persons requiring notification; and • Amendments to match revisions in the relevant sections of Post 16 Audit Code Practice and the new College Financial Handbook.
	<p>It was Resolved that:</p> <p>i) The contents of the report should be noted; and</p> <p>ii) A recommendation be made to the Corporation to approve the updated Fraud Response Plan.</p>
	<p>e) College financial Handbook 2024</p>
	<p>The Vice Principal confirmed that the 2024 version of the Handbook had been reviewed by the Principal, Vice Principal and Clerk and the following actions were proposed in order to ensure that the College acts within the requirements of the College Financial Handbook 2024:</p> <p>a) Section 2.8 – Financial Planning – Recommendation: The Board should set out and regularly review the College Policy for holding reserves. A Draft Reserves Policy is appended for consideration.</p> <p>b) Section 2.30 - Oversight of Risk and the Risk Register – Recommendation: In addition to the Risk Register being reviewed at each meeting of the Audit Committee the Risk Register will also be review termly by the Corporation.</p> <p>c) Section 6.6 Fraud, theft, irregularity and Cyber Crime – Recommendation: The College Fraud Response Plan is reviewed by the Audit Committee on 18th June 2024 for approval by the Corporation on 2nd July 2024.</p> <p>d) Section 2.32 Insurance – Recommendation: The Resources Committee will review, each autumn term, the adequacy of insurance cover to comply with the Corporations statutory and contractual obligations. Therefore, Section 9.2.1 of the Financial Regulations will be updated to read – “ The Vice Principal Finance and Corporate Resources is responsible for advising on and effecting insurance cover. The Resources Committee will review, each autumn term, the adequacy of insurance cover to comply with the Corporations statutory and contractual obligations.”</p>
	<p>It was Resolved that:</p> <p>i) The contents of the report should be noted; and</p> <p>ii) The recommendations outlined within the report, including the approval of the Reserves Policy, are submitted to the Corporation for approval.</p>
AC23/24.38	MONITORING REPORTS (AGENDA ITEM 11)
	<p>a) Risk Management Register 2023/24</p>
	<p>The Vice Principal confirmed that the College had a targeted Risk Management approach including a comprehensive College Risk Register with the same sections as the Strategic Plan. This risk assessment identified the top ten high risks that are monitored in detail by the Leadership Team throughout the year in the High-Risk Action Plan.</p> <p>The College Risk Register and the High-Risk Action Plan was reviewed by the last Audit Committee on 5th March 2024 and the High-Risk Action Plan had now been updated on actions</p>

	in Term 3 up to May 2024, by risk owners and reviewed by the Leadership Team at their meeting on 5th June 2024.
	It was Resolved that the contents of the report should be noted.
	b) Audit Recommendations Monitoring Report Update
	The Clerk introduced the report and asked Members to consider and note the Audit recommendations implementation tracking report, as of June 2024.
	Members noted that actions were on track for completion within agreed timescales.
	It was Resolved that the contents of the report should be noted.
	c) Accuracy of Funding and Data Returns
	The Vice Principal confirmed that the College worked diligently to accurately record all ILR data for the R04 return, ensuring an error free return with accurately recorded Study Programme Hours. This ensured the maximisation of student numbers which determined lagged funding for future years and supported any claim for exceptional in year funding for growth.
	The final ILR for 2022/23 was submitted on time and was extensively checked by the College to ensure maximum accuracy & funding. Additional audit review, undertaken by Wylie Bisset as part of the year-end financial statements audit, identified no issues.
	It was Resolved that the contents of the report should be noted.
	d) Fraud Log
	The Clerk 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.
	Members note the attempted fraud since the last meeting and the action taken.
	It was Resolved that the contents of the report should be noted.
	e) Gifts/Hospitality/Overseas Travel
	The Vice Principal confirmed the following: Overseas Travel:
	<ul style="list-style-type: none"> • There had been no business trips abroad in 2023/24 year-to-date; • The College ran a small number of student trips abroad, the aim was that they were cost neutral from student contributions. The cost of the trip was covered for the accompanying staff. There had been 4 trips in 2023/24, which were highlighted within the report.
	Gifts & Hospitality –
	<ul style="list-style-type: none"> • The Gifts & Hospitality procedure (an appendix to the Financial Regulations) was considered by the Audit Committee on 5th March 2024 and re-approved by the Corporation on 19th March 2024 meeting. The revised procedure amended the levels of declaration and reporting and these had been adopted from the date of approval.
	It was Resolved that the contents of the report should be noted.
	Scott Gillon - Wylie and Bisset, William Simpson - RSM and Lee Glover and Daniel Hassan – Validera withdrew from the meeting at 1.35 pm
	f) Performance of the Internal Auditors 2022/23
	The Vice Principal introduced the report and confirmed that RSM continued to provide a good quality internal audit service and provided good support and guidance.
	It was Resolved that the contents of the report should be noted.

	g) Performance of the External Auditors 2022/23
	The Vice Principal introduced the report and confirmed that W&B had provided a good quality external audit service and provided good support and guidance.
	It was Resolved that the contents of the report should be noted.
AC23/24.39	EVALUATION OF MEETING (AGENDA ITEM 12)
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 5 th March 2024 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.
AC23/24.40	DATE AND TIME OF NEXT MEETING (AGENDA ITEM 13)
	To be agree at the Corporation meeting on 2 nd July 2024

There being no further discussion the meeting closed at 1.38 p.m.

Signed and approved as an accurate record of the meeting

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

Summary of Actions - Audit Committee 18th June 2024			
Item	Action	Person Responsible	Timescale
AC23/24.34 Internal Audit Needs and Plan 2024/25	A recommendation be made to the Corporation to approve the Internal Audit Needs & Audit Plan 2024/25.	VP	Corporation 2 nd July 2024
AC23/24.35 External Audit Plan 2023/24 and Letter of Engagement	A recommendation be made to the Corporation to approve the External Audit Plan for 2023/24 and that the Letter of Engagement be agreed and signed.	VP	Corporation 2 nd July 2024
AC23/24.37 d Fraud Response Plan	A recommendation be made to the Corporation to approve the updated Fraud Response Plan.	VP	Corporation 2 nd July 2024
e College Financial Handbook 2024	The recommendations outlined within the report, including the approval of the Reserves Policy, are submitted to the Corporation for approval.	VP	Corporation 2 nd July 2024