



BURY COLLEGE FURTHER EDUCATION CORPORATION

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY, 9th MARCH 2021 VIA ZOOM

Meeting Commenced: 1.00 p.m.
Meeting Closed: 1.33 p.m.

Present:

Liaqat Ali	Independent Corporation Member - Chair
Peter Bury	Independent Corporation Member
Anne Holt	Business Support Staff Corporation Member
Phil Johnson	Independent Corporation Member
Danny Weidenbaum	Co-opted Committee Member

In Attendance:

Andrew Harrison	Deputy Principal Finance & Corporate Services
Peter Ryan	Clerk to the Corporation
Louise Tweedie	RSM

AC20/21.16	<u>APOLOGIES FOR ABSENCE</u>
	Apologies for absence were received from Michael Frankish.
AC20/21.17	<u>DECLARATIONS OF INTEREST</u>
	There were no declarations of interest in relation to any of the items on the agenda for the meeting.
AC20/21.18	<u>STANDING ITEM – Meeting between Auditors and the Audit Committee</u>
	The Audit Committee agreed that there was no reason to meet with the Auditors to the exclusion of College Management.
AC20/21.19	<u>MINUTES</u>
	The Minutes of the Audit Committee meeting held on 24 th November 2020 were approved and signed as a true and correct record.
AC20/21.20	<u>MATTERS ARISING</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.
AC20/21.21	<u>INTERNAL AUDITORS</u>
	<p>a) Internal Audit Service Report - Post 1st May 2017 Apprenticeship Framework Review Louise Tweedie, RSM introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> • In completing the agreed programme of work on the College's ILR return dated 5th November 2020, RSM had identified a number of exceptions where the College may not be fully compliant with the ESFA Apprenticeship funding and performance management rules,

	<p>however, it was recognised that the exceptions identified related to common themes that arose frequently across the sector;</p> <ul style="list-style-type: none"> • In respect of benchmarking, the College was below the sector average in respect of the number of management actions agreed and had fewer Medium priority and no High priority actions when compared to the average profile; and • 2 low and 2 medium priority management actions had been identified and timescales agreed for their implementation.
	It was Resolved that the contents of the report should be noted.
	<i>b) Governance and Risk Management Framework - Safeguarding</i>
	<p>Louise Tweedie, RSM introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> • 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 are suitably designed and are being consistently applied; • No priority management action had been identified; and • 2 areas of good practice were demonstrated by the College in relation to its safeguarding control framework. <p>Members expressed thanks to the staff involved in the management and application of safeguarding arrangements for performing so well in such difficult circumstances.</p>
	It was Resolved that the contents of the report should be noted.
	<i>c) Internal Audit Service Progress Report 2020/21</i>
	<p>Louise Tweedie, RSM introduced the report and confirmed that the audit plan would be delivered as agreed, with the following audits being implemented:</p> <ul style="list-style-type: none"> • Post 1st May 2017 Apprenticeship Framework Review; and • Governance and Risk Management Framework - Safeguarding <p>The remaining scheduled audits would commence in April 2021 and report to the next meeting of the Audit Committee. There had been no changes to the 2020/21 internal audit plan.</p> <p>In addition, the report contained an information briefing on “Determining your College/Academy Risk Appetite” It was confirmed that a recommendation from the NEY report was to strengthen the Audit Code of Practice to extend responsibility for risk appetite to the Audit Committee.</p> <p>It was agreed that the College Risk Strategy including the risk appetite would be reviewed once the new Audit Code of Practice was published.</p>
	It was Resolved that:
	<p>a) The Internal Audit Service Progress Report should be received; and</p> <p>b) The College Risk Strategy would be reviewed once the new Audit Code of Practice was published.</p>
	<i>d) Further Education - Benchmarking of Internal Audit findings 2019/20</i>
	<p>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.</p>

	<p>The conclusions from the benchmarking report were as follows:</p> <p>RSM Internal Audit Assurance Levels 2019/20</p> <table border="1"> <thead> <tr> <th></th> <th>No Assurance</th> <th>Partial Assurance</th> <th>Reasonable Assurance</th> <th>Substantial Assurance</th> </tr> </thead> <tbody> <tr> <td>Bury College</td> <td>0</td> <td>0</td> <td>0</td> <td>4 (100%)</td> </tr> <tr> <td>Average across RSM FE client base in 2019/20</td> <td>4%</td> <td>10.5%</td> <td>39.5%</td> <td>46%</td> </tr> </tbody> </table> <p>Management actions resulting from RSM Internal Audit findings 2019/20</p> <table border="1"> <thead> <tr> <th></th> <th>High Priority</th> <th>Medium Priority</th> <th>Low Priority</th> <th>Total Average</th> </tr> </thead> <tbody> <tr> <td>Bury College</td> <td>0</td> <td>0</td> <td>2.0 (8 Actions)</td> <td>2.0</td> </tr> <tr> <td>Average across RSM FE client base in 2019/20</td> <td>0.1</td> <td>2.4</td> <td>2</td> <td>4.5</td> </tr> </tbody> </table> <p>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.</p>		No Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance	Bury College	0	0	0	4 (100%)	Average across RSM FE client base in 2019/20	4%	10.5%	39.5%	46%		High Priority	Medium Priority	Low Priority	Total Average	Bury College	0	0	2.0 (8 Actions)	2.0	Average across RSM FE client base in 2019/20	0.1	2.4	2	4.5
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	<p>It was Resolved that Internal Audit Service Benchmarking of Internal Audit findings 2019/20 should be received.</p>																														
AC20/21.22	<u>EXTERNAL AUDITORS</u>																														
	There were no reports from the External Auditor.																														
AC20/21.23	<u>OTHER AUDITS</u>																														
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AC20/21.24	<u>MONITORING REPORTS (STANDING ITEMS)</u>																														
	<i>(a) Risk Management Register 2020/21</i>																														
	<p>The Deputy Principal Finance and Corporate Services confirmed that the College had continued with a more targeted Risk Management approach with a comprehensive College Risk Register with the same sections as the Strategic Plan. This risk assessment then identified the high risks which would be monitored throughout the year in the High-Risk Action Plan.</p> <p>The Leadership team had identified 10 High Risks which would be monitored in depth throughout the year. The response to Covid-19 continued to be of paramount importance at this point in Term 2. Much of the College resources were engaged in mitigating the risk of Covid-19 infection whilst providing good quality education. But the College could not lose sight of other high risks. A risk now elevated to high risk status was the threat of cyber-attacks, which had become more frequent and sophisticated.</p> <p>In respect of the full opening on 8th March 2021, it was confirmed that prior to the return a welcome back induction had been emailed to staff and students. 850 students had taken tests the previous day and overall attendance was 82%. There had been one positive test result. In addition, a number of staff had been tested and home testing kits had been issued.</p>																														
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	<i>(b) Accuracy of Funding and Data Returns</i>																														
	<p>The Deputy Principal Finance and Resources confirmed that the College had worked diligently to ensure that it accurately recorded 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 determines lagged funding for future years.</p>																														

	<p>All 2020/21 returns had been completed timely and accurately. Additional checks on the Fee Remission Reasons for AEB funded learners were made to maximise full funding claimed.</p> <p>The College continued to make monthly ILR returns without significant issues or concerns. Members of the MIS, Student Information and Funding Teams were working in the office/at home on a Rota System, with managers in the office the majority of the time. The College had continued with the same level of data checking, with DSATs, Validation and Funding Monitoring Reports were checked and actioned.</p>
	It was Resolved that the contents of the report should be noted.
	(c) Fraud Log
	<p>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 also included a more detailed report on the fraudulent use of the College Credit Card.</p> <p>Members expressed concern at the timescale for the College to be contacted about the fraud and that Barclaycard had not provided feedback on the how/why the fraud had happened and asked that this be further pursued. Members also asked that the management team review if an alternative credit card should be secured, with a report back to the next meeting.</p>
	<p>It was Resolved that:</p> <p>a) The contents of the report should be noted.</p> <p>b) A report be submitted to the next meeting outlining discussion with Barclaycard on how/why the fraud had happened and if an alternative credit card should be secured.</p>
	(d) Gifts/Hospitality/Overseas Travel
	<p>The Deputy Principal Finance and Corporate Services confirmed that the report provided information on sensitive and high-profile items of expenditure, as follows:</p> <p>Overseas Travel – there had been no business trips abroad in 2020/21 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.</p> <p>Gifts & Hospitality – No declarable offer of gifts or hospitality had been identified in 2020/21.</p>
	It was Resolved that the contents of the report should be noted.
	(e) Audit Recommendations Monitoring Report 2020/21 Update
	The Clerk introduced the report and asked Members to consider and note the Audit Recommendations Implementation Tracking Report 2020/21, as at March 2021.
	It was Resolved that the contents of the report should be noted.
AC20/21.25	POST MEETING EVALUATION
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 24 th November 2020 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.

AC20/21.26		DATE AND TIME OF NEXT MEETING
		<ul style="list-style-type: none"> • 1.00pm Tuesday, 15th June 2021 <i>Venue: Beacon Centre Board Room</i>

There being no further discussion the meeting closed at 1.33 p.m.

Signed and approved as an accurate record of the meeting

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

Summary of Actions - Audit Committee 9 th March 2021			
Item	Action	Person Responsible	Timescale
AC20/21.21 Internal Audit Service Progress Report 2020/21	The College Risk Strategy would be reviewed once the new Audit Code of Practice was published.	Deputy Principal Finance & Corporate Services	Audit Committee 15 th June 2021
AC20/21.21 c) Fraud Log	A report be submitted to the next meeting outlining discussion with Barclaycard on how/why the fraud had happened and if an alternative credit card should be secured.	Deputy Principal Finance & Corporate Services	Audit Committee 15 th June 2021