



BURY COLLEGE FURTHER EDUCATION CORPORATION

**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD VIA ZOOM ON TUESDAY, 8th MARCH 2022**

Meeting Commenced: 1.00 p.m.
Meeting Closed: 1.36 p.m.

Present:

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| 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:

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| Andrew Harrison | Deputy Principal Finance and Corporate Services |
| Paul Haydock | RSM |
| Peter Ryan | Clerk to the Corporation |
| Becky Tootell | Deputy Principal Curriculum, Quality and Standards |

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| AC21/22.14 | <u>APOLOGIES FOR ABSENCE (AGENDA ITEM 1)</u> |
| | Apologies for absence were received from Louise Tweedie and Mick Frankish. |
| AC21/22.15 | <u>DECLARATIONS OF INTEREST (AGENDA ITEM 2)</u> |
| | There were no other declarations of interest in relation to any of the items on the Agenda for the meeting. |
| AC21/22.16 | <u>STANDING ITEM – Meeting between Auditors and the Audit Committee (AGENDA ITEM 3)</u> |
| | The Audit Committee Members agreed that there was no reason to meet with the Auditors to the exclusion of College Management. |
| AC21/22.17 | <u>MINUTES (AGENDA ITEM 4)</u> |
| | The Minutes of the Audit Committee meeting held on 23 rd November 2021 were approved and signed as a true and correct record. |
| AC21/22.18 | <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. The Clerk also confirmed that a recommendation would be made to the Corporation on 26 th April 2022, for the appointment of External Audit Services commencing with the 2021/22 statutory accounts. |
| | It was Resolved that the contents of the report and management actions implemented should be noted. |

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| AC21/22.19 | INTERNAL AUDITORS (AGENDA ITEM 6) |
| | Internal Audit Service Reports Paul Haydock, RSM introduced the reports and highlighted the following: |
| | <p>i) Human Resources Processes - Staff Wellbeing and Mental Health Support</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 College relies to manage the identified area are suitably designed and are being operated effectively; • RSM benchmarking data demonstrated that the College compared well in this area when compared with other organisations in the sector where similar reviews had been undertaken. • 1 low priority management action had been identified and agreed; and • A number of areas of good practice based on RSM's observations in the sector had been identified, which management may wish to consider as part of their ongoing work in this area. <p>Following a question, it was confirmed that College HR Advisors were trained in mental health first aid.</p> |
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| | ii) Internal Audit Progress Report 2021/22 |
| | <p>Paul Haydock, RSM introduced the report and confirmed that the Internal Audit Plan for 2021/22 had been agreed by the Corporation in June 2021. There had been no substantive changes to the assignments included the 2021/22 internal audit plan following its approval in June 2021, although the timings of some of the audits had changed at the request of both RSM and College management.</p> <p>In addition, RSM had recently issued the following briefings and updates:</p> <ul style="list-style-type: none"> • Is the middle market ready for ESG?' briefing; • Invitation to NED Network event: 'Boredom in the boardroom - how strategic risk management can be a game changer'; • Be scam savvy' briefing; and • RSM's Conformance with the IIA Standards and Codes of Practice' briefing. <p>Following a question, it was confirmed that the internal audit of IT Cyber Security Controls had been delayed due to auditor sickness. The initial feedback was that it was generally a positive outcome with mainly low-level points. The final report would be submitted to the next meeting.</p> |
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| | iii) RSM FE Benchmarking Report 2020/21 |
| | <p>Paul Haydock, RSM introduced the report and confirmed that as part of the internal audit service RSM provided benchmarking data to their clients within their 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 their client base.</p> <p>When compared against sector averages, the College performed well in respect of Internal Audit Assurance Levels and Internal Audit Management Actions.</p> <p>Members expressed thanks to all staff who were involved in the areas that had been audited.</p> |
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| | It was Resolved that the contents of the reports should be noted. |
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| AC21/22.20 | EXTERNAL AUDITORS (AGENDA ITEM 7) |
| | <p>The Deputy Principal Finance and Corporate Services introduced the report and confirmed that on 14th December 2021, the Corporation had agreed the recommendation from the Audit Committee to implement a tender for external audit services. The College had started the process with support from a procurement specialist and the timetable was as follows:</p> <ul style="list-style-type: none"> • 2nd March 2022 Publication of the opportunity; |

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| | <ul style="list-style-type: none"> • 29th March 2022 submission deadline for tenders; • 12th April 2022 shortlisting; • 14th April 2022 presentations; • 26th April 2022 recommendation for appointment to Corporation; and • 1st June 2022 Contract start date in time for planning the audit of the 2021/22 statutory accounts. |
| AC21/22.21 | <u>OTHER AUDITS (AGENDA ITEM 8)</u> |
| | <i>Independent Limited Assurance Review of the Annual Grant Return for FE ITE Bursaries for the Financial Year 2020/21</i> |
| | <p>The Deputy Principal Finance and Corporate Services introduced the report and confirmed that the Limited Assurance Conclusion was as follows:</p> <p>“That based on the procedures performed and evidence obtained, and subject to the inherent limitations, nothing has come to our attention that causes us to believe that the enclosed ACE has not been prepared in all material respects in accordance with the DfE’s Grant Funding Agreement.”</p> |
| | It was Resolved that the contents of the report should be noted. |
| AC21/22.22 | <u>MONITORING REPORTS (AGENDA ITEM 9)</u> |
| | <i>a) Risk Management Register 2021/22</i> |
| | <p>The Deputy Principal Finance and Resources 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. The College Risk Register and the High-Risk Action Plan were reviewed at the last Audit Committee on 23rd November 2021 and by Corporation on 14th December 2021.</p> <p>The High-Risk Action Plan had now been updated on actions in Term 2 up to February 2022 by risk owners and reviewed by Leadership Team on 2nd February 2022. There has been surprisingly little change to most of the risks from 2021/22 with actions largely mitigating the high risks. Covid restrictions were now reducing and the College was operating largely as normal.</p> <p>The threat of cyber-attacks, however, was becoming more frequent and sophisticated with many organisations suffering denial-of-service despite investment in cyber defences. It remained a significant risk. An Internal Audit review of Cyber Security would be submitted to the Committee in June 2022.</p> |
| | It was Resolved that the contents of the report should be noted. |
| | <i>b) Accuracy of Funding and Data Returns</i> |
| | <p>The Deputy Principal Finance and Resources confirmed that the report detailed funding and data returns made to date in 2021/22 and Members were assured that the College continued to have a good track record of accurate and timely funding and data returns.</p> <p>All 2021/22 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 and additional work by Grant Thornton as part of the audit of the Statutory Accounts had identified no issues.</p> |
| | It was Resolved that the contents of the report should be noted. |
| | <i>c) Fraud Log</i> |

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| | <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.</p> <p>Members specifically noted the attempted fraud on 22nd February 2022 and the actions taken by the College to manage this.</p> |
| | It was Resolved that the contents of the report should be noted. |
| | d) Gifts/Hospitality/Overseas Travel |
| | <p>The Deputy Principal Finance and Corporate Services confirmed the following:</p> <p>Overseas Travel – there had been no business or student trips abroad since the first lockdown in March 2020.</p> <p>Gifts & Hospitality – the Gifts & Hospitality procedure (an Appendix to the Financial Regulations) was considered by the Audit Committee on 23rd November 2021 and re-approved at the 14th December 2021 Corporation meeting. No items have been declared so far in 2021/22</p> |
| | It was Resolved that the contents of the report should be noted. |
| | e) Audit Recommendations Monitoring Report Update |
| | The Clerk introduced the report and asked Members to consider and note the Audit Recommendations: Implementation Tracking Report, as at March 2022. |
| | It was Resolved that the contents of the report should be noted. |
| | f) Review of Committee Terms of Reference |
| | <p>The Clerk confirmed that at the Corporation meeting held on 14th December 2021, it was agreed that the AoC Code of Governance (September 2021), should be adopted. It was also agreed that a report which identified the current position and actions required, in respect of “Must” actions within the Code be submitted to the Corporation in January 2022. One of the Actions identified in January 2022 was to implement a planned process to review Key Governance Polices, including Committee Terms of Reference.</p> <p>The Audit Committee Terms of Reference were last updated in June 2021 and no further changes were recommended at this time. However, the Terms of Reference would continue to be reviewed to ensure that they met the requirements of the latest version of the Audit Code of Practice and the next systematic review of the Terms of Reference would be undertaken in the Spring Term 2025.</p> |
| | <p>It was Resolved that:</p> <p>a) The contents of the report should be noted; and</p> <p>b) No further changes are recommended to the Corporation at this time. However, the Terms of Reference will continue to be reviewed to ensure that they meet the requirements of the latest version of the Audit Code of Practice and the next systematic review of the Terms of Reference will be undertaken in the Spring Term 2025.</p> |
| AC21/22.23 | POST MEETING EVALUATION (AGENDA ITEM 10) |
| | The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 23 rd November 2021 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. |

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| AC21/22.24 | DATE AND TIME OF NEXT MEETING (AGENDA ITEM 11) |
| | 1.00pm Tuesday, 14 th June 2022 |

There being no further discussion the meeting closed at 1.36 p.m.

Signed and approved as an accurate record of the meeting

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

| Summary of Actions - Audit Committee 8 th March 2022 | | | |
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| Item | Action | Person Responsible | Timescale |
| AC21/22.22 Monitoring Reports f) Committee Terms of Reference | No further changes are recommended to the Corporation at this time. However, the Terms of Reference will continue to be reviewed to ensure that they meet the requirements of the latest version of the Audit Code of Practice and the next systematic review of the Terms of Reference will be undertaken in the Spring Term 2025. | Clerk | Corporation 22 nd March 2022 |