



## BURY COLLEGE FURTHER EDUCATION CORPORATION

### MINUTES OF THE AUDIT COMMITTEE MEETING HELD VIA TEAMS ON TUESDAY, 28<sup>th</sup> NOVEMBER 2023

Meeting Commenced: 1.00 p.m.  
Meeting Closed: 1.53 p.m.

**Present:**

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

**In Attendance:**

Scott Gillon	Wylie and Bisset
Dr Ron Hill	Stone King
Sarah Johnson	Stone King
Tracy Pullein	Vice Principal Finance and Corporate Resources
Peter Ryan	Clerk to the Corporation
William Simpson	RSM
Chris Trees	Chair of the Corporation
Becky Tootell	Deputy Principal

<b>AC23/24.01</b>	<b><u>APOLOGIES FOR ABSENCE (AGENDA ITEM 1)</u></b>
	There were no apologies for absence. The Chair welcomed Stephane Nixon to her first meeting, Chris Trees the Chair of the Corporation as part of his induction process and Dr Ron Hill and Sarah Johnson who were undertaking the External Review of Governance.
<b>AC23/24.02</b>	<b><u>DECLARATIONS OF INTEREST (AGENDA ITEM 2)</u></b>
	RSM declared an Interest in item 11. There were no other declarations of interest in relation to any of the items on the Agenda for the meeting.
<b>AC23/24.03</b>	<b><u>STANDING ITEM – Meeting between Auditors and the Audit Committee (AGENDA ITEM 3)</u></b>
	The Audit Committee agreed that there was no reason to meet with the Auditors to the exclusion of College Management. The Chair confirmed that he had scheduled a catch-up meeting with Louise Tweedie, RSM on Tuesday 9 <sup>th</sup> January 2024 at 12 noon.
<b>AC23/24.04</b>	<b><u>MINUTES (AGENDA ITEM 4)</u></b>
	The Minutes of the Audit Committee meeting held on 20 <sup>th</sup> June 2023 were approved and signed as a true and correct record.
<b>AC23/24.05</b>	<b><u>MATTERS ARISING (AGENDA ITEM 5)</u></b>
	The Clerk presented the Matters Arising Report and advised the Committee that all agreed actions had been implemented.
	It was <b>Resolved</b> that the contents of the report and management actions implemented should be noted.
<b>AC23/24.06</b>	<b><u>INTERNAL AUDITORS (AGENDA ITEM 6)</u></b>
	<b><i>a) Internal Audit Report and Opinion 2022/23</i></b>
	William Simpson, RSM presented the final version of the RSM Internal Audit Service Annual Report and Opinion for 202/23 and confirmed the Audit Opinion as, “The organisation has an adequate and effective framework for risk management, governance and internal control.

	<p>However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”</p> <p>To inform the Governance opinion for 2022/23, RSM had taken into consideration the governance related elements of each of the assignment reviews undertaken as part of the 2022/23 internal audit plan. The Governance opinion was also informed by RSM’s attendance at meetings of the Audit Committee throughout the year.</p> <p>Following a question, it was confirmed that the implementation of agreed audit actions was monitored by the Audit Committee via a standing agenda item.</p>
	It was <b>Resolved</b> that the contents of the report should be noted.
	<p><b>b) Internal Audit Progress Report 2023/24</b>  <b>c) Updated internal Audit Plan 2023/24</b></p>
	William Simpson, RSM introduced the reports and confirmed that the Internal Audit Plan for 2023/24 had been agreed by the Corporation in July 2023. The assignments within the Updated Plan were inclusive of the changes to the internal audit plan 2023/24, whereby the days allocated to HR Recruitment and Payroll Framework had been reduced and reallocated to include a Data Protection Governance Framework review during 2023/24.
	It was <b>Resolved</b> that: <ul style="list-style-type: none"> <li>i. <b>The contents of the report should be noted.; and</b></li> <li>ii. <b>The updated Internal Audit Plan 2023/24 be recommended to the Corporation for approval.</b></li> </ul>
	<p><b>d) Internal Audit Briefings</b></p> <p>William Simpson, RSM confirmed that the following briefings had been issued to Committee Members</p> <ul style="list-style-type: none"> <li>• <i>Focus on Fraud – September 2023</i></li> <li>• <i>Emerging Risk Radar July 2023</i></li> <li>• <i>Lead the Board 2023; and</i></li> <li>• <i>ESFA Subcontracting Standard Lessons Learned 2023</i></li> </ul>
	It was <b>Resolved</b> that the contents of the reports should be noted.
<b>AC23/24.07</b>	<b><u>EXTERNAL AUDITORS (AGENDA ITEM 7)</u></b>
	<b>a) <i>College Financial Statements and Regularity Audit Report for the year ended 31<sup>st</sup> July 2023</i></b>
	<p>The Vice Principal Finance and Corporate Resources advised the Committee that the final draft of the 2022/23 Statutory Accounts was in line with the July Management Accounts/ Provisional Outturn report presented to the Corporation on 17<sup>th</sup> October 2023. The External Auditors had stated that they will provide an unmodified opinion. The final 2022/23 Statutory Accounts were presented to the Resources Committee earlier in the day and had recommended them for approval to the December Corporation meeting for sign-off.</p> <p>The Resources Committee had agreed with the assessment that the College was a going concern for the foreseeable future and certainly up to and beyond December 2024 (that being 12 months from the point of signing of the 2022/23 Financial Statements in December 2023).</p> <p>The Resources Committee had also agreed with the accounting treatment for the GMPF local government pension scheme within the Statutory Accounts and this was also agreed by the Audit Committee.</p> <p>A Member drew attention to page 5 of the Statements which stated that the College employs 534 people, of whom 273 are teaching staff. He asked if this was within sector norms and if any benchmarking data was available. It was confirmed that this information should be available in other Colleges Statements and potentially via the AoC annual employment survey.</p>

	Members recorded their thanks to the Finance Team in respect of their efficient and effective contribution to the process.
	It was <b>Resolved</b> that: i) <b>The contents of the report should be noted;</b> ii) <b>The Financial Statements for year ended 31<sup>st</sup> July 2023 for Bury College be recommended to the Corporation for approval; and</b> iii) <b>A briefing note would be issued to Members of the Committee regarding sector norms/benchmarking of staff type ratios.</b>
	<b>b) External Audit Findings Annual Report 2022/23 including Letters of Representation.</b>
	<p>Scott Gillon, Wylie and Bisset confirmed that the External Audit work was substantially complete subject to the finalisation of the following items:</p> <ul style="list-style-type: none"> <li>• Post Balance Sheet Events review to date of sign off; and</li> <li>• Confirmation of no funding clawback from ILR14 review.</li> </ul> <p>Scott expressed thanks to the College Finance team for their high-quality papers and reports and for responding to queries in a timely and efficient manner and drew attention to:</p> <ul style="list-style-type: none"> <li>• Section 1.3 Audit Opinion - The anticipated audit opinions would be unmodified and there were no issues to report in relation to the regularity opinion.</li> <li>• Section 1.4 Going Concern – Concurred with Members of the Corporation’s assessment of the going concern basis of preparation is appropriate;</li> <li>• Section 1.6 Control Recommendations – No recommendations had been made in relation to the year ended 31<sup>st</sup> July 2023 and no recommendations had been brought forward from the prior year audit; and</li> <li>• Section 1.8 Letters of Representation – These were in accordance with Accounting Standards.</li> </ul> <p>The Vice Principal confirmed that the Financial Statements and Regularity Auditors issue, as part of normal audit processes, letters of representation which sought to ensure that the Corporation could certify that it had supplied all information necessary for the auditors to conduct their work and reach their audit opinion. The letters of representation for 2022/23 were reviewed by the Resources Committee earlier in the day with a recommendation that the Chair of the Corporation and Principal/Accounting Officer should be asked to sign the letters as part of the finalisation of the accounts at the Corporation meeting on 12<sup>th</sup> December 2023.</p> <p>Given that the Chair of the Corporation had attended the Audit Committee and received the assurances arising from the Audit Findings and Annual Report 2022/23, the External Auditor would not be required to attend the Corporation meeting on 12<sup>th</sup> December 2023.</p>
	It was Resolved that: i) <b>The contents of the report should be noted;</b> ii) <b>The Committee recommend to the Corporation that the Chair of the Corporation and Principal/Accounting Officer should sign the Letters of Representation: and</b> iii) <b>Given that the Chair of the Corporation had attended the Audit Committee and received the assurances arising from the Audit Findings and Annual Report 2022/23, the External Auditor would not be required to attend the Corporation meeting on 12<sup>th</sup> December 2023.</b>
<b>AC23/24.08</b>	<b>OTHER AUDITS (AGENDA ITEM 8)</b>
	<b>a) Teachers’ Pensions Report to the year-end 31<sup>st</sup> March 2023</b>
	The Vice Principal presented the report the purpose of which was to assist Governors to fulfil their responsibilities, under the Teachers’ Pensions Regulations 2010 and The Teachers’ Pension Scheme Regulations 2014, for preparing the End of Year Certificate (EOYC) for the year end 31 <sup>st</sup> March 2023. The report confirmed one minor exception in relation to procedure.
	It was <b>Resolved</b> that the contents of the report should be noted.

	<b><i>b) Wylie and Bisset - Independent Limited Assurance Review of the Annual Grant Return for FE ITE Bursaries for the Financial Year 2022/23</i></b>
	The Vice Principal presented the report and confirmed that in order 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 ITE Bursary, to be submitted to the Department for Education by 31 <sup>st</sup> December 2023. This audit was conducted by Wylie & Bisset with the conclusion being:  "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 Annex G has not been prepared in all material respects in accordance with DfE's Grant Funding Agreement."
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b><i>c) GMCA – AEB Compliance and Standards Report June 2023</i></b>
	The Vice Principal confirmed that the GMCA Adult Education Budget Compliance check took place in June 2023. A Green rating was received, with positive feedback from auditors noting very high standard of paperwork in Learner files. The provider feedback report identified RAG rated observations, the College's response, responsible person and dates for implementation. Of the 6 observations, all were green, with no recommendations for further action made.
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC23/24.09</b>	<b><u>MONITORING REPORTS (AGENDA ITEM 09)</u></b>
	<b><i>a) Risk Management Policy Update</i></b>
	The Vice Principal confirmed that in November 2021, the Audit Committee had agreed that, in future, unless changes were required, the Policy would be reviewed every 2 years with the next full update scheduled for November 2023. The Risk Management Policy had been updated for changes of names/titles, update references and formatting, and to remove two appendices now considered superfluous.
	It was <b>Resolved</b> that: i) <b>The contents of the report should be noted; and</b> ii) <b>The updated Risk Management Policy is approved.</b>
	<b><i>b) Risk Management Register 2023/24</i></b>
	The Vice 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.  Risk Owners had reviewed and updated the 2022/23 Risk Register, adding actions for 2023/24 and confirming risk scores, a summary of which, including a change to one of the top 10 risks, were highlighted within the report.  A Member asked if it would be possible to outline the consequence/potential impact of risks within the register. It was agreed that the cause and effect of the top 10 risks would be included in the next report to the Committee.
	It was <b>Resolved</b> that: i) <b>The contents of the report should be noted;</b> ii) <b>The Risk Management Register 2023/24 is approved; and</b> iii) <b>The cause and effect of the top 10 risks would be included in the next report to the Committee.</b>
	<b><i>c) Accuracy of Funding and Data Returns</i></b>
	The Vice Principal Finance and Resources confirmed that the College had a good track record of accurate and timely funding and data returns. All Returns for 2022/23 were all completed timely

	<p>and accurately. The final ILR for 2022/23 was submitted on time and was extensively checked by the College to ensure maximum accuracy &amp; funding. An additional audit review, undertaken by Wylie Bisset as part of the year-end financial statements audit, identified no issues.</p> <p>All 2023/24 returns had been completed timely and accurately. Additional checks were taking place and the College was on track to submit the key R04 return in December 2023 error free with all the data included.</p>
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>d) Fraud Log</b>
	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.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>e) Gifts/Hospitality/Overseas Travel</b>
	<p>The Vice Principal confirmed the following:</p> <ul style="list-style-type: none"> <li>• Overseas Travel: <ul style="list-style-type: none"> <li>• There had been no business trips abroad in 2023/24 year-to-date;</li> <li>• 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 2 trips in 2023/24: <ul style="list-style-type: none"> <li>• Geography field studies trip to Barcelona 21st to 23rd November 2023, and</li> <li>• Travel &amp; Tourism students residential in Barcelona 27th to 30th November 2023.</li> </ul> </li> </ul> </li> <li>• Gifts &amp; Hospitality – The Gifts &amp; Hospitality Procedure (an appendix to the Financial Regulations) was considered by the Audit Committee on 23rd November 2021 and re-approved by the Corporation on 14<sup>th</sup> December 2021. Nothing had been declared to date in 2023/24.</li> </ul>
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>f) Audit Recommendations Monitoring Report Update</b>
	The Clerk introduced the report and asked Members to consider and note the Audit Recommendations: Implementation Tracking Report, as of November 2023.
	<b>g) Audit Committee Self-Assessment 2022/23</b>
	<p>The Clerk confirmed that the Self-Assessment provided evidence for the annual audit of the College's Financial Statements, in accordance with the Audit Code of Practice. The Report covered the following areas:</p> <ul style="list-style-type: none"> <li>• Operation and Duties of the Audit Committee</li> <li>• Corporate Governance</li> <li>• Risk Management</li> <li>• Internal Audit</li> <li>• External Audit</li> <li>• Administration</li> </ul>
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC23/24.10</b>	<b>AUDIT COMMITTEE ANNUAL REPORT 2022/23 (AGENDA ITEM 10)</b>
	The Chair presented the draft Audit Committee Annual Report for 2022/23 and drew attention to the statement of assurance to the Corporation Board and the Principal/CEO under the heading of "Audit Committee Opinion 2022/23" which was based on the reports received by the Committee during the year.

	Members reviewed the report and agreed that it should be submitted to the Corporation prior to signing off the Financial Statements 2022/23.
	It was <b>Resolved</b> that: i. <b>The contents of the report should be noted; and</b> ii. <b>The Audit Committee Annual Report 2022/23 is approved and should be signed by the Chair and submitted to the Corporation.</b>
	<i>William Simpson and Scott Gillon declared an interest in the next item and withdrew from the meeting at 1.48 p.m.</i>
<b>AC23/24.11</b>	<b><u>TENDER FOR INTERNAL AUDIT SERVICES (AGENDA ITEM 11)</u></b>
	The Vice Principal confirmed that following a recommendation from the Audit Committee the Corporation, at their meeting on 2 <sup>nd</sup> July 2019, approved the appointment of RSM as the Internal Audit Service provider for 5 years commencing 1st August 2019. 2023/24 would be RSM's final year of the contract and their final annual report would be presented to the Audit Committee at the November 2024 meeting.  The report detailed the proposal to re-tender the contract, noting the timeframes, process and scoring matrix.
	It was <b>Resolved</b> that: i. <b>The contents of the report should be noted; and</b> ii. <b>The Tender timeframes, process and scoring matrix are agreed.</b>
<b>AC23/24.12</b>	<b><u>POST MEETING EVALUATION (AGENDA ITEM 12)</u></b>
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 20 <sup>th</sup> June 2023 and it was noted that the overall feedback was positive with no concerns having been highlighted.
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC23/24.13</b>	<b><u>DATE AND TIME OF NEXT MEETING (AGENDA ITEM 13)</u></b>
	<ul style="list-style-type: none"> <li>• 1.00pm Tuesday, 5<sup>th</sup> March 2024</li> <li>• 1.00pm Tuesday, 18<sup>th</sup> June 2024</li> </ul>

There being no further discussion the meeting closed at 1.53 p.m.

Signed and approved as an accurate record of the meeting

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

Summary of Actions - Audit Committee 28 <sup>th</sup> November 2023			
Item	Action	Person Responsible	Timescale
AC23/24.06b Internal Audit Plan 2023/24	The update to the Internal Audit Plan 2023/24 be recommended to the Corporation for approval	Clerk	Corporation 12 <sup>th</sup> December 2023
AC23/24.07 a) College Financial Statements and Regularity Audit Reports for the year ended 31 <sup>st</sup> July 2023	The Financial Statements for year ended 31 <sup>st</sup> July 2023 be recommended to the Corporation for approval.  A briefing note would be issued to Members of the Committee regarding sector norms/benchmarking of staff type ratios.	Vice Principal  Director of HR	Corporation 12 <sup>th</sup> December 2023  TBC
b) External Audit Findings Report and Letters of Representation	The Committee recommend to the Corporation that the Chair of the Corporation and Principal/Accounting Officer should sign the Letters of Representation and that the External	Clerk	Corporation 12 <sup>th</sup> December 2023

	Audit Service should present the Audit Findings report to the Corporation on 12 <sup>th</sup> December 2023.		
AC23/24.09b Risk Management Register 2023/24	The cause and effect of the top 10 risks would be included in the next report to the Committee.	VP	Audit Committee 5 <sup>th</sup> March 2024
AC23/24.10 Audit Committee Annual Report 2022/23	The Audit Committee Annual Report 2022/23 is approved and should be signed by the Chair and submitted to the Corporation.	Clerk	Corporation 12 <sup>th</sup> December 2023