



## BURY COLLEGE FURTHER EDUCATION CORPORATION

### MINUTES OF THE AUDIT COMMITTEE MEETING HELD VIA TEAMS ON TUESDAY, 29<sup>th</sup> NOVEMBER 2022

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
Phil Johnson	Independent Corporation Member
Danny Weidenbaum	Co-opted Committee Member

**In Attendance:**

Scott Gillon	Wylie and Bisset
Tracy Kitchingman	Vice Principal Finance and Corporate Resources
Gill Mangnall	Head of Finance
Peter Ryan	Clerk to the Corporation
Louise Tweedie	RSM

<b>AC22/23.01</b>	<b><u>APOLOGIES FOR ABSENCE (AGENDA ITEM 1)</u></b>
	Apologies for absence were received from Becky Tootell.
<b>AC22/23.02</b>	<b><u>DECLARATIONS OF INTEREST (AGENDA ITEM 2)</u></b>
	There were no other declarations of interest in relation to any of the items on the Agenda for the meeting.
<b>AC22/23.03</b>	<b><u>STANDING ITEM – <i>Meeting between Auditors and the Audit Committee</i> (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.
<b>AC22/23.04</b>	<b><u>MINUTES (AGENDA ITEM 4)</u></b>
	The Minutes of the Audit Committee meeting held on 14 <sup>th</sup> June 2022 were approved and signed as a true and correct record.
<b>AC22/23.05</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>AC22/23.06</b>	<b><u>INTERNAL AUDITORS (AGENDA ITEM 6)</u></b>
	<b><u>a) Internal Audit Annual Report 2021/22</u></b>
	Louise Tweedie, RSM presented the final version of the RSM Internal Audit Service Annual Report and Opinion for 2021/22 and confirmed the Audit Opinion as, “The organisation has an adequate and effective framework for risk management, governance and internal control. 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.”

	To inform the Governance opinion for 2021/22, RSM had taken into consideration the governance related elements of each of the assignment reviews undertaken as part of the 2021/22 internal audit plan. The Governance opinion was also informed by RSM's attendance at meetings of the Audit Committee throughout the year.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>b) Internal Audit Progress Report 2022/23</b>
	<p>Louise Tweedie, RSM introduced the report and confirmed that the Internal Audit Plan for 2022/23 had been agreed by the Corporation in June 2022. There had been no changes to the assignments included in the 2022/23 internal audit plan and no assignments had been completed since the last Audit Committee meeting.</p> <p>In addition, RSM had recently issued the following briefings and updates:</p> <ul style="list-style-type: none"> <li>• Legal update – ‘Calculating holiday pay for staff on part-year contracts’ (July 2022).</li> <li>• ESFA Funding Assurance Audits – Apprenticeship Provision (August 2022).</li> <li>• Employment Matters (September 2022) <a href="https://www.rsmuk.com/ideas-and-insights/employment-matters">https://www.rsmuk.com/ideas-and-insights/employment-matters</a></li> <li>• Mandate Fraud – Enhancing your Defences (September 2022).</li> <li>• Invitation to RSM's Technical Update Series 2022 including: <ul style="list-style-type: none"> <li>• ‘Managing tax in taxing times’ webinar, held on 20 September 2022;</li> <li>• ‘Financial reporting – what’s on the horizon?’ webinar, held on 28 September 2022; and</li> <li>• ‘People Advisory Services – top 10 people regulatory compliance risks in 2022’ webinar, held on 4<sup>th</sup> October 2022.</li> </ul> </li> <li>• FE Emerging Issues – Autumn 2022.</li> <li>• Higher Education New Briefing (October 2022).</li> </ul> <p>Members noted that earlier in the day the College had been notified that FE Colleges had been reclassified as Public Sector organisations. A development session would be held with Corporation Members on 13<sup>th</sup> December 2022 to consider the implications of this decision.</p>
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC22/23.07</b>	<b>EXTERNAL AUDITORS (AGENDA ITEM 7)</b>
	<b>a) College Financial Statements and Regularity Audit Report for the year ended 31<sup>st</sup> July 2022</b>
	<p>The Vice Principal Finance and Corporate Resources advised the Committee that the final draft of the 2021/22 Statutory Accounts were in line with the July Management Accounts/ Provisional Outturn report presented to the Corporation on 20<sup>th</sup> September 2022. The External Auditors had stated that they will provide an unmodified opinion. The final 2021/22 Statutory Accounts are presented to the Resources and Audit Committees at the end of November with a recommendation for approval to the December Corporation meeting for sign-off.</p> <p>At a meeting of the Resources Committee earlier in the day it was noted that the details of Angela Davies's term of office needed to be updated on page 14. In addition, it would be prudent to include the ONS decision as a post balance sheet event.</p> <p>Members recorded their thanks to the Finance Team in respect of their efficient and effective contribution to the process.</p>
	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>Subject to the amendments highlighted, the Financial Statements for year ended 31<sup>st</sup> July 2022 for Bury College be recommended to the Corporation for approval.</b></li> </ul>

	<b><i>b) External Audit Findings Annual Report 2021/22 including Letters of Representation.</i></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>• Bank letters – Close Brothers and Santander</li> <li>• Post Balance Sheet Event following up to signing</li> </ul> <p>He confirmed that the anticipated audit opinion would be unmodified and there were no issues to report in relation to the regularity opinion. He also 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.</p> <p>Section 4.4 highlighted the independence of the Audit and section 6 confirmed that in relation to the detection of fraud and other irregularities there were no areas of significant concern found during normal audit procedures.</p> <p>The Vice Principal Finance and Corporate Resources confirmed that Financial Statements and Regularity Auditors issue, as part of normal audit processes, letters of representation which seek to ensure that the Corporation can certify that it has supplied all information necessary for the auditors to conduct their work and reach their audit opinion. The letters of representation for 2021/22 were reviewed by the Resources Committee earlier in the day with a recommendation that the Chair of the Corporation should be asked to sign the letters as part of the finalisation of the accounts at the Corporation meeting on 13th December 2022.</p>
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> <li>i) <b>The contents of the report should be noted;</b></li> <li>ii) <b>The Committee recommend to the Corporation that the Chair of the Corporation and Accounting Officer should sign the Letters of Representation: and</b></li> <li>iii) <b>The External Audit Service should present the Audit Findings report to the Corporation on 13th December 2022.</b></li> </ol>
<b>AC22/23.08</b>	<b><u>OTHER AUDITS (AGENDA ITEM 8)</u></b>
	<b><i>a) Teachers' Pensions Report to the year-end 31<sup>st</sup> March 2021</i></b>
	Scott Gillon, Wylie and Bisset presented the report and confirmed that no exceptions or errors had been identified.
	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 2021/22</i></b>
	<p>Scott Gillon, Wylie and Bisset 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 2022. This audit was conducted by Wylie &amp; Bisset (Audit) Limited with the conclusion being:</p> <p>"Based on the procedures performed and evidence obtained, and subject to the inherent limitations set out above, 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."</p>
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC22/23.09</b>	<b><u>MONITORING REPORTS (AGENDA ITEM 09)</u></b>
	<b><i>a) Post 16 Audit Code of Practice 2021/22 – September 2022 Update</i></b>
	The Clerk confirmed that the Post 16 Audit Code of Practice sets out a common standard for the provision of assurance in relation to the funding of post-16 providers. The 2021/22 version was

	issued in April 2022, with the key changes being noted by the Audit Committee on 14 <sup>th</sup> June 2022. An updated version was issued in September 2022 with the key changes being highlighted within the report.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>b) Risk Management Register 2022/23</b>
	<p>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.</p> <p>The 2021/22 risk register, and the identified High Risks, had been further reviewed and updated by the identified risk owners. Control and mitigating actions, additional actions for 2022/23 and risk scores have been reviewed and updated as appropriate. The updated Register, including the 10 risks identified as High had been reviewed and recommended for approval by the Leadership Team.</p> <p>Members reviewed the Risk Register and asked that the risk of power cuts and mitigation actions be added to the register. The Vice Principal Finance and Corporate Resources confirmed that plans had been developed to mitigate this risk and could be included within the risk register.</p>
	<p>It was <b>Resolved</b> that:</p> <p>i) <b>The contents of the report should be noted; and</b></p> <p>ii) <b>Subject to the addition of the risk of power cuts the Risk Management Register is approved</b></p>
	<b>c) Risk Management Policy Update</b>
	<p>The Vice Principal Finance and Resources 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.</p> <p>However, following the recent changes to the College structure, the policy had been reviewed and updated to reflect changes to role titles and responsibilities. The next full revision will be undertaken as planned in 2023.</p>
	<p>It was <b>Resolved</b> that:</p> <p>i) <b>The contents of the report should be noted; and</b></p> <p>ii) <b>The updated Risk Management Policy is approved.</b></p>
	<b>d) Accuracy of Funding and Data Returns</b>
	<p>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 2021/22 were all completed timely and accurately. The final ILR for 2021/22 was submitted on time and was extensively checked by the College and an external organisation to ensure maximum accuracy &amp; funding. An additional audit review, undertaken by Wylie Bisset as part of the year-end financial statements audit, had identified no issues</p> <p>All 2022/23 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 2022 error free with all the data included.</p>
	It was <b>Resolved</b> that the contents of the report should be noted.

	<b>e) Fraud Log</b>
	The Vice Principal Finance and Corporate Resources 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>f) Gifts/Hospitality/Overseas Travel</b>
	The Deputy Principal Finance and Corporate Services confirmed the following: <ul style="list-style-type: none"> <li>• Overseas Travel – there had been no business or student trips abroad since the first lockdown in March 2020.</li> <li>• Gifts &amp; Hospitality – The report provided a summary of gifts received to date.</li> </ul>
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>g) Audit Recommendations Monitoring Report Update</b>
	The Clerk introduced the report and asked Members to consider and note the Audit Recommendations: Implementation Tracking Report, at November 2022. It was anticipated that all agreed 2021/22 actions would be implemented by the date of the next Committee meeting.
	<b>h) Subcontracting Controls Audit 2021/22 Update</b>
	The Vice Principal, Finance and Corporate Resources confirmed that the report provided an update on the implementation of agreed actions arising from the External Assurance of Subcontracting Controls Audit for 2021/22, which had been conducted by Solvendis Ltd and was considered at the Corporation meeting on 28 <sup>th</sup> June 2022.  Following a question, it was confirmed that all recommendations had been implemented.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>i) Audit Committee Self-Assessment 2021/22</b>
	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.
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC22/23.10</b>	<b>AUDIT COMMITTEE ANNUAL REPORT 2021/22 (AGENDA ITEM 10)</b>
	The Clerk presented the Draft Audit Committee Annual Report for 2021/22 and drew attention to the statement of assurance to the Corporation Board and the Principal/CEO under the heading of "Audit Committee Opinion 2021/22" which was based on the reports received by the Committee during the year.  Members reviewed the report and agreed that given the outcome of item 8h, the Committee Opinion should be amended to include assurance over subcontracting and that the attendance record be updated.
	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>Subject to including assurance over subcontracting, the Audit Committee Annual Report 2021/22 is approved and should be signed by the Chair and submitted to the Corporation.</b></li> </ul>

<b>AC22/23.11</b>	<b>POST MEETING EVALUATION (AGENDA ITEM 11)</b>
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 14 <sup>th</sup> June 2022 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>AC22/23.13</b>	<b>DATE AND TIME OF NEXT MEETING (AGENDA ITEM 13)</b>
	<ul style="list-style-type: none"> <li>1.00pm Tuesday, 7<sup>th</sup> March 2023</li> <li>1.00pm Tuesday, 20<sup>th</sup> June 2023</li> </ul>

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 29 <sup>th</sup> November 2022			
Item	Action	Person Responsible	Timescale
AC22/23.07 a) College Financial Statements and Regularity Audit Reports for the year ended 31 <sup>st</sup> July 2022	Subject to the amendments highlighted the Financial Statements for year ended 31 <sup>st</sup> July 2022 be recommended to the Corporation for approval.	Vice Principal	13 <sup>th</sup> December 2022
b) External Audit Findings Report and Letters of Representation	The Committee recommend to the Corporation that the Chair of the Corporation and Accounting Officer should sign the Letters of Representation and that the External Audit Service should present the Audit Findings report to the Corporation on 13 <sup>th</sup> December 2022.	Clerk	13 <sup>th</sup> December 2022
AC22/23.10 Audit Committee Annual Report 2021/22	Subject to including assurance over subcontracting, the Audit Committee Annual Report 2020/21 is approved and should be signed by the Chair and submitted to the Corporation.	Clerk	13 <sup>th</sup> December 2022