



## BURY COLLEGE FURTHER EDUCATION CORPORATION

### MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY, 20<sup>th</sup> JUNE 2023 VIA TEAMS

Meeting Commenced: 1.00 p.m.  
Meeting Closed: 1.31 p.m.

**Present:**

Liaqat Ali	Independent Corporation Member - Chair
Anne Holt	Business Support Staff Corporation Member
Danny Weidenbaum	Co-Opted Member

**In Attendance:**

Scott Gillon	Wylie & Bisset
Tracy Kitchingman	Vice Principal Finance & Corporate Resources
Katie Roeves	RSM
Peter Ryan	Clerk to the Corporation
William Simpson	RSM
Becky Tootell	Deputy Principal Curriculum, Quality and Standards

<b>AC22/23.25</b>	<b><u>APOLOGIES FOR ABSENCE (ITEM 1)</u></b>
	Apologies for absence were received from Peter Bury and Phil Johnson.
<b>AC22/23.26</b>	<b><u>DECLARATIONS OF INTEREST (ITEM 2)</u></b>
	There were no declarations of interest in relation to any of the items on the agenda for the meeting.
<b>AC22/23.27</b>	<b><u>STANDING (ITEM 3) – Meeting between Auditors and the Audit Committee</u></b>
	The Audit Committee agreed that there was no reason to meet with the Auditors to the exclusion of College Management.
<b>AC22/23.28</b>	<b><u>MINUTES (ITEM 4)</u></b>
	The Minutes of the Audit Committee meeting held on 7 <sup>th</sup> March 2023, were approved as a true and correct record.
<b>AC22/23.29</b>	<b><u>MATTERS ARISING (ITEM 5)</u></b>
	The Clerk confirmed that there were no matters arising from the previous meeting.
	It was <b>Resolved</b> that the contents of the report and management actions implemented should be noted.
<b>AC22/23.30</b>	<b><u>INTERNAL AUDITORS (ITEM 6)</u></b>
	<b>a) Internal Audit Service Reports</b> Katie Roeves, RSM introduced the reports and highlighted the following:
	<b>i) Safeguarding and Site Security Arrangements</b> <ul style="list-style-type: none"> <li>• 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, consistently applied and operating effectively; and</li> <li>• 1 medium priority management action had been identified and agreed.</li> </ul>
	<b>ii) Procurement and Creditor Payments Process</b> <ul style="list-style-type: none"> <li>• 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, consistently applied and effective; and</li> </ul>

	<ul style="list-style-type: none"> <li>• 1 medium priority management action had been identified and agreed.</li> </ul>
	<p><b>iii) Follow Up</b></p> <ul style="list-style-type: none"> <li>• RSM had undertaken a review to follow up progress made by the College to implement the previously agreed management actions from the 6 audits completed in 2022/23;</li> <li>• Of the 8 management actions considered during the review 1 was medium and 7 were low priority actions;</li> <li>• RSM confirmed that of the eight management actions followed up seven had been fully implemented, with the 'medium' priority action confirmed as ongoing; and</li> <li>• Taking account of the issues identified in the report and in line with the definitions set out at Appendix A, in RSM's opinion Bury College had demonstrated reasonable progress in implementing agreed management actions.</li> </ul> <p>The VP confirmed that the medium priority action had now been implemented.</p>
	It was <b>Resolved</b> that the contents of the reports should be noted.
	<p><b>b) Internal Audit Service Progress Report 2022/23</b></p> <p>Katie Roeves, 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 substantive changes to the assignments included in the 2022/23 internal audit plan and all the assignment reviews had now been completed.</p> <p>In addition, RSM had recently issued the following briefings and updates:</p> <ul style="list-style-type: none"> <li>• ONS Article (February 2023);</li> <li>• RSM and CIPFA Public Procurement Webinar (held 23 March 2023);</li> <li>• RSM Procurement Newsletter (March 2023);</li> <li>• The NED Network: Shrinking the gap between talent and strategy (March 2023);</li> <li>• RSM ONS FE Reclassification Webinar (held 27 April 2023);</li> <li>• FE – A3 Overview of 2023 Risk and Opportunities (April 2023); and</li> <li>• Emerging Issues – FE 2023 (May 2023).</li> </ul>
	It was <b>Resolved</b> that the Internal Audit Service Progress Report should be received.
	<p><b>c) Internal Audit Needs and Plan for 2023/24</b></p> <p>William Simpson, RSM introduced the report and confirmed that RSM's approach to developing the internal audit plan was based on analysing the College corporate objectives, risk profile and assurance framework as well as other factors affecting Bury College in the year ahead, including changes within the sector. As part of the process, Members of the Committee considered the following:</p> <ul style="list-style-type: none"> <li>• The Committee was satisfied that sufficient assurances were being received within the annual plan to monitor the organisation's risk profile effectively;</li> <li>• The strategy for internal audit covered the organisation's key risks as they were recognised by the Audit Committee; and</li> <li>• The areas selected for coverage in 2023/24 were appropriate.</li> </ul> <p>Following Questions, it was confirmed that the 4 areas for improvement as identified in the recent Ofsted would be monitored by the C&amp;Q Committee and Corporation via the Quality Improvement Plan.</p>
	<p>It was <b>Resolved</b> that:</p> <ol style="list-style-type: none"> <li><b>i) The contents of the report should be noted; and</b></li> <li><b>ii) A recommendation be made to the Corporation to approve the Internal Audit Needs &amp; Audit Plan 2023/24.</b></li> </ol>
<b>AC22/23.31</b>	<b>EXTERNAL AUDITORS (ITEM 7)</b>
	<b>External Audit Plan 2022/23 and Letter of Engagement</b>

	<p>Scott Gillon, Wylie &amp; Bisset presented the Audit Plan and Letter of Engagement for the Bury College Financial Statements and Regularity Audit for the year ending 31<sup>st</sup> July 2023. 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 31 July 2023. The Letter of Engagement detailed the terms of business which applied to all audit engagements accepted by Wylie &amp; Bisset (Audit) Limited.</p> <p>Scott Gillon highlighted the following:</p> <ul style="list-style-type: none"> <li>• The Audit Approach;</li> <li>• Audit objectives;</li> <li>• Arrangements for the Prevention and Detection of Fraud and Irregularities;</li> <li>• 5 Key Risk Areas;</li> <li>• Accounting Estimates and Related Disclosures;</li> <li>• The Risk Matrix;</li> <li>• The Audit Team and Independence; and</li> <li>• Timescales and Reporting.</li> </ul>
	<p>It was <b>Resolved</b> that:</p> <p>a) <b>The contents of the report should be noted; and</b></p> <p>b) <b>A recommendation be made to the Corporation to approve the External Audit Plan for 2022/23 and that the Letter of Engagement be agreed and signed.</b></p>
<b>AC22/23.32</b>	<b>OTHER AUDITS (ITEM 8)</b>
	<p><b>a) External Assurance Subcontracting Controls 2022/23</b></p> <p>The Vice Principal Finance and Corporate Resources confirmed that in accordance with latest guidance and regulation the College was required to commission an External Assurance of Subcontracting Controls Audit for 2022/23. Following discussions with RSM prior to the meeting, the report had been reissued to include the RAG rated sub-components of the audit.</p> <p>It was confirmed that 9 out of the 10 requirements were fully compliant. 1 requirement was partially compliant, and a recommendation was included in the action plan. The College was required to submit this Independent Report and a signed Assurance Declaration to the ESFA by 31<sup>st</sup> July deadline.</p>
	<p><b>b) Audit Certificate of Expenditure – Taking Teaching Further – W&amp;B</b></p> <p>The Vice Principal Finance and Corporate Resources 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 30<sup>th</sup> June 2023 deadline. Wylie &amp; Bisset had concluded that:</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(i) has not been prepared in all material respects in accordance with DfE’s Grant Funding Agreement.”</p>
	<p>It was <b>Resolved</b> that:</p> <p>i. <b>The contents of the reports should be noted; and</b></p> <p>ii. <b>Both reports are approved.</b></p>
<b>AC22/23.33</b>	<b>POLICY ACTIONS (ITEM 9)</b>
	<p><b>a) Post 16 Audit Code of Practice</b></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 April 2023 and now reflected the requirements of the decision to reclassify Further Education Colleges, sixth-form colleges and designated institutions in England to the central government sector. The College was aware of and complied with the ESFA’s bite size guides on the following:</p> <ul style="list-style-type: none"> <li>• Senior pay controls for colleges;</li> </ul>

	<ul style="list-style-type: none"> <li>• College requirements for write-offs and losses;</li> <li>• College requirements for special payments, including severance, compensation and ex-gratia payments;</li> <li>• College requirements for indemnities, guarantees and letters of comfort;</li> <li>• College requirements for novel, contentious and repercussive transactions; and</li> <li>• College requirements for asset disposals.</li> </ul> <p>The College was awaiting the publication of a new Financial Handbook and it was intended that the College Financial Regulations and Procedures would be reviewed in the autumn term 2023.</p>
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>b) Anti-Fraud Checklist</b>
	<p>The Clerk confirmed that the April 2023 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 <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 College position in respect of the Anti-Fraud Checklist is approved.</b></li> </ul>
	<b>c) Fraud Risk Self-Assessment</b>
	<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 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>
	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 Fraud Risk Assessment is approved.</b></li> </ul>
<b>AC22/23.34</b>	<b>MONITORING REPORTS (ITEM 10)</b>
	<b>(a) Risk Management Register 2022/23</b>
	<p>The Vice Principal Finance and Corporate Resources introduced the report and 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 29th November 2022. The High-Risk Action Plan had now been updated on actions in Term 3 up to May 2023 by risk owners and reviewed by Leadership Team on 13<sup>th</sup> June 2023.</p> <p>Following questions, it was noted that cyber security remained a high risk and was continually monitored and managed. Software protection and other processes were continually updated and</p>

	tested and training provided to staff and students. The College would continue to invest in cyber security arrangements.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>(b) Audit Recommendations Monitoring Report Update</b>
	The Clerk introduced the report and asked Members to consider and note the Audit Recommendations Implementation Tracking Report 2021/22 and 2022/23 as at June 2023.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>(c) Accuracy of Funding and Data Returns</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 2021/22 were completed timely and accurately, this has been maintained in 2022/23.
	The report highlighted the quality assurance processes that were in place to mitigate risks in relation to data returns.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>(d) 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>(e) Gifts/Hospitality/Overseas Travel</b>
	The Vice Principal Finance and Corporate Resources confirmed that one of the actions within the College Solvency & Financial Viability Action Plan was the introduction of regular reports to the Audit Committee on sensitive and high-profile items of expenditure, as follows:
	Overseas Travel – There had been no business trips abroad in 2022/23 year-to-date. The College ran a small number of student trips abroad mainly for travel & tourism students. 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 2022/23.
	Gifts & Hospitality – 1 gift had been declared and recorded in 2022/23.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>(f) Performance of the Internal Auditors 2022/23</b>
	The Clerk introduced the report and confirmed that RSM continued to provide a good quality internal audit service and provided good support and guidance.
	Following questions, it was confirmed that the College would publish a tender for Internal Audit services at the end of 2023/early 2024 in time for a recommendation to the March 2024 Audit Committee and Corporation meetings. This would enable the internal audit plan for 2024/25 to be agreed by the Audit Committee in June 2024 and Corporation July 2024.
	It was <b>Resolved</b> that the contents of the report should be noted.
	<b>(f) Performance of the External Auditors 2022/23</b>

	The Clerk introduced the report and confirmed that W&B had provided a good quality external audit service and provided good support and guidance.
	It was <b>Resolved</b> that the contents of the report should be noted.
<b>AC22/23.35</b>	<b>POST MEETING EVALUATION (ITEM 11)</b>
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 7 <sup>th</sup> March 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>AC22/23.36</b>	<b>DATE AND TIME OF NEXT MEETING (ITEM 12)</b>
	To be agreed at the Corporation on 4 <sup>th</sup> July 2023.

There being no further discussion the meeting closed at 1.31 p.m.

Signed and approved as an accurate record of the meeting

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

Summary of Actions - Audit Committee 20 <sup>th</sup> June 2023			
Item	Action	Person Responsible	Timescale
<b>AC22/23.30</b> <b>c) Internal Audit Plan 2023/24</b>	A recommendation be made to the Corporation to approve the Internal Audit Plan 2023/24.	Vice Principal Finance and Corporate Resources	Corporation 4 <sup>th</sup> July 2023
<b>AC22/23.31</b> <b>External Audit Plan 2022/23</b>	A recommendation be made to the Corporation to approve the Wylie & Bisset Audit Plan for 2022/23 and that the Letter of Engagement be agreed and signed.	Vice Principal Finance and Corporate Resources	Corporation 4 <sup>th</sup> July 2023