



BURY COLLEGE FURTHER EDUCATION CORPORATION

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY, 14th JUNE 2022 VIA ZOOM

Meeting Commenced: 1.00 p.m.
Meeting Closed: 1.40 p.m.

Present:

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

In Attendance:

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

AC21/22.25	<u>APOLOGIES FOR ABSENCE (ITEM 1)</u>
	Apologies for absence were received from Peter Bury and the Chair welcomed Scott Gillon, Wylie & Bisset to the meeting.
AC21/22.26	<u>DECLARATIONS OF INTEREST (ITEM 2)</u>
	There were no declarations of interest in relation to any of the items on the agenda for the meeting.
AC21/22.27	<u>STANDING (ITEM 3) – 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.
AC21/22.28	<u>MINUTES (ITEM 4)</u>
	The Minutes of the Audit Committee meeting held on 8 th March 2022, were approved as a true and correct record.
AC21/22.29	<u>MATTERS ARISING (ITEM 5)</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.
AC21/22.30	<u>INTERNAL AUDITORS (ITEM 6)</u>
	a) Internal Audit Service Reports Louise Tweedie, RSM introduced the reports and highlighted the following:
	i) IT Cyber Security Controls <ul style="list-style-type: none"> • Taking account of the issues identified, the Corporation can take reasonable assurance that the controls upon which the College relies to manage the identified area are suitably designed and are being consistently applied; • RSM had identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk; and • 1 medium and 3 low priority management actions had been identified and agreed.

	Members agreed that this was a high-profile risk area and that the College needed to constantly adapt its control measures against ongoing threats.
	<p>ii) Capital Project Management</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 operation effectively; • No management actions had been identified; and • The benchmarking data demonstrated that the College compared well in this area when compared with other organisations in the sector where RSM had undertaken a similar review.
	<p>iii) Financial Health Check</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 risk are suitably designed and are being consistently applied; • 3 low priority management actions had been identified and agreed; and • The benchmarking data demonstrated that the College was performing broadly in line in this area when compared with other organisations in the sector where RSM had undertaken a similar review. <p>Following a question, the Vice Principal confirmed that in her previous interim role at the College she had helped to plan the development and introduction of the new finance system and an update had been given to the Resources Committee earlier in the day. Work was ongoing to provide budget holders with real time and accessible reports.</p>
	<p>iv) Follow Up</p> <ul style="list-style-type: none"> • 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 2021/22; • Of the management actions considered during the review 2 were medium and 4 were low priority actions; • RSM confirmed that all 6 management actions were fully implemented at the time of the follow up: and • 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 good progress in implementing agreed management actions.
	It was Resolved that the contents of the reports should be noted.
	b) Internal Audit Service Progress Report 2021/22
	<p>Louise Tweedie, 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. All of the assignment reviews included in the 2021/22 internal audit plan had now been completed.</p> <p>In addition, RSM had recently issued the following briefings and updates:</p> <ul style="list-style-type: none"> • FE Emerging Issues Spring 2022; • Maximising your impact managing risks and building resilience; and • Tackling fraud risk. <p>Following a question it was confirmed that from RSM's research the increase in legal and compliance issues had mainly related to data protection and safeguarding areas.</p>
	It was Resolved that the Internal Audit Service Progress Report should be received.

	c) Internal Audit Strategy 2021/22 to 2023/24 (including the Internal Audit Plan for 2022/23)
	<p>Louise Tweedie, 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"> • The Committee was satisfied that sufficient assurances were being received within the annual plan to monitor the organisation's risk profile effectively; • The strategy for internal audit covered the organisation's key risks as they were recognised by the Audit Committee; and • The areas selected for coverage in 2022/23 were appropriate.
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> The contents of the report should be noted; and A recommendation be made to the Corporation to approve the Internal Audit Needs & Audit Plan 2022/23.
AC21/22.31	EXTERNAL AUDITORS (ITEM 7)
	External Audit Plan 2021/22 and Letter of Engagement
	<p>Scott Gillon, Wylie & Bisset presented the Audit Plan and Letter of Engagement for the Bury College Financial Statements and Regularity Audit for the year ending 31st July 2022 and drew attention to the following:</p> <ul style="list-style-type: none"> • The Audit Approach; • Audit objectives; • 6 Key Risk Areas; • Accounting Estimates and Related Disclosures; • The Risk Matrix; • The Audit Team; and • Timescales and Reporting <p>Following discussion, it was confirmed that an interim work visit would be held in mid July 2022 when any initial issues would be identified.</p>
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> The contents of the report should be noted; and A recommendation be made to the Corporation to approve the External Audit Plan for 2021/22 and that the Letter of Engagement be agreed and signed.
AC21/22.32	OTHER AUDITS (ITEM 8)
	<p>a) External Assurance Subcontracting Controls 2021/22</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 2021/22. Due to the timing of the audit the final report would be submitted to the Corporation on 28th July 2022.</p>
	<p>b) Audit Certificate of Expenditure – HTQ Project - RSM</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 HTQ Project. Due to the timing of the audit the final report would be submitted to the Corporation on 28th July 2022.</p>
	<p>It was Resolved that:</p> <ol style="list-style-type: none"> The contents of the verbal update report should be noted; and Both reports should be submitted to the Corporation on 28th June 2022.

AC21/22.33	POLICY ACTIONS (ITEM 9)
	a) Post 16 Audit Code of Practice
	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 was updated in April 2022. The 13 key changes together with the College position were outlined within the report. There were no specific new actions required by the College
	It was Resolved that the contents of the report should be noted.
	b) Anti-Fraud Checklist
	The Clerk confirmed that the April 2022 Post-16 Audit Code of Practice (the 'Code') 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. Members reviewed the College position in respect of the 10 questions contained within the checklist and agreed that no additional actions were required.
	It was Resolved that:
	i) The contents of the report should be noted; and
	ii) The College position in respect of the Anti-Fraud Checklist is approved.
	c) Fraud Risk Self-Assessment
	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: "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." 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.
	It was Resolved that:
	i) The contents of the report should be noted; and
	ii) The Fraud Risk Assessment is approved.
AC21/22.34	MONITORING REPORTS (ITEM 10)
	(a) Risk Management Register 2021/22
	The Vice Principal Finance and Corporate Resources introduced the report and 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 was reviewed by the last Audit Committee on 8th March 2022. The High-Risk Action Plan had now been updated on actions in Term 3 up to May 2022 by risk owners and reviewed by Leadership Team on 17 th May 2022. All updates confirm continued action to mitigate those risks identified as High. New actions had been added to reflect the agreed improvements for Campus security (HR3). As noted at the last Audit committee meeting the threat of cyber-attacks remained a significant risk. An Internal Audit review of Cyber Security took place in February 2022, with the final report being reviewed earlier on the agenda. The report will be presented in detail at this meeting, but in summary only 4

	recommendations were made, 3 low and 1 medium, providing a good level of assurance for audit to consider when reviewing this risk.
	It was Resolved that: i) The contents of the report should be noted; and ii) The Updated Risk Management Register is approved.
	(b) Audit Recommendations Monitoring Report 2021/22 Update
	The Clerk introduced the report and asked Members to consider and note the Audit Recommendations Implementation Tracking Report 2021/22, as at June 2022.
	It was Resolved that the contents of the report should be noted.
	(c) Accuracy of Funding and Data Returns
	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 2020/21 were completed timely and accurately.
	The College 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 maximised student numbers which determined lagged funding for future years. 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. Monthly ILR returns were made without significant issues or concerns.
	It was Resolved that the contents of the report should be noted.
	(d) Fraud Log
	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 Resolved that the contents of the report should be noted.
	(e) Gifts/Hospitality/Overseas Travel
	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 2021/22 year-to-date. Gifts & Hospitality – No declarable offer of gifts or hospitality had been identified in 2021/22.
	It was Resolved that the contents of the report should be noted.
	(f) Performance of the Internal Auditors 2021/22
	The Vice Principal Finance and Corporate Resources introduced the report and confirmed that RSM continued to provide a good quality internal audit service and provide good support and guidance.
	It was Resolved that the contents of the report should be noted.

AC21/22.35	POST MEETING EVALUATION (ITEM 11)
	The Clerk presented a summary of the post meeting evaluation responses from the meeting held on 8 th March 2022 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.
AC21/22.36	DATE AND TIME OF NEXT MEETING (ITEM 12)
	To be agreed at the Corporation on 28 th June 2022.

There being no further discussion the meeting closed at 1.40 p.m.

Signed and approved as an accurate record of the meeting

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

Summary of Actions - Audit Committee 14th June 2022			
Item	Action	Person Responsible	Timescale
AC21/22.30 c) Internal Audit Strategy 2022/23 to 2024/25(including the Internal Audit Plan for 2022/23)	A recommendation be made to the Corporation to approve the Internal Audit Strategy 2022/23 to 2024/25 (including the Internal Audit Plan for 2022/23).	Vice Principal Finance and Corporate Resources	Corporation 28 th June 2022
AC21/22.31 External Audit Plan 2021/22	A recommendation be made to the Corporation to approve the Wylie & Bisset Audit Plan for 2021/22 and that the Letter of Engagement be agreed and signed.	Vice Principal Finance and Corporate Resources	Corporation 28 th June 2022
AC21/22.32 Other Audits	The External Assurance Subcontracting Controls 2021/22 and Audit Certificate of Expenditure – HTQ Project reports should be submitted to the Corporation on 28 th June 2022	Vice Principal Finance and Corporate Resources	Corporation 28 th June 2022