

# MINUTES



## AUDIT COMMITTEE MEETING

**Date:** 12<sup>th</sup> March 2020

**Time:** 5.00pm

**Venue:** Boardroom

**Present:**

Andrew Fawcett (Chair)

Chris Ball

Stephanie Nixon

**In Attendance:**

Bill Webster (Principal)

Garry Westwater (Executive Director of Finance)

Karen Westsmith (Director of Adults & H.E.)

Tim Openshaw (UOB)

Danny Harvey (PwC)

Fatema Hussein (Interim Clerk to the Board)

Deborah Bradburn (Governance Manager)

### **1. SECTION A - BUSINESS MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

#### **1.1 Welcome to Members/Officers**

Members were welcomed to the meeting.

#### **1.2 Apologies for absence**

Apologies for absence had been received from Liam Donaghy (PwC) and Gulnaz Brennan.

#### **1.3 Declarations of Interest**

There were no declarations of interest.

#### **1.4 Request for an item to be unstarred**

No requests were made.

#### **1.5 Notes of the previous meeting held on 17<sup>th</sup> October 2019**

**Agreed:** that the notes be received.

#### **1.6 Matters arising from the previous minutes**

The Clerk presented the action progress log and the following points were noted:

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- A report on business continuity would be presented to the Board in March, as further discussions were required. The Principal reported that there was a working group meeting regularly to discuss College and Group continuity.
- The Chair thanked everyone for their co-operation concerning Board approval of the Integrated financial model.
- An expression of interest had been received for a co-opted member of the audit committee.

All other items from the previous meeting had been actioned or been included on the agenda for discussion.

## **2. SECTION B - COLLEGE MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

**(Change in the Order of the Agenda)**

### **2.2 Internal Audit Reports**

#### **(i) ESFA Funding Compliance Audit**

PWC presented the report and it was noted that:

- The objective of the audit was to review compliance with ESFA funding rules and 50 learners had been sampled for each funding stream.
- An overall medium risk rating had been issued. It was considered as low a risk rating as possible.
- PwC had completed a number of ESFA audits and the ESFA would look at the College positively and as a low risk.
- The College met current practice benchmarks against other providers.
- The calculation for off the job learning had not been completed correct and the College would address this by refreshing its training plans. The target dates set were very soon and so this would be completed in 5 weeks time.
- There were some errors in the data analytical assessment of learners but nothing that produced a risk to funds.

#### **(ii) Internal Audit Progress Report**

PWC presented the report and it was noted that:

- The overall perspective was that the College was moving forward and was in a good position.

### **RESOLVED:**

The Committee noted the audit reports.

**(Karen Westsmith joined the meeting at 5.30pm)**

### **2.1 OfS Reportable Events**

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The Director of Adults & H.E. presented the report and the following points were noted:

- The documents presented the approach taken by the College in relation to reportable events and its compliance with the OfS conditions of registration.
- The College would promote the protocol and maintain a risk register. The College would implement training events and activities in order for staff to identify what a potential reportable event was.
- Potential Reportable Events (PRE's) was a standing item on the SMT agenda.
- An annual report of potential reportable events would be provided to the Committee.
- There would be a PRE procedure drafted for the next Committee.
- PwC worked with a lot of HEI's and considered the framework adopted by the College was as good as it had seen across the sector.
- The College would report any incidents to the ESFA as required.

## **RESOLVED:**

The Committee noted the contents of the OfS Reportable Events report and supported the approval of the documents presented.

It noted that the approach taken by the College was a balanced response and thanked the Director of Adults & H.E for the work undertaken on this in collaboration with the University.

## **ACTION:**

- Director of Adults & H.E to produce a draft PRE procedure for the next Audit Committee.

(Change in the Order of the Agenda)

## **2.3 Outstanding Audit Recommendations: Monitoring Schedule**

In response to a query, PwC stated that were seeking advice regarding the audit reports stating the University of Bolton rather than Bolton College.

The Executive Director of Finance confirmed that:

- There were three outstanding or ongoing recommendations from the 2019/20 audits. Group continuity was overseeing the individual continuity plans with established links in place.
- The recommendations from the business continuity audit were to be actioned by 31 December 2019 and required completion as soon as possible.
- Cash control was complete.

## **ACTION:**

- Executive Director of Finance to complete business continuity recommendations.

## **2.4 Sub-contracting activity review**

- Sub-contracting assurance had been raised at the Standards and Performance Committee, and it was noted that the College did not have an appetite for sub-contracting

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and would only proceed if determined from a Group perspective and if it was with an established partner.

## **RESOLVED:**

It was agreed College should await the outcome of the AoC sub-contracting consultation that would be available in Summer and then conduct a review to ensure that it was compliant with the new guidance.

## **2.5 Risk Management / Risk Register**

Tim Openshaw presented the report and the following points were highlighted:

- There were three main changes around regulatory compliance i.e. reportable events, hub buildings and COVID-19 (S12, S13 and O1) with the College summary matrix identifying high or medium risk.
- OfS reportable events (S12) needed to reflect that actions had already been taken.

## **Governor Questions:**

- What was the current status of BCMS?  
The project had been presented to the University Board with an outstanding issue. A condition of GMCA funding was that GMCA required a charge over the new building. The project had been approved by the University Board subject to this condition being resolved. Progress would be updated on this matter in due course.

## **RESOLVED:**

The Committee reviewed and noted the Risk Management / Risk Register.

## **2.6 Counter Fraud Strategy**

The Clerk explained that:

- A request for examples of a counter fraud strategy was submitted via the Clerks network and additional work was required on the strategy.
- The College had drafted an anti-bribery policy for consideration under agenda item 2.7.

## **RESOLVED:**

The Committee noted the verbal update and further work to be undertaken and put forward at the next Committee for consideration.

## **ACTION:**

- Executive Director of Finance / Clerk

## **2.7 Anti-Bribery Policy**

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The Governance Manager presented the policy for approval by the Committee.

## **RESOLVED:**

The Committee approved the policy for recommendation to the Board.

## **ACTION:**

Clerk / Board Agenda

## **2.8 Public Interest Disclosure Policy**

The Governance Manager presented the policy for approval by the Committee. The following points were highlighted:

- The Public Interest Disclosure Act 1998 only applied to those defined as workers i.e. those in a remunerated position.

## **RESOLVED:**

The Committee approved the policy for recommendation to the Board for consideration subject to the amendment to include a timeframe of 15 working days for conducting an investigation and specifying how a learner or member of the public could raise a concern.

## **ACTION:**

- Governance Manager to amend policy.
- Clerk / Board Agenda

## **2.9 Commonality of Interests Policy**

The Governance Manager presented the policy for approval by the Committee.

## **RESOLVED:**

The Committee approved the policy for recommendation to the Board.

## **2.10\* Group Liability Statement**

The Committee received for noting the Group Liability Statement that stated that no member of the Group would be liable for the actions of another member of the Group.

## **RESOLVED:**

The Committee noted the Group Liability Statement.

## **3. SECTION C - UNIVERSITY GROUP MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

None.

## **4. SECTION D - ANY OTHER BUSINESS**

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## 4.1 ESFA Policy / Funding Rules / Conditions of Grant Changes

This was a standing item on the agenda to discuss noteworthy matters. The following was noted:

- The College had received a 10% uplift in funding that would equate to £1.4 million additional funding for next year.
- There was an underspend on Adult Education Budget and a bid for additional funding had been submitted.

## 4.2 Reserved Business Matters

### 4.2(i) Section 28 Review Report

The Committee noted the Section 28 report.

### 4.2(ii) Conflict of Interests policy

The Committee noted that policy and the arrangements in place to address these.

## 5. SECTION E - FUTURE MEETINGS

11<sup>th</sup> June 2020 at 5.00pm

There being no further business, the meeting closed at 6.30pm

**Chair's Signature:**

A handwritten signature in black ink, appearing to read "A D Jance".

**Date:** 11 June 2020