

MINUTES



AUDIT COMMITTEE MEETING

Date: 18th June 2019
Time: 3.00pm
Venue: Boardroom

Governors Present:

Andrew Fawcett (Chair)
Gulnaz Brennan
Chris Ball

In Attendance:

Bill Webster (Principal)
Garry Webster (Director of Finance)
Tim Openshaw (UOB)
Louise Tweedy – RSM
Danny Harvey – PWC
Liam Donaghy– PWC
Fatema Hussein (Interim Clerk to the Board)

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

1.1 Welcome to Members/Officers

Members were welcomed to the meeting.

PWC were welcomed and introduced to the Committee.

1.2 Apologies for absence

Apologies for absence were received and accepted from Stephanie Nixon.

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 Minutes of the previous meeting held on 20th March

Agreed: that the minutes are approved as a correct record and authorised for publication.

1.6 Matters arising from the previous minutes and action progress log

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The Clerk presented the action progress log and confirmed that all actions arising from the previous meeting had been addressed.

Item 3.1 PWC Group Governance Advisory Review

The Clerk advised that she had checked the Articles of Association which had confirmed that that the University would not refuse any Governor nominations put forward by the College Board. Any nominations made by the University for appointment to the College Board would have to be approved by the University's Nominations Committee.

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

(i) Internal Audit Progress Report

RSM Sector Briefings

The Committee was referred to the documents that had been circulated and the following points were highlighted:

- There had been a change in the risk profile within the F.E. sector
- Financial health continued to be the top risk
- Compliance risk had increased mainly due to the introduction of GDPR
- Guidance had been issued by the DfE and the F.E. Commissioner's office on the importance of good financial management in light of the introduction of the Insolvency regime
- It emphasised the importance of Governors monitoring cash flow on a monthly basis
- The Audit Code of Practice had recently been revised and introduced some additional requirements in relation to tackling fraud
- A questionnaire had been introduced that Colleges could self-assess against
- There was also a requirement for Colleges to have a counter fraud strategy

RESOLVED:

The Committee agreed that the self-assessment checklist and counter fraud strategy were discussed further at the next meeting

ACTION:

- Director of Finance
- Clerk / Autumn term agenda

(ii) Student Debtor Process

RSM presented the report and it was noted that a partial assurance rating had been given with one high priority action in relation to 16-18 learners, and this was; that fees had been incorrectly raised thereby artificially inflating the Student Debtor's balance.

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The Director of Finance reported that the Finance Department had long standing concerns about the quality and quantity of data that needed to be corrected. A meeting was to be held with the Tribal Education consultant to discuss the issues raised in the report and how they could be rectified. The total number of debtor days had however reduced, and this was positive.

(iii) GDPR Governance Framework

RSM presented the report and the following points were highlighted:

- GDPR implementation had been tested against the 12-step guide issued by the Information Commissioner's Office (ICO)
- The Data Protection Policy had not yet been approved by the Board and it was recommended that it was
- The information audit had not yet been completed and this needed to be done
- Consideration should be given to updating the Clerk's job description if the Clerk was to undertake the Data Protection Officer role

RESOLVED:

The Committee agreed that the data protection policy was recommended to the Board for approval

ACTION:

Clerk / Board Agenda

(iv) Business Continuity Arrangements

RSM presented the report and the following points were highlighted:

- A Reasonable assurance rating had been issued
- Linkages to the town and / or local Authority were not specifically detailed in the plan and should be considered further to ensure that the town / Local Authority were engaged to support the College should an incident occur
- Curriculum risk registers should not be referenced in the plan as they were no longer in use
- Mobile rather than landline numbers should be included in the plan for members of the critical incident management team

The Principal reported that:

- A walk through of the plan was to be tested out shortly under a specific scenario
- Reciprocal arrangements were in place with the Sixth form College should there be a major incident
- There was a need to consider group arrangements with the University
- He had been invited to be a member of the Civil contingencies group for the Bolton borough

The Chair suggested that it may be prudent to expedite some of the implementation dates that had been recommended in the report.

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(v) Follow Up Reviews

RSM presented the report and it was noted that:

- Eight management actions had been considered in the follow up report, of which four were medium and four low
- Five actions had been implemented to date
- Two original management actions had been reiterated as a result of the work undertaken by RSM
- It was the Internal Auditors opinion that the College had demonstrated reasonable progress in implementing agreed management actions

2.2 Outstanding Recommendations Monitoring Schedule

The Director of Finance confirmed that out of the 18 outstanding recommendations, 10 had now been completed with 7 currently outstanding or ongoing.

2.3 2019/20 Internal Audit Plan

A draft version of the plan for 2019/20 was circulated to the Committee and the following points were highlighted:

- PWC would be providing an internal audit function for the group and a single audit plan was therefore being proposed
- Audits that were proposed for the College were based on a review of the risk register and discussions with the Director of Finance and the Group Director of Risk and Strategic Planning
- The following assurance ratings would be issued in all future internal audit reports; Critical, High, Medium and Low
- The following audits were proposed for the next academic year; Progression against English and Maths targets, Academic progression in relation to the timeliness of interventions, ESFA data and funding, Cash control
- A final version of the plan would be submitted to the Committee in the Autumn term

Governor Questions

- What areas would be reviewed in the Academic progression audit?

The intention was to review students or courses where there were gaps in attainment and check whether interventions had been implemented in a timely manner

- Will the audits include the identification of best practice?

PWC undertook worked with a number of Colleges and best practice would be highlighted

The Committee suggested that the executive teams at the College and University reviewed the proposed plan and brought any comments back to the next Committee meeting

ACTION:

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Clerk / Autumn term agenda

2.4 Risk Register

The Director of Finance presented the Risk register and advised that the only change had been the addition of the following risk - Failure to recruit to Access to HE provision. A resolution was being sought with the University on this.

3. SECTION C - UNIVERSITY GROUP MATTERS

3.1 Risk Management

Tim Openshaw presented the proposal for a revised approach to group risk management and the following points were noted:

- A working group from the College and University had reviewed and aligned the risk policies and a revised format was being proposed for the Group, College and University risk registers
- A group risk management policy had also been developed

RESOLVED:

The Committee reviewed the report and agreed that the Group Risk Management Policy was recommend to the Board for approval.

ACTION:

Clerk / Board Agenda

(ii) Group Risk Register

The Committee reviewed the register and it was noted that changes suggested by the College Audit Committee had now been incorporated into the register.

3.2 Outcome of Internal Audit Tender (CPC Framework)

Following a tender process, PWC had been confirmed as the preferred choice for the provision of internal audit services to the University group.

The Committee agreed that the appointment of PWC as Internal Auditors for the College and University Group was recommended to the Board for ratification.

ACTION: Clerk / Board Agenda

4. SECTION D - ANY OTHER BUSINESS

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

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It was noted that the Chair had requested that this was included as a standing item on the agenda.

The Clerk reported that:

- The ESFA intervention regime had been revised following the introduction of the College Insolvency regime
- It had been strengthened to give the ESFA greater powers to intervene at an earlier stage in Colleges where financial or quality issues had been identified
- The intervention guidance was to be circulated to all Board members at the July Board meeting

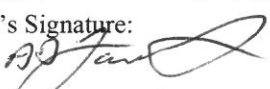
The Principal informed the Committee that conflicting advice had been received from the Combined Authority in relation to the eligibility criteria for a waiver of fees for Adult education. The College was waiting to receive further clarification on this.

5. SECTION E - FUTURE MEETINGS

Thursday 17th October 2019 at 3.00pm

The Committee formally thanked RSM for all the work that they had undertaken as the College's Internal Auditors.

There being no further business to discuss, the meeting closed at 4.00pm

Chair's Signature:	
Date:	17 th October 2019.