

**Minutes of the Audit Committee**  
**Held by way of Video Conference on Friday 26<sup>th</sup> June at 8:00 am**

Present	Apologies
Simon Thompson (ST)	Iqbal Mohammed (IM)
Sir Dexter Hutt (DH)	
Cliff Hall (CH)	
Michele Larmour (ML)	
Helen Miles (HM)	
In Attendance.	
Louise Jones (LJ)	
Martin Penny (MP)	
Fiona Yardley (FY)	
Stephen Belling (SB)	
Jonathan Lanes (JL) BDO	
Alison Rowe (AR) BDO	
Mark Dawson (MD) KPMG	
James Keen (JK) KPMG	

Reference	Minutes
	<b>Declarations of Interest</b>
	No Declarations of Interest were reported in addition to those recorded on the Register of Interests.
Item 1(i)	<b>Open and Confidential Minutes of Audit Committee held on 20th March 2020</b>
	The minutes of the last meeting were accepted as a true and accurate record of the meetings  <b>AC20:10</b> <b>IT WAS RESOLVED THAT the minutes be approved</b>
Item 1(ii)	<b>Action Log</b>
	LJ reported that the police has recommended the matter be reported to Action Fraud and that following consideration of the matter, had been advised no further action would be taken  <b>Observations made and questions raised by Committee.</b>  <b>1. Are Governors concerns about this matter now addressed? (ST)</b>  ML noted that due process had been followed and that concerns could now be regarded as having been addressed.  <b>AC 20:11</b> <b>IT WAS RESOLVED THAT completion of the actions be noted.</b>
Item 2	<b>Health and Safety Report (Autumn Term)</b>
	LJ presented the report in the Committee Pack entitled "Health and Safety Report (Autumn Term)" and advised: <ul style="list-style-type: none"> <li>• The report provided an update on the College's response to the Corona Virus and activity during the spring term.</li> <li>• A great deal of work has been done to respond to the Corona virus and ensure all</li> </ul>

Reference	Minutes
	<p>measures have been taken which enable the building to be opened.</p> <ul style="list-style-type: none"> <li>• Teams including union representatives and health and safety representatives</li> <li>• Implementation teams on each site have included both Union and Health &amp; Safety members.</li> <li>• Staff were surveyed to identify their concerns and a full range of risk assessments were undertaken</li> <li>• A meeting of regional colleges regarded the College's approach as best practice.</li> <li>• The College was re-opened to staff on 8 June and students on 15<sup>th</sup> June for critical only reasons e.g. the need to take exams or do practical assessments, which required access to laboratories, workshops or particular equipment.</li> <li>• Those who have attended the College were surveyed to obtain their assessment of the work undertaken to address Covid 19 and has been both positive and informative.</li> <li>• The teams continue to meet and take account of feedback and new government guidance as and when it is published.</li> </ul> <p><b>Observations made and questions raised by Committee.</b></p> <p><b><i>1. Is there a policy on use of facemasks in the building HM ?</i></b></p> <p>LJ advised:</p> <ul style="list-style-type: none"> <li>• The College is following Government Guidance which means : <ul style="list-style-type: none"> <li>○ The College does not demand they are worn and does not offer them.</li> <li>○ If people wish to wear them it is permitted.</li> </ul> </li> <li>• The College is monitoring the publication of guidance on a daily basis.</li> </ul> <p>CH advised:</p> <ul style="list-style-type: none"> <li>• Consideration is being given to the precautions taken in the reception areas and the possible use of masks, visors and screens.</li> <li>• are thinking about reception and welcome staff.</li> </ul> <p><b><i>2. What are the longer-term plans for re- opening in September (ST) ?</i></b></p> <p>LJ advised:</p> <ul style="list-style-type: none"> <li>• Task force is now focussing in the longer- term requirements.</li> <li>• Current plans are based on the 2- meter social distancing requirement.</li> <li>• Experiences gained this term are helping to check what is working and inform future planning.</li> <li>• Teaching staff are being asked to consider options for next term taking into account the need for: <ul style="list-style-type: none"> <li>○ smaller class sizes (10),</li> <li>○ blended learning,</li> <li>○ the need for a range of offerings,</li> </ul> </li> </ul>

Reference	Minutes
	<ul style="list-style-type: none"> <li>○ the need for quality materials,</li> <li>○ group work,</li> <li>○ 1-1 delivery, and</li> <li>○ consideration of the most students won't have had any face to face contact since March</li> </ul> <ul style="list-style-type: none"> <li>● Materials are being prepared for August with a view to teaching starting up in September.</li> </ul> <p>CH advised:</p> <ul style="list-style-type: none"> <li>● Future deliver is the prime focus for staff during Staff Development Week, which takes place week commencing 29 June.</li> <li>● BMet continues to collaborate with other colleges to compare ideas and best practice.</li> <li>● There is an assumption that new practices have to be developed rather than reverting to how things were before taking on board the need for: - <ul style="list-style-type: none"> <li>○ high quality learning materials, and</li> <li>○ the ability to attend practical workshops.</li> </ul> </li> <li>● Extensive work is being done in relation to the enrolment process to maximise what can be done on line and how to minimise waiting times on campus.</li> </ul> <p><b>3. How does the number of health and safety incidents compare with the previous year? (ML)</b></p> <p>LJ advised during the course of the meeting that there were 27 accidents in the autumn term and 19 in the spring term.</p> <p><b>Action Required</b> A comparison of numbers of accidents with previous years with short descriptions of accident types.</p> <p><b>4. What is the position in respect of Cladding? (ST)</b></p> <p>LJ advised:</p> <ul style="list-style-type: none"> <li>● An independent fire risk assessment was commissioned and noted <ul style="list-style-type: none"> <li>○ the MB site has multiple exit appoints around the building;</li> <li>○ cladding covers only part of the building.</li> </ul> </li> <li>● The requirement to remove car parking spaces directly under the cladding was removed.</li> <li>● Insurers were satisfied with actions taken by the College.</li> <li>● The Department for the Environment were satisfied by the College's response</li> </ul> <p><b>Action Required</b> Review the DfE letter to consider if any further action is required.</p> <p><b>AC 20:13</b></p> <p><b>IT WAS RESOLVED THAT the Health and Safety Report be noted.</b></p>
3	<b>Risk Management Update</b>

Reference	Minutes
	<p>MP presented the report in the Committee Pack entitled “Risk Management and Update Assurance Mapping” (The RM report”) and advised:</p> <ul style="list-style-type: none"> <li>• A separate Register focussing on Covid was created to complement the existing risk register.</li> <li>• The position in relation to Covid changes so frequently that the RM Report captures the position as at the time of preparing the report.</li> <li>• Teams are constantly reviewing the Covid Register and updating it after each team review meeting.</li> <li>• All references to disaggregation matters have now been removed from the Non Covid Register as the process is now complete.</li> <li>• The Business Development team continues to monitor potential impact of Brexit .</li> <li>• The College is now monitoring the potential impact of how local and regional authorities respond to Covid 19. The Combined Authority has not yet issued the Adult Education Allocations to FE Colleges which forms 20% of the College’s income</li> </ul> <p><b>Observations made and questions raised by Committee.</b></p> <p><b>1. <i>What are the possible outcomes of WMCA decision? (DH)</i></b></p> <p>MP advised that it was likely WMCA would considering how funding allocations could be used to meet regional needs identified as being required in response to Covid and so could have an impact on what the colleges are asked to deliver and how they are asked to deliver it.</p> <p><b>2. <i>Is a reduction in enrolment anticipated? (ML)</i></b></p> <p>CH Advised:</p> <ul style="list-style-type: none"> <li>• Adult applications are currently 20% less than last year.</li> <li>• 16- 19 applications are slightly less than last year.</li> <li>• Significant time is being given to maximising enrolment with virtual open days and on-going communications with schools.</li> <li>• WMCA is providing assistance with promoting educational opportunities in the region as they are considered to be a part of the response to regional needs.</li> <li>• A review of course and staffing requirements will take place if required: at this point resources are being focussed on maximising promotion of opportunities and enrolment.</li> </ul> <p>MP advised</p> <ul style="list-style-type: none"> <li>• on 30<sup>th</sup> June the Finance committee will consider a draft budget, which will include a provision to deal with potential restructuring .</li> <li>• At this point in time it is very difficult to forward plan as the impact on budget income could be anything from £0 to £5 million.</li> </ul>

Reference	Minutes
	<p data-bbox="304 114 1362 150"><b>3. Is a rapid response team needed to prepare for various scenarios? (DH)</b></p> <p data-bbox="352 181 517 217">CH advised:</p> <ul data-bbox="352 248 1474 862" style="list-style-type: none"> <li data-bbox="352 248 1394 315">• The College has already put in place teams and action plans to have a pro-active focus on areas of concern.</li> <li data-bbox="352 353 1437 456">• LJ and the Director of Development have been maintaining significant business relationships in the region and pursuing development and partnership opportunities with for example, those preparing for the Commonwealth Games.</li> <li data-bbox="352 495 1453 562">• “Careers Advance” is a new programme has been developed to provide careers guidance for adults.</li> <li data-bbox="352 600 1474 725">• The College has collaborated with the Chamber of Commerce, WMCA and various business partners to hold an event for the businesses in the region on 30<sup>th</sup> June regarding a response to meet regional needs and ensure that we are at the forefront of activity in the region.</li> <li data-bbox="352 763 1458 862">• The Senior Leadership Team continue to meet on a weekly basis to monitor progress on key areas of concern and collaborate on initiatives and opportunities as and when they arise.</li> </ul> <p data-bbox="304 898 1102 934"><b>4. What is the position regarding apprenticeships? (ML)</b></p> <p data-bbox="352 965 517 1001">MP advised</p> <ul data-bbox="352 1032 1474 1512" style="list-style-type: none"> <li data-bbox="352 1032 1433 1099">• The Director of Development provides weekly reports on the position regarding the furloughing and breaks in learning for existing apprentices.</li> <li data-bbox="352 1137 1433 1205">• The College has maintained regular contact with apprentices and employers to provide as much support and assistance as possible.</li> <li data-bbox="352 1243 1474 1310">• The picture is mixed with some employers completing shutting down the provision with others seeking to continue.</li> <li data-bbox="352 1348 1011 1384">• Some new apprenticeships have been started.</li> <li data-bbox="352 1422 1465 1512">• A significant reduction in apprenticeship opportunities and apprenticeship income is anticipated depending on what happens in the economy and how many redundancies are made.</li> </ul> <p data-bbox="352 1547 1442 1650">LJ advised of her conversations with employers in the engineering sector who have stated their businesses may survive but they will be putting a freeze on apprenticeships.</p> <p data-bbox="352 1688 1474 1756">CH advised that there is general concern in the FE sector about the likely reduction in number of available apprenticeships and the impact that will have on college income.</p> <p data-bbox="304 1787 1182 1823"><b>5. What is the position in respect of Project Know-how ? (DH)</b></p> <p data-bbox="352 1854 517 1890">CH advised:</p> <ul data-bbox="352 1890 1442 2024" style="list-style-type: none"> <li data-bbox="352 1890 1278 1926">• The project is continuing but will not be ready to start in September</li> <li data-bbox="352 1926 1082 1962">• It is anticipated it will start in the next academic year</li> <li data-bbox="352 1962 1442 2024">• It is a project that the newly appointed Vice Principal will pursue when they take up post at the start of the new term.</li> </ul>

Reference	Minutes
	<p><b>AC 20:14</b></p> <p><b>IT WAS RESOLVED THAT</b>  <b>The Risk Management and Update Assurance Mapping Report be noted.</b></p>
3	<p><b>Risk Management Update and Assurance Mapping</b></p>
	<p>MP presented the report in the Committee Pack entitled “ Risk Management update and Assurance Mapping”.</p> <p>After consideration of the report</p> <p><b>IT WAS RESOLVED THAT</b>  <b>AC20:15</b></p> <p><b>The content of the Risk Registers and actions taken to mitigate risk in the College be noted and commended to Corporation for noting and approval.</b></p>
4	<p><b>Progress on Delivering the Internal Audit plan for 2019/ 20 and Internal Audit Reports</b></p>
	<p>JL presented the report in the Committee Pack entitled “Internal Audit Annual Report” and advised:</p> <ul style="list-style-type: none"> <li>• The Audit plan had focussed on areas where the College considered itself to be most at risk.</li> <li>• Four of the audits had been conducted remotely.</li> <li>• BMet staff were to be thanked for their positive engagement and responses.</li> <li>• Audit findings for the year were similar to those found generally in the FE Sector. two-thirds of the finding have moderate or substantial assurance with assurance being limited in a couple of areas.</li> <li>• The Contract Action Plan picks up issues raised in the contract management audit and issues identified by Project Carthage.</li> </ul> <p><b>Observations made and questions raised by Committee.</b></p> <p>1. <b><i>How does this year compare with the report last year? (ST)</i></b></p> <p>JL advised:</p> <ul style="list-style-type: none"> <li>• This year the College was able to identify at the start of the planning process areas where it wanted independent proactive scrutiny.</li> <li>• The BDO audit team has no concerns about the College’s management team</li> <li>• The College’s response to Covid 19 and ability to adapt to remote audit processes evidenced the teams serious approach to the audit process.</li> <li>• Positive management responses were made to all issues raised by the audit process.</li> <li>• The Annual statement of assurance on page 7 of the Audit report advises that Governors are provided with reasonable assurance in all areas apart from those</li> </ul>

Reference	Minutes
	<p>where assurance is limited and that if recommendations are implemented, the opinion would be clear.</p> <ul style="list-style-type: none"> <li>• MP advised how this year it had been possible to use the internal audit process more effectively to test where further refinement actions are required.</li> <li>• CH noted how there had been significant progress but the goal was to achieved substantial reassurance in all areas.</li> <li>• DH noted how Governors levels of reassurance were significantly greater than last year.</li> <li>• JL advised that the direction of travel was correct and constituted a dramatic improvement over recent months.</li> </ul> <p><b>2. Are the College's response times to Audit reports adequate? (ST)</b></p> <p>JL advised that:</p> <ul style="list-style-type: none"> <li>• Their client's average response times are 15 days.</li> <li>• The College's average response time even in Covid times was 12.5 days.</li> <li>• the College's aspirational time was 5 days.</li> <li>• The College's Response times presented no concern to BDO.</li> </ul>
<b>4 (i)-(viii)</b>	<b>Internal Audit Reports</b>
	<p>AR presented the independent audit reports provided in the Committee Pack in relation to Annual Audit Report for 2019/20; ILT Data Quality, Teaching and Learning Assessment Policy; Procurement and Payment Controls, Financial Reporting and Cost Control, Income Collection and Contract Management and emphasised the points detailed in each report regarding good practice, key findings and recommendations.</p> <p><b>Observations made and questions raised by Committee.</b></p> <p><b>1. What are the implications of the Teaching and Learning Audit from an Ofsted perspective? (ML)</b></p> <p>CH advised that the audit report had been disappointing but key points to note were:</p> <ul style="list-style-type: none"> <li>• The policy had been new last year, had constituted a dramatic change and many elements were still being worked through.</li> <li>• The new Director of Teaching and Learning had not started until October 2019</li> <li>• It was important to note that staff have adopted new terminology used in the strategy and there is now an increased awareness of where improvements are needed.</li> <li>• Meetings are now taking place with the Director of Quality and Teaching Union representatives to review progress and address issues identified in the audit.</li> </ul> <p><b>2. Will the Teaching and Learning Policy continue to be reviewed by the Corporation (ML)?</b></p>

Reference	Minutes
	<p>CH confirmed that it would.</p> <p><b>3. What is the response to the issues raised by the Procurement and Payment Controls Audit? (ST)</b></p> <p>MP advised that the control systems had been updated and it was hoped the audit would test how well the new system was working. Issues identified by the audit had been addressed by immediate actions</p> <p><b>4. There appears to be an increase in phishing emails (ST)</b></p> <p>MP confirmed that there had been an increase in the number of phishing emails, reporting systems had been strengthened, and internal testing was being conducted on a regular basis.</p> <p>SB confirmed that the Data Protection Officer was providing further training for staff repeatedly failing to spot phishing emails</p> <p>5. The findings in relation to the <b>Financial Reporting and Payment Controls Audit</b> and the <b>Income Collection Audit</b> were good and encouraging ST.</p> <p>6. It was noted that the Contract Management Audit Report included consideration of the Contract Action Plan, which had been prepared by the College in response to Project Carthage and would be picked up on a regular basis by progress reports to the Audit Committee.</p> <p><b>7. How will Governors know that progress is sustained? (HM)</b></p> <p>MP advised that BDO would produce a follow up report in relation to all matters contained in the 2019/ 20-audit plan as part of the 2020/ 21-audit plan.</p>
<b>5</b>	<b>BDO Covid –19 Considerations for Audit Committees</b>
	<p>AJ presented the report in the Committee Pack entitled “Covid –19 Considerations for Audit Committees “and advised that clients were being encouraged to use it as a check list and assessment tool for their own plans.</p> <p><b>IT WAS RESOLVED THAT AC 20 16</b></p> <p><b>THE College would use the BDO Covid 19 Considerations report to check that its action plan had reviewed all suggested considerations.</b></p>
<b>6</b>	<b>Internal Audit Annual Plan for 2020/21</b>
	<p>JL introduced the report in the Board pack entitled “Internal Audit Annual Plan 2020-21” and advised that:</p> <ul style="list-style-type: none"> <li>• The plan had been developed with the Senior Leadership team to take account of Covid 19</li> <li>• It was to be noted that unlike other clients, the College was recognising the need to adapt their offer to take account of Covid 19 rather than develop a plan that would “ return to norms”</li> <li>• The proposed focus mirrored issues being covered by other Colleges and was</li> </ul>



Reference	Minutes
	<p>more proactive than others in some areas such as health and safety.</p> <p><b>Observations made and questions raised by Committee.</b></p> <p>1. <b><i>How do audit costs compare with this year? (ML)</i></b></p> <p>AR advised that the total number of days taking into account management and attendance of committee are the same as those allocated in 2019/20.</p>
7	<p><b>Partnership Contracts Action Plan 2020- 21</b></p> <p>LJ presented the report in the Committee Pack entitled “Partnership Contracts Action Plan” and advised: -</p> <ul style="list-style-type: none"> <li>• the actions set out in the contracts action plan were progressing;</li> <li>• the listed only those actions that were due; and</li> <li>• that a Contracts Compliance Officer had been appointed.</li> </ul> <p><b>Observations made and questions raised by Committee.</b></p> <p>1. <b><i>Are the actions not yet started ones that relate to the Contracts Compliance Officer? (ST)</i></b></p> <p>LJ confirmed that was the case and advised that the plan was being monitored on a monthly basis.</p>
8	<p><b>Business Elevator Project</b></p> <p>MP presented the report in the Committee pack entitled “ESF Audit – Business Elevator Project” and advised that the College had received a clean bill of health in respect of European funding.</p> <p><b>IT WAS RESOLVED THAT</b>  <b>AC 20: 17</b>  <b>The clear audit should be noted and the team be thanked for their work in relation to this matter.</b></p>
9	<p><b>Annual review of Operation of the Anti Fraud Controls</b></p> <p>MP presented the report in the Committee Pack entitled “Annual Review of the Operation of Anti Fraud Controls” and advised that:</p> <ul style="list-style-type: none"> <li>• The review had considered the College’s 300 suppliers; issues raised by project Carthage; and risks around phishing and authorisation of changes to supplier bank payment details.</li> <li>• Actions had been taken to increase the controls around those issues.</li> </ul> <p><b>IT WAS RESOLVED THAT</b>  <b>AC20: 18</b>  <b>The report in respect of the annual review of the Anti Fraud Controls and actions put in place to mitigate instances of fraud and theft be noted.</b></p>
10	<p><b>External Audit</b></p> <p>MD introduced James Keen the College’s new audit manager, the proposed 2019/20 Audit Plan and Technical Update provided to Governors in the Audit Committee pack and</p>

Reference	Minutes
	<p>advised:</p> <ul style="list-style-type: none"> <li>• The proposed fee included an increase arising from the need to undertake additional work to meet two new specific requirements from the Office for Students regarding student access and participation.</li> <li>• It would be necessary to consider carefully the position of being a going concern taking into account the impact of Covid 19.</li> <li>• The intention was to conduct the audit in accordance with the usual timetable.</li> </ul> <p><b>Observations made and questions raised by Committee.</b></p> <ol style="list-style-type: none"> <li>1. The Corporation wishes to consider carefully issues relating to the College continuing to be a going concern (ST)</li> </ol> <p>MP advised that the position would be easier to assess at the end of July after which the College's Financial Plan will have been submitted to the ESFA and announcements should have been made regarding funding allocations.</p> <p><b>IT WAS RESOLVED THAT A 20:19 The proposed 2019/20 Audit plan and associated fee be approved.</b></p>
11	<b>Terms of Reference Review</b>
	<p>SB presented the report in the Committee Pack entitled "Terms of Reference and Future Planning "</p> <p><b>Observations made and questions raised by Committee.</b></p> <ol style="list-style-type: none"> <li>1. <i>Should the quorum be increased to 3 members? (ST)</i></li> </ol> <p>After discussion it was agreed that the quorum should be increased from two to three members.</p> <p><b>IT WAS RESOLVED THAT AC 20: 20</b></p> <p>The Terms of Reference be commended to Corporation for approval with an amendments to increase the quorum from 2 to three</p>
12	<b>Any Other Business</b>
	There was no other business for discussion.
13	<b>Confidential Discussion with Auditors</b>
	<p>The Executive team left the meeting.</p> <p>There were no matters of concern raised with or by the Auditors.</p>