

Minutes of the Audit Committee meeting

held on Friday 24th June 2022 at 8.00 am

By Microsoft Teams

Birmingham Metropolitan College

Present	Apologies
Helen Miles (HM)	
Alaric Rae (AR)	
Iqbal Mohammed (IM)	
Sir Dexter Hutt (DH)	
Pat Carvalho (PC)	
In attendance	
Stephen Belling (SB)	
Simon Eaton (SE)	
Fiona Yardley (FY)	
Rachel Jones (RJ)	
Alison Rowe (ARo)	
Jonathan Lanes (JL) BDO	
Mark Dawson (MD) KPMG	

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	Apologies
	No apologies were received
	No Declarations of Interest
	No declarations were received in addition to those recorded in the Register of Interests.
1 (i)	Minutes of Audit Committee 25th February 2022
	Subject to one amendment to the attendance register, the minutes of the meeting held on 25 th June 2022 were accepted as a true and accurate record. IT WAS RESOLVED THAT: AC 21-22- 21 The minutes of the meeting held on 25th February 2022 be approved.
1(ii)	Matters arising and Action Log
	It was noted that the two actions in the log had been completed.
2	Internal Audit Reports with Moderate Assurance
	ARo referred to the Audit Reports in the Committee pack relating to Human Resources, Learner Records and GDPR all of which had received moderate or substantial assurance from the internal audit. referred to the scope of each audit, the findings regarding level of assurance and recommendations. JL advised that the level of assurance in relation to GDPR compliance was good Governors' Questions and Observations 1. The plans for creating an overarching HR Strategy were noted (HM).

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	<p>2. It is important to ensure that in complying with GDPR requirements, the college doesn't become overly risk averse in respect of marketing and disadvantage itself in the market place (AR).</p> <p>IT WAS RESOLVED THAT AC 21-22- 22 The content and recommendations of the Human Resources, Learner Records and GDPR audits be noted.</p>
3	Internal Audit Reports with Limited Assurance
	<p>Regarding IT Security</p> <p>ARo advised:</p> <ul style="list-style-type: none"> • The audit was undertaken by a specialist auditor. • Plans to address issues raised in the audit had already been scheduled in the college's business development plan. • 14 areas of good practice were highlighted in the report alongside a good direction of travel. • The audit had been commissioned because of future ESFA accreditation requirements. • Actions required by the audit were achievable and many were in the process of being addressed. <p>RA advised:</p> <ul style="list-style-type: none"> • The risk associated with Harborne Academy will be addressed by the plans for independent IT provision by September 2022. • A plan is in place to address issues relating to the support for devices provided by Samsung. • Wifi updates are in progress but delays have arisen because of supply shortages. • Cyber Essentials accreditation should be achieved by October 2022. <p>Regarding Estate Management</p> <p>ARo advised:</p> <ul style="list-style-type: none"> • Good practice was to be noted regarding the college's management of subcontractors. • A good proportion of estate management activities are outsourced to 3rd parties. • The Planned Maintenance Programme needs to be updated to take account of inflationary pressures. • The Estates strategy is due for review. <p>SE advised that the Planned Maintenance Programme and Estates Strategy would be reviewed in the light of award of FECA funding by the Department of Education.</p> <p>Regarding Business Continuity Plan</p> <p>ARo advised:</p> <ul style="list-style-type: none"> • The Business Continuity Plan had been reviewed with reference to the ISO business continuity standard. • The review involved interviewing staff about the college's response to the pandemic. • Very positive responses were noted. • A college wide Business Continuity plan is recommended. <p>Regarding Follow Up report</p>

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	<p>ARo advised:</p> <ul style="list-style-type: none"> • Nine findings were reviewed in April. • One action was outstanding. <p>Regarding Annual Report</p> <p>JL advised:</p> <ul style="list-style-type: none"> • The college had fully outsourced its internal audit function to BDO and as Head of Audit, he was able to provide an overall assurance statement. • One of 3 Levels of assurance were possible: “Substantial”, “Limited” or “None”. • The most common level of assurance given to colleges this year was Limited because of their need to manage Covid and focus on front line work. • The level of assurance given to the college this year was “Limited”. <p>Governors Observations and Questions</p> <ol style="list-style-type: none"> 1. It was good to see good practice and work in progress. Progress will be reviewed on an ongoing basis. (HM) 2. <i>What lessons were learnt from the wifi procurement process involving Samsung? (AR)</i> <p>RJ advised that the appointment was part of a wider collaboration agreement involving a pilot programme and establishment of an Academy. The wider market place and size of brand were considered in the latest procurement process.</p> 3. <i>Is the college ensuring compliance related risk is being addressed in relation to Estate Management? (AR)</i> <p>SE advised that the first award of FECA grant funding was used to address compliance risk related work. Lower risk activity would be addressed by the works undertaken with the second award of FECA grant funding.</p> 4. Business Continuity Plans need to be reviewed regularly and kept fresh (HM). <p>JL noted that it is not possible to plan for every scenario but a consideration of impact assessment increases awareness of critical dependencies; enables thinking about issues relating to people, systems, and premises; and helps to improve the speed of recovery and reduce negative impact.</p> <p>PC noted the college’s response to Covid provided evidence of the college’s ability to respond to business continuity challenges.</p> <p>IT WAS RESOLVED THAT: AC 21-22-23 The content and recommendations of the IT Security, Estate Management, Business Continuity and Disaster Recovery, follow up and Annual audits be noted.</p>
5	Internal Audit Recommendation Tracker

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	<p>SE advised:</p> <ul style="list-style-type: none"> • The Audit tracker had been updated to take account of the most recent internal audit reports. • 15 recommendations have been added. • The format of the audit tracker is being reviewed. <p>Governors' Observations and Questions.</p> <p>1. <i>How often will the audit tracker be reviewed? (HM)</i></p> <p>SE advised that it is stored on the internal SharePoint site and can be accessed by the senior leadership team at any time.</p> <p>IT WAS RESOLVED THAT: AC 21-22-24 The content of the Audit Recommendation Tracker and actions taken to address recommendations be noted.</p>
4	<p>Risk Management Update</p> <p>SE advised that</p> <ul style="list-style-type: none"> • The risk register is being revised following review work with BDO. • The risk categories have been updated. • A risk scoring matrix has been developed and is in the process of being applied to the risks. • Risk appetite will be added to the risk register in due course. <p>Governors' Observations and Questions</p> <p>1. The new system involves a more helpful scoring system (HM)</p> <p>2. Care is needed to ensure the register remains a live document and takes account of emerging risk. (AR)</p> <p>3. <i>How are Ofsted findings covered in the register? (AR)</i></p> <p>PC advised Ofsted findings are addressed in the section relating to quality.</p> <p>IT WAS RESOLVED THAT: AC 21-22-25 The content of the Risk Management Update Report be noted.</p> <p>AR and JL left the meeting 9:28</p>
6	<p>Contract Compliance Report</p> <p>SB presented the Contract Compliance Report which provided an update on actions taken in response to the external audit report and regular termly compliance testing.</p> <p>Governors' Observations and Questions</p> <p>1. The report provides helpful assurance regarding compliance with Funding Rules (HM)</p> <p>2. The new ESFA Subcontracting Assurance Framework is noted.</p>

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	<p>3. The appointment of a new Data Protection Officer and Legal Assistant to support the work of the Contracts Compliance Officer was noted.</p> <p>IT WAS RESOLVED THAT: AC 21-22- 26 The content of the Contract Compliance Report be noted.</p>
7	Annual Review of operation of the Anti- Fraud Controls
	<p>SE presented the report providing a review of the operation of the Anti- Fraud controls.</p> <p>It was noted that:</p> <ul style="list-style-type: none"> • IT security has been increased to address increased risks to cyber-attacks. • No issues of fraud had been raised with the internal audit team. <p>IT WAS RESOLVED THAT: AC 21-22- 27 The content of the Annual Review of operation of the Anti- Fraud Controls be noted.</p>
8	Annual Review of Whistle Blowing Complaints
	<p>SB advised that no whistle blowing reports had been made during the year</p> <p>IT WAS RESOLVED THAT: AC 21-22- 28 The content of the Annual Review of Whistle Blowing Complaints verbal report be noted.</p>
8	Annual Review of Terms of reference
	<p>SB presented the Audit Committee’s Annual Terms of Reference for review and advised that they were commended for ongoing use.</p> <p>IT WAS RESOLVED THAT: AC 21-22- 29 The Audit Committee’s Terms of Reference be used for the next academic year.</p>
10	External Audit Provision
	<p>SE advised:</p> <ul style="list-style-type: none"> • Tenet had coordinated the college’s procurement of process for the appointment of new external auditors using the Crescent Purchasing Consortium Framework and NHS framework. • One submission was received. • The submission contained insufficient evidence of relevant experience. • A second procurement exercise was commended with a one-year extension of the current retainer. <p>Governors Observations and Questions</p> <p>1. <i>Is their solid evidence that rates are an issue for potential providers? (IM)</i></p> <p>SE advised that there is a practice of the larger firms not responding to tenders in the FE sector.</p> <p>The procurement process will be reviewed with a view to attracting a wider range of potential providers.</p>

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	<p>IT WAS RESOLVED AC 21-22- 30 A recommendation be made to Corporation to appoint KPMG as external auditors for a further year.</p>
11	Internal Audit
	<p>SE advised: -</p> <ul style="list-style-type: none"> • Tenet had coordinated the college’s procurement process for the appointment of new internal auditors using the Crescent Purchasing Consortium Framework and NHS framework as BDO removed from CPC framework. • BDO were permitted to submit a non- compliant bid in respect of fee rates which were the only element falling outside of the procurement framework requirements. • 3 bids were considered at face- to- face interviews. • RSM demonstrated clear commitment and engagement with the FE Sector and quality. • The interview panel commended the appointment of RSM for an initial period of 3 years with the ability to extend the contract for a further 12 months and then an additional 12 months. <p>IT WAS RESOLVED AC 21-22- 31 A recommendation be made to Corporation to appoint RSM as internal auditors for an initial period of 3 years with the ability to extend the contract for a further 12 months and then an additional 12 months.</p>
	Committee Calendar for 2022- 2023
	<p>SB presented the proposed Committee calendar for 2022 – 2023</p> <p>IT WAS RESOLVED AC 21-22- 32 The proposed committee dates for 2022- 2023 be accepted.</p>
12	Any other Business
	There being no other business, the meeting concluded at 11.00 am

Signed: 
H Miles (Feb 17, 2023 16:01 GMT)

Chair: Helen Miles







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Final Audit Report

2023-02-17

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