

Minutes of the Audit Committee meeting

held on Tuesday 30th June 2023 at 8.00 am

By Microsoft Teams

Birmingham Metropolitan College

Present	Apologies
Helen Miles (HM)	Julie Willis (JW)
Alaric Rae (AR)	
Sharon Isaacs (SI)	
In attendance	
Sir Dexter Hutt (DH)	
Pat Carvalho (PC)	
Stephen Belling (SB)	
Simon Eaton (SE)	
Fiona Yardley (FY)	
Andrew Crowter (AC)) Agenda Item 2	
Louise Tweedie (LT) RSM	
Stuart McKay MHA	

Ref	Agenda Item
	Apologies
	Apologies were received from JW.
	No Declarations of Interest
	SI declared that Learning Curve had been appointed as subcontractors at Nottingham College. No declarations were received in addition to those recorded in the Register of Interests.
1 (i)	Minutes of Audit Committee 17th March 2023
	Subject to one typographical error the minutes of the meeting held on 17 th March 2023 were accepted as a true and accurate record of the meeting. IT WAS RESOLVED THAT: AC 22/23:15 Subject to the one typographical amendment the minutes of the meeting held on 17th March 2023 be approved.
1(ii)	Action Log
	SE recommended that the IT and Cyber Security Deep Dive be postponed until November 2023 so that the Dive could take account of internal audit reports that were currently in progress and management actions that would be developed in response to any matters raised. IT WAS RESOLVED THAT AC 22/23: 16 The IT and Cyber Security Deep Dive be postponed to November 2023.
2	Spring Term Health and Safety Report
	AC presented the Health and Safety report in the committee pack and emphasised the following: <ul style="list-style-type: none"> The Trips and Visit Procedure had been reviewed with the College's Safeguarding lead and was now being promoted internally.

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	<ul style="list-style-type: none"> • An Administration of Medication Procedure has been introduced to take account of an increase in the number of students requiring medication in college and need for clear procedures to provide clarity for students and staff. • The Estates Management Team continue to undertake internal risk assessments as part of an ongoing process. • There has been an increase in the number of staff being trained as first aiders as a result of developing the capacity to deliver the required training in house. • Fire Marshalls have now been recruited for the James Watt campus. • Four officers from the Fire Brigade undertook a review of the fire procedures at the Matthew Boulton Campus including the science labs and were impressed with the procedures in place. • Health and Safety meetings continue to be well attended. <p>Governors' Questions and Observations</p> <ol style="list-style-type: none"> 1. It is good to see that more first aiders have been trained. (HM) 2. It is good to note that staff continue to be engaged with the work of the Health and Safety Committee. (HM) 3. <i>How is the college responding to issues raised in the press associated with vaping? (HM)</i> <p>AC advised:</p> <ul style="list-style-type: none"> • the college has a clear approach to vaping. • It is not permitted in college buildings and is treated as a disciplinary matter if it arises. • It is permitted in designated smoking areas. • There have been issues with vaping equipment being disposed of in toilets causing blockages. • Front doors have been moved from the entrance to toilet facilities to help deter inappropriate activity. • The tutorial process is used to review with students the health risks associated with vaping. <p>IT WAS RESOLVED THAT AC 22/23: 17 The content of the Autumn Health and Safety Report be noted.</p>
3	<p>Crises management Plan</p> <p>AC introduced the Crises Management Plan provided in the Committee pack and advised:</p> <ul style="list-style-type: none"> • the plan was produced in response to an internal audit report. • the content of the plan mirrored the content of the existing plan but used a format commended by the Department for Education. <p>Governors' Questions and Observations</p> <ol style="list-style-type: none"> 1. <i>Could SI advise how well Nottingham College's Crises Management Plan had worked in the face of the stabbing incidents reported in the news? (HM)</i>

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	<p>SI advised the Crises Management Plan served the college well during the crises incident and was now in the process of being reviewed to take account of learning derived from the incident and shared by the local police.</p> <p>2. It would be good to undertake simulation planning around different scenarios and report back to Governors</p> <p>PC advised that some scenario planning had taken place with the Senior Leadership team (“SLT”) and that further scenario planning would be undertaken with Directors and Middle Managers.</p> <p>3. Does the college have hard copies of the Crises Management Plan? (HR)</p> <p>AC confirmed that each member of the Crises Management Team was encouraged to have two copies of the plan – one to be kept in the work place and one to be kept at home.</p> <p>4. What plans are in place to address matters appearing on social media? (HM)</p> <p>PC advised that the marketing team monitored social media and provided reports on salient findings to members of the SLT.</p> <p>5. Has consideration been given to multi sited incidents arising at the same time? (HM)</p> <p>AC advised that multi- site incidents had not been considered and this could be factored into scenario planning.</p> <p>IT WAS RESOLVED THAT AC 22/23: 18 The new Crises Management Plan be noted and approved.</p>
4	Contract Compliance Report
	<p>SB introduced the Contract Compliance Report proved with the Committee Pack and noted the key issues identified during the recent round of compliance testing and actions being taken to address them.</p> <p>Governors’ Observations and Questions</p> <p>1. A range of issues are identified in the report, some seeming to be of minor significance and easily addressed, others to be more potentially significant in terms of contractual and regulatory requirements: Could future reports identify the major non- compliance issues. (HM)</p> <p>IT WAS RESOLVED THAT: AC 22/23: 19 The content of the Contract Compliance Report be noted.</p>
6	Internal Audit Plan
	<p>LT introduced the internal audit reports provided in the Committee pack and advised:</p> <ul style="list-style-type: none"> • The current internal audit plan is on track. • The audit plan for 2023- 2024 would focus on curriculum planning , enrolment , health and safety, and learner numbers. • Following publication of the Post 16 Audit code of practice, Governors need to have an awareness of new requirements for Managing Public Money and the possible need for consent from the Department for Education and/ or Treasury.

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	<ul style="list-style-type: none"> • The FE Commissioners have an increased focus on: <ul style="list-style-type: none"> ○ Governor’s terms of office and ensuring they retain an adequate degree of independence. ○ Ensuring subcontracting is being done for the correct reasons. ○ Cyber security. • The Key Financial Controls audit secured a green level of assurance and it was clear that good systems are being operated. • The Audit Follow Up Report covered five historic audit reports and twenty-two recommendations, nine of which had been superseded by the production of a new Crises Management Plan. Reasonable progress was being made. • The IT follow Up report identified actions still being considered within the context of budget logistics. • The IT Capital Planning and Investment Framework appropriately distinguished between Digital and IT strategy and risks would need to be addressed taking account of affordability and development of a long-term investment plan. <p>Governors’ Observations and Questions</p> <p>1. <i>How prevalent are cyber security related issues ? (DH)</i></p> <p>LT advised that the cyber security risks are severe, enduring and not going away. The key issue relates to how quickly colleges are able to respond to cyber-attacks.</p> <p>2. <i>What drives most attacks? (SI)</i></p> <p>LT advised of two key drivers; one to obtain money from ransomware attacks, the other to cause chaos.</p> <p>PC advised that the college has Cyber Security Essentials and strategies in place to optimise protection with current resources. Government is being advised of the critical need for investment in IT replacement and cyber security.</p> <p>3. <i>Have all staff done cyber security training ? (HM)</i></p> <p>PC confirmed that cyber security training is mandatory for all staff.</p> <p>4. <i>Are there a lot of overtime claims by staff ? (HM)</i></p> <p>SE advised that most overtime claims were made by the Estates Department when dealing with staff shortages.</p> <p>IT WAS RESOLVED THAT: AC 22/23: 20 The content of the internal audit reports be noted.</p>
6	External Auditor Plan
	SM introduced the Planning Memorandum provided in the Committee pack and advised of the need to ensure there is a mutual understanding of process, areas of risk and approach to the external audit with the Governing Body. Key points to be noted were:

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	<ul style="list-style-type: none"> • ISA 315 the new standard of auditing involves more review of business risks a college has to consider using a controls- based approach: in practice there is no change to how the audit is approached but, if controls are found to be failing, the ability to accept deviations has diminished. Now control failures in more than two areas will require substantive testing which will change the cost and scope of the audit. • ONS Reclassification requires auditors to assess whether a transaction requires Government approval. • 1.5% of income will be determine whether an issue is material. • Any issue with a value above £33k will be reported to Committee. • The external audit timetable will be agreed with management. • Key Audit Risks are now assessed with reference to a risk matrix. • Risks 1-3 apply to all colleges. • Risks 4- 11 relate to BMet based on an initial desk top review undertaken prior to any interim testing. • It is likely the college will be encouraged to put in place a Reserves policy. <p>Governors Question and Observations</p> <p>1. What definition of fraud is used? (HM)</p> <p>SM advised testing has been designed to consider areas MHA determine might be high risk but the possibility of fraud sits at the heart of the whole audit process.</p> <p>2. How has the scoring been done? (SE)</p> <p>SM advised that scoring had been done on the basis of a desk top review in advance of reviewing files maintained by KPMG.</p> <p>IT WAS RESOLVED THAT: AC 22/23: 21 The content of the Audit Planning Memorandum be noted.</p>
7	<p>Risk Register and Assurance Map</p> <p>SE advised that a complete review of the Risk Register had been undertaken since the last meeting and resulted in relatively few overall changes to the risk scoring. Key points to be noted were: -</p> <ul style="list-style-type: none"> • Curriculum planning and delivery had been reviewed and updated but there was no change to the risk scoring. • Student and staff experience had been completely revisited. The risk scoring has not changed because appropriate mitigations are in place. • HE as an income stream is considered to be a greater risk because of the Higher Technical Grants but appropriate mitigations are in place.

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	<ul style="list-style-type: none"> • Finance scores are likely to decrease if the loan restructuring negotiations are completed successfully by 31 July 2023. • It was recommended that Governance and Legal be reclassified as an emerging risk. • It was further recommended that IT infrastructure be added as a new risk within the context of capital funding requirements. <p>IT WAS RESOLVED THAT: AC 22/23: 22 The Governance and legal risk be reclassified as an emerging risk and removed from the front of the risk register and IT Infrastructure be added as new risk.</p>
8	Annual Review of Operation and Anti-Fraud Controls
	<p>SE presented the Annual Review of the Operation of Anti- Fraud Controls Report for consideration by Committee.</p> <p>Governors' Observations and Questions</p> <ol style="list-style-type: none"> 1. The continued use of phishing tests is noted (HM) 2. There is an increase in the number of scams claiming a need to use new bank details by contractors. <p>IT WAS RESOLVED THAT: AC 22/23: 23 The content of the Annual Review of Operation of Anti- Fraud controls report be noted.</p>
9	Annual Review of Whistle Blowing complaints
	<p>SB advised that to date, no Whistle Blowing complaints had been received during the academic year</p> <p>IT WAS RESOLVED THAT: AC 22/23: 24 The nil return for whistle blowing complaints be noted.</p>
10 (i)	Terms of reference Review
	<p>SB advised that the Committee's Terms of reference had been reviewed and no amendments were proposed for the following year.</p> <p>After careful consideration</p> <p>IT WAS RESOLVED THAT: AC 22/23: 25 The current Terms of Reference be commended for ongoing use during the next academic year.</p>
10(ii)	Governance Self -Assessment
	<p>Committee considered the questions contained within the Association of College's recommended questions for Committees and concluded:</p> <ul style="list-style-type: none"> • The Committee has met its terms of reference. • The committee would benefit from an additional member with a finance background. • Attendance has been satisfactory. • Sufficient information has been provided at the right leave to enable challenge, support and decision making.

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	<ul style="list-style-type: none"> • Requests for further information and follow up was provided in a timely away. • Committee has had a positive impact on overall performance because matters have been picked up minutes and followed up with appropriate actions e.g., the review of the risk assurance map to enable effective questioning by Governors. • Further training would be valued in relation to the Managing Public Money requirements.
	Any other Business
	There being no other business, the meeting concluded at 11.00am.

Signed: *H Miles*
[H Miles \(Apr 23, 2024 12:23 GMT+1\)](#)

Chair: Helen Miles







Audit Committee Minutes - 30 June 2023

Final Audit Report

2024-04-23

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