

**Greater Brighton Metropolitan College  
Audit Committee**

**PART 1: Minutes of a meeting held at the Brighton Campus  
Monday 2 December 2019 at 4.30pm**

- Present:** Gary Anderson (Chair), Kathleen Downes, Rob Lee, David Russell
- In attendance:** Nick Juba (CEO), Jon Rollings (COO), Sarah Box (Governance Manager), Dominic Blythe (RSM), Graham Gillespie (Wylie & Bisset)
- Apologies:** Natalie Brett

**WELCOME, INTRODUCTIONS AND APOLOGIES**

37. The Chair welcomed members to the meeting.

**MINUTES**

38. The minutes of the meeting held on 22 October 2019, were agreed as a true record and signed by the Chair.

Part 1 – Minutes of the meeting held 22 October 2019 – for public record

Part 2 – Minutes of the meeting held 22 October 2019 – confidential

**Approved:**

***The Audit Committee formally approved the minutes of the 22 October 2019 as a true and accurate record. The Chair of the Audit Committee signed the master copy.***

**MATTERS ARISING FROM THE MINUTES**

39. The Committee received and noted a schedule outlining the progress of actions from the minutes of the last meeting which were all complete.

**EXTERNAL AUDIT: EXTERNAL AUDIT REPORT (MANAGEMENT LETTER)**

40. The Committee received for consideration the 2018/19 draft audit findings report for the year ended 31 July 2019. Dominic Blythe reported the following outstanding matters:
41. In accordance with the extra disclosure requirements for Executive and senior staff remuneration, a statement to justify the CEO's emoluments was required.
42. Based on the review of the final ILR submission, the College had delivered 99% of the AEB so no clawback would be received. The COO confirmed that the final funding statement had been received which confirmed this was the case.
43. The pension scheme liability had been calculated by the actuaries based on college data and a number of key actuarial assumptions. The Committee were advised that the impact would increase the net obligation by £441k. The Auditor confirmed that the key data and

underlying assumptions had been reviewed and no significant issues were raised in respect of the pension accounting.

44. A confidential minute was taken at this point.

#### **EXTERNAL AUDIT: DRAFT 2018/19 FINANCIAL STATEMENTS**

50. The draft 2018/19 Financial Statements were received by the Committee. In response to a query, the COO confirmed that the going concern statement wording would be unlikely to change as it provided an overview of the current situation, and the movement from the previous year.

51. The COO noted that the statements would need to be recommended for approval to the Board subject to the going concern assessment, which the Board would consider on 17 December 2019.

52. The Chair expressed his thanks to the teams involved in producing the statements and recognised the collaborative effort.

#### **Resolved:**

***The Audit Committee recommended the 2018/19 financial statements were recommended for approval by the Board, subject to final amendments.***

#### **ANNUAL REPORT OF THE AUDIT COMMITTEE**

53. The Committee received for consideration the draft Annual Report of the Audit Committee for 2018/19. Presenting the report, the Governance Manager stated that this standard document was required under the Audit Code of Practice. The Committee agreed that the report was a true assessment of their work and recommended it for approval to the Board.

54. The COO expressed his thanks to the Governance Manager for the report, stating that it was important that the document was produced independently of the Executive.

#### **Resolved:**

***The Annual Report of the Audit Committee was approved and would be presented to the Board to inform consideration of the Annual Financial Statements.***

#### **INTERNAL AUDIT REPORTS**

**Graham Gillespie presented the complete Internal Audit Reports as follows:**

##### **a) Corporate (Financial) Governance**

55. A strong level of assurance had been provided on the College's financial governance and it was confirmed that there is sufficient information provided to the Board to effectively discharge their duties and to challenge and hold members of the Executive to account for improving the operations of the college. 1 medium risk had been raised.

##### **b) Subcontractors, Partnerships and Apprenticeships – follow up**

56. The Internal Auditor confirmed that the follow up audit had been requested as an additional piece of audit work following the weak outcome of the initial report in June. A substantial assurance provided assurance that the College had taken steps to implement the recommendations made in the report issued earlier in the year. 3 actions have been fully implemented (all graded as high risk) and 5 actions have been partially implemented (2 of which were graded as high risk). It was confirmed that work was continuing to complete the remaining actions within the agreed timescales.

57. The Committee welcomed the changes reported between the two meetings. The Chair requested assurance that the remaining actions would be completed and delivered. The

COO confirmed that work was on track as agreed. He also reminded that the contracts could be flexed if necessary, but that the approval would be sought from the Board to ensure transparency.

58. The Chair commented that the audit work had been a good example of the Audit Committee delivering its remit and that the Board can be assured by the work undertaken.

**c) Student Recruitment**

59. A substantial level of assurance had been provided over the processes in place for student recruitment, although it was noted that the College had not achieved its target numbers for FE or HE learners during enrolment in August and September 2019. Four medium recommendations had been raised.
60. Committee members discussed the outcome of the reduced recruitment numbers. The COO outlined the challenges, particularly with the HE provision, explaining that programmes become very thinly spread. In response to this decline, group sizes had been increased from 9.8 to 15.8 as part of the curriculum planning exercise. There was a requirement to balance the future demand in case the cohort can be increased but the downward trends make this a particular challenge.
61. In response to a query as to how the College could be better prepared to cope with under recruitment, the COO explained that granular data on market share and future demographics was currently being collated from WSCC and B&HCC, the intention being to map along with the internal information held on school leavers.

**Resolved:**

***The Audit Committee received the Internal Audit Reports***

**OUTSTANDING AUDIT RECOMMENDATIONS: PROGRESS REPORT**

62. The COO presented the schedule of outstanding audit recommendations and the Committee welcomed the progress update and reduced number of recommendations listed.
63. Members noted the significant number of recommendations with December 2019 completion dates. The COO confirmed that efforts would be made to complete the actions before the next Audit Committee meeting on a priority basis, but there might be some slippage of the low level recommendations beyond December.
64. The Chair noted the relatively low impact of the remaining recommendations and noted progress made.

**RISK MANAGEMENT UPDATE**

65. The Committee received the latest risk report. A discussion took place on how effective the mitigation strategies are in avoiding risk and whether any changes were required in the way that risks are reported to the Board/Committee. Overall, it was felt that the risks should continue to be reviewed by the Board on a monthly basis and any risks requiring further consideration would be raised at that level.

**REPORT OF ANY INCIDENCES OF, OR ATTEMPTED, BRIBERY, FRAUD OR WHISTLEBLOWING – CONFIDENTIAL ITEM**

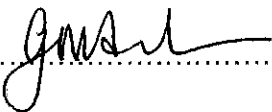
**ANY OTHER BUSINESS**

68. The Chair reminded the Committee that the meeting had been Rob Lee's last and expressed his thanks for Rob's guidance and steer. He noted the value of the co-opted members and commented on the time Rob had invested in the College and his dedication at all times.

**DATE OF NEXT MEETING**

69. The date of the next meeting was confirmed as Monday 2 March 2020 at the Brighton Central Campus.

**The meeting closed at 6.25pm.**

Signature of Chair.......... Date.....*2nd March 2020*.....