

**Greater Brighton Metropolitan College
Audit Committee**

**Minutes of a meeting held at the Brighton Central Campus
Tuesday 22 October 2019 at 4.45pm**

Present: Gary Anderson (Chair), David Russell, Kathleen Downes, Rob Lee

In attendance: Jon Rollings (COO), Sarah Box (Governance Manager), Stephen Pringle (Wylie & Bisset)

Apologies: Natalie Brett, Nick Juba (CEO)

WELCOME, INTRODUCTIONS AND APOLOGIES

1. The Chair welcomed members to the meeting, in particular David Russell who was attending his first Committee meeting. Apologies were received from Natalie Brett and Nick Juba

MINUTES

2. The minutes of the meeting held on 01 July 2019, were agreed as a true record and signed by the Chair.

Part 1 – Minutes of the meeting held 01 July 2019 – for public record

Part 2 – Minutes of the meeting held 01 July 2019 – confidential

Approved:

The Audit Committee formally approved the minutes of the 01 July 2019 as a true and accurate record. The Chair of the Audit Committee signed the master copy.

MATTERS ARISING FROM THE MINUTES

3. The Committee received and noted a schedule outlining the progress of actions from the minutes of the last meeting which were all complete or due for report at a later date.

**SUBCONTRACTORS, PARTNERSHIP AND APPRENTICESHIPS INTERNAL AUDIT
REPORT – CONFIDENTIAL ITEM**

INTERNAL AUDIT 2018/19: ANNUAL REPORT

13. The Audit Committee received the Internal Audit Annual Report for 2018/19 and noted the Internal Auditor's opinion on the effectiveness of the College's internal control. The report confirmed that the college had adequate and effective risk management, control and governance processes. Auditors also confirmed that proper arrangements to promote and secure value for money were in place but noted the weak level of assurance around commercial income (financial controls) and subcontractors, partnerships and apprenticeships.

Resolved:

The Audit Committee received the Internal Audit 2018/19 annual report.

OUTSTANDING AUDIT RECOMMENDATIONS: PROGRESS REPORT

14. The COO presented the status of actions from the 2017/18 Financial Statements and Regularity Audit and the 2018/19 Internal Audit Assignments, explaining that there were plans to address the high priority recommendations within the revised timescales shown.
15. Noting the feedback received at the last meeting regarding the number of outstanding actions, the COO explained that extensive work had taken place in the interim period to address as many actions as possible.
16. Members noted the progress set out in the report and commended the COO's efforts to finalise the outstanding recommendations.

Resolved:

The Audit Committee noted the Outstanding Audit Recommendations progress report.

INTERNAL AUDIT PLAN 2019/20

17. Stephen Pringle presented the Internal Audit Plan for 2019/20 which had been developed by revisiting the overall 3 year plan and taking into account sector and college focuses and requirements. In addition, the risk register, assurance map and coverage of the key issues identified in 2018/19 had also been considered.
18. It was confirmed that work had already begun on the Financial Governance and Student Recruitment audits and that the budget and financial controls audit had been delayed until January to allow the Finance team time to complete the work required for the External (Financial Statements and Regularity) Audit.
19. The COO reminded that an action from the previous Audit Committee meeting had been to consider a further VFM. It had not been possible to accommodate it in the plan due to the lower priority and level of risk.
20. Members considered whether it was appropriate not to include a Health and Safety audit given the current redevelopment at the Central Campus. They were assured that the building contractor had a rigorous approach to H&S, with significant audit and assurance processes in place, and on that basis it was deemed unnecessary to include this area in the plan. The site was secure, constructors were aware of the environment in which they were working, and specific safeguarding arrangements were in place.
21. The risk around ensuring compliance with the banking covenant was discussed, and the manner in which this could be reviewed as part of the Internal Auditors work. However, the COO confirmed that the External Auditors would consider this as a key part of the going concern review, and that it might already also be considered as part of the internal financial governance audit.

Action:

The Audit Committee recommended approval of the plan to the Board.

AUDIT COMMITTEE SELF-ASSESSMENT ACTION PLAN

22. The Governance Manager presented the item, explaining that the self-assessment was an action which had been picked up following her appointment. The template had been circulated to all members in September and the issues noted had been used to form the 2019/20 action plan.
23. The Committee agreed that an update to the question 3.2 'Does the Audit Committee monitor how the College assesses its risks' should be 'yes', although there was further work to be done and as a result it had been incorporated in the action plan.

24. The Audit Committee also approved the minor changes to the Terms of Reference; these would be approved at the October Board meeting as part of the Board policy framework review.

Resolved:

The Audit Committee approved the self-assessment action plan for 2019/20.

REGULARITY AUDIT SELF-ASSESSMENT QUESTIONNAIRE

25. The self-assessment questionnaire was presented to the Audit Committee who were required to recommend its approval to the Board. The Governance Manager explained that the document was a standard requirement of the external audit and confirmed that no issues of concern were identified.
26. There were some additions to the data provided, these were as follows:
Page 9 Safeguarding assets – a personal injury claim to the value of £8,630
Page 12 Travel and subsistence claims – Exec team: £2,633.50 and Governors: £0
Page 12 Oversees travel would be confirmed but it was expected to be c£10k which related to travel and subsistence claimed in relation to overseas travel in support of the College's international income stream (£926k).

Resolved:

The Audit Committee recommend approval of the 2018/19 regularity audit self-assessment questionnaire to the Board.

BOURNEVILLE COLLEGE: ESFA CHECKLIST

27. The Committee were advised that the checklist provided had been circulated by the ESFA following an investigation undertaken at Bourneville College, which had uncovered issues with governance and financial irregularities. The checklist had been completed by the Governance Manager and COO, and illustrated the key requirements for the Board to discharge in relation to governance and oversight of expenditure.

Resolved:

The Audit Committee Audit Committee noted the ESFA/AoC checklist.

RISK MANAGEMENT UPDATE

28. The COO presented the update on the Risk Management report, which had also been submitted to the September Board meeting. He highlighted the significant financial risks and the potential impact on income for 2020/21. The Chair noted that the high score allocated to the reduced FT student recruitment was intrinsically linked to other financial risks listed.
29. Members queried the risk on staff morale and it was explained that it had been added in response to the results of the recent staff survey. An action plan had been put in place to address the issues, and work had started at department level to look at the feedback in more detail. Independently facilitated sessions with staff were also to be held at each campus, to capture staff views in more detail and consider solutions.

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

CONSENT ITEMS

GOVERNANCE: ANNUAL REPORT ON REGISTER OF INTERESTS, CODE OF CONDUCT AND GIFTS AND HOSPITALITY

32. The report was noted. Action for the Governance Manager to confirm completion of the Senior Staff register.

Action:

Confirm completion of the senior staff register of interests.

ANY OTHER BUSINESS

- 33. The Chair of the Committee asked for an update on progress with the External Audit. The COO confirmed that fieldwork was underway and on schedule for the financial statements to be submitted to the 2 December meeting. He explained that the review of going concern would be reported later in the autumn term, however there was an element of uncertainty associated with the timing of expenditure on the Pelham Redevelopment Project.
- 34. The Chair advised that Rob Lee had sadly taken the decision to step down from the Audit Committee due to work and family commitments. He would remain on the Committee in order to attend the 2 December meeting.
- 35. It was confirmed that that succession planning was already in progress to find a replacement for Rob. Recruitment partners were currently submitting proposals to work with the Board to provide new Non-Executive and Co-opted Board members.

DATE OF NEXT MEETING

- 36. The date of the next meeting was confirmed as Monday 2 December 2019 at the Brighton Central Campus.

The meeting closed at 6.42pm.

Signature of Chair.......... Date..........