

## MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: THURSDAY 16 SEPTEMBER 2021 AT 1600 VIA MICROSOFT TEAMS

Present	In Attendance
John Williams (Chair)	Stephen Pringle (WB)
Azim Kidwai	Mark Day (DCEO)
Ann Kendal	Zohayb Mohammed (DF&P)
Steve Roberts	Sarah Cooper (DPS)
Tiffany Lythgow	Sarah McKenzie (Clerk)
	Allison McEvoy (Assistant Clerk)

The quorum was two committee members

*L/J* Denotes the time any individual left/ re-joined the meeting.

Item		Action/ Report Item
<b>Closed Session</b>		
<b>1.</b>	<b><u>Members to meet with Auditors in the absence of management</u></b>	
1.1	A closed session took place between Audit Committee members and Wylie Bisset (internal audit). Wylie Bisset gave a summary update in terms of the 2020-21 audit work, advising that generally they have been able to procure the required data and have good relationships with the staff that they have liaised with. There had been one audit which took a long time to complete but this had been resolved. There is a monthly catch up with the Clerk which is helpful in keeping both sides well informed about what is coming up. It was noted that if there was anything of a serious nature, it would be brought to the attention of the Audit Chair.	
1.2	At the previous meeting the Committee had been alerted to the fact that the fraud response plan being invoked. Wylie Bisset confirmed that an investigation has been carried out under the direction of the DCEO and in accordance with procedure set out in the Financial Regulations and that a report had been produced.	
1.3	The Chair advised the Committee that he had received a copy of the report and assured members that the investigation had found no evidence of fraud, there were some procedural matters that had not been dealt with properly which were being addressed separately by the Executive Team. It was also noted that had been no liability to the College.	
	<i>J-SR</i>	

Open Session		
<b>2.</b>	<b><u>Introductions, Apologies for Absence and Disclosure of Interest</u></b>	
2.1	Apologies were noted for Richard Lewis of RSM (external audit).	
2.2	John Williams, the new Chair welcomed everybody and introduced himself, providing an overview of his background and experience.	
2.3	John Williams- disclosed an interest in relation to his position on the Askham Bryan College Board, the Committee noted the disclosure but could not foresee any conflicts of interest.	
2.4	It was noted that the meeting was quorate with all 5 members in attendance.	
<b>3.</b>	<b><u>Chair's Actions</u></b>	
3.1	The Clerk noted that Chair's action (by the previous Chair) had taken place in support of reporting to the Chair on actions around the fraud response plan.	
<b>4.</b>	<b><u>Minutes of the meeting held on 25 May 2021</u></b>	
4.1	<b>RESOLVED:</b> That the Minutes of 25 May 2021 were approved as an accurate record and can be signed by the Chair.	
4.2	<b>Q. Was anyone from the Audit Committee involved in the proposed Internal Audit plan discussion?</b>  A. Yes, the Internal Audit Plan came to the Committee and is set out over a 3-year period, the previous Audit Committee Chair was also involved.	
<b>5.</b>	<b><u>Matters Arising</u></b>	
5.1	The Matters Arising Report was reviewed.	
5.2	<b>Q. There is a suggestion that Estates is to be audited again, is there a particular concern here?</b>  A. The potential need was flagged by the external auditor. It was suggested that since the ESFA's interest in capital programmes is heightened at the moment with the launch of the Capital Transformation Fund, it might be prudent to schedule in another audit. It is suggested that Committee reviews the need when the outcome of the Capital Transformation Fund stage 2 bid is known.	<b>Audit Committee</b>

<p>5.3</p> <p>5.4</p>	<p><b>Q. In regard to sourcing appropriate and tailored training for Audit Committee members, is this part of the provision provided to the College by our auditors?</b></p> <p>A. Yes, training is offered as part of the internal audit programme at no extra cost.</p> <p><b>ACTION:</b> To discuss an appropriate audit training plan.</p>	<p><b>Chair/ Clerk/ DCEO</b></p>
<p><b>Internal Audit</b></p>		
<p>6.</p> <p>6.1</p> <p>6.2</p> <p>6.3</p>	<p><b><u>Internal Audit Reports:</u></b></p> <p>Wylie Bisset gave an update on the Internal Audit Reports:</p> <p><b><u>Safeguarding</u></b></p> <ul style="list-style-type: none"> <li>• The Safeguarding report has an overall conclusion of STRONG assurance.</li> <li>• There is one low graded recommendation which has been agreed with College management.</li> <li>• There are 37 areas of good practice.</li> <li>• The College has provided an effective safeguarding service during the period of Covid-19.</li> <li>• The College has a nominated governor with responsibility for Safeguarding and Prevent.</li> <li>• The College keeps up to date with legal requirements and ensure that policies and procedures are revised accordingly in regards to Safeguarding.</li> <li>• Policies and procedures are compliant with Department for Education rules and legislation.</li> <li>• There was a review of the single central record.</li> <li>• Overall it is was a very positive review.</li> </ul> <p><i>J-TL</i></p> <p><b>Q. How do the auditors measure how effective the Safeguarding policies and procedures are on the students?</b></p> <p>A. We would look for evidence that the College has engaged with students and are they inline with best practise. There has been no feedback to suggest there are any issues with Safeguarding. Outside of the audit there is also rigorous scrutiny of the College’s safeguarding arrangements, and a detailed report is provided to the Corporation. The student survey results are also a source of assurance, this is high satisfaction at 96% for ‘students feeling safe in the college’.</p> <p><b>Q. In the report where it mentions staff, does that include governors?</b></p> <p>A. Yes, we look to see that appropriate checks are carried out on governors. We also know that governors receive training on their safeguarding duties.</p>	

6.4	<p><b>Q. Did you look at how the College has managed its safeguarding of students via increased online teaching as a result of Covid?</b></p> <p>A. We looked at what controls had been put in place for Safeguarding in the online environment. We looked at quality controls for online teaching, including that the appropriate people were on those sessions, appropriate use and control of cameras, how messages were being sent and controlled, what recording facilities were being utilised and how screen sharing was controlled.</p>	
6.5	<p>The Committee welcomed the report and the recommendations. The Chair added that it was a great report to read and that covers a crucial area for the College.</p>	
6.6	<p><b><u>Subcontracting Controls 2020-21</u></b></p> <ul style="list-style-type: none"> <li>• The ESFA requires providers to obtain an annual audit if their Adult Education Budget and Apprenticeship funding contracts with subcontractors exceed £100,000 in each academic year.</li> <li>• The College has 8 subcontractor providers, a sample of 4 AEB and 1 Apprenticeship subcontractors for testing purposes.</li> <li>• There are a small number of recommendations for improvement.</li> <li>• It should be noted that 2 of the 4 current year recommendations relate to the 2 outstanding recommendations from the prior year.</li> <li>• A copy of the report will be submitted to the ESFA.</li> </ul>	
6.7	<p><b>Q. Is it the position that the College is coming out of subcontracting altogether in both adult education and apprenticeships?</b></p> <p>A. Yes, the governors endorsed the policy to move away from subcontracting in its entirety.</p>	
6.8	<p><b><u>Follow up review</u></b></p> <ul style="list-style-type: none"> <li>• The Follow up review report has an overall conclusion of STRONG assurance.</li> <li>• From the audit reviews undertaken in 2019-20, there were 42 recommendations to follow up on.</li> <li>• 36 recommendations have been fully implemented.</li> <li>• 3 are partially implemented and 3 are superseded.</li> <li>• Where the College has partially implemented recommendations, these recommendations are in progress or are being considered as part of ongoing business developments. Implementation of recommendations is excellent.</li> </ul> <p>The Chair noted that this was a very good report and congratulated the college and staff involved on the progress made.</p>	

6.9	<b>RECOMMENDATION:</b> That the internal audit reports are shared with the Corporation for information and assurance.	<b>Clerk</b>
7.	<p><b><u>Annual Internal Audit Report</u></b></p> <p>7.1 Wylie Bisset gave an update on the Annual Internal Audit Report, the key points being:</p> <ul style="list-style-type: none"> <li>• Wylie Bisset conduct its activity within the overarching framework of the Chartered Institute of Internal Auditors.</li> <li>• Wylie Bisset are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College’s risk management, control and governance processes.</li> <li>• Wylie Bisset’s opinion is that Bradford College did have adequate and effective risk management, control and governance processes to manage its achievement of the College’s objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money.</li> <li>• During the year, Wylie Bisset undertook an additional investigation into the procurement and authorisation arrangements for a particular contract. The results of that investigation are included within a separate report, and does not impact on our overall opinion for the College.</li> <li>• 55 audit days were planned and 57 days were utilised.</li> <li>• The actual days for the Staff Utilisation review were higher than planned as a result of having to undertake this review over two phases.</li> </ul> <p>As a result of the 2020-21 audits, Wylie Bisset identified 3 high priority recommendations, 9 graded as medium and 10 graded as low. The Chair welcomed the report and noted that it was a good overall report that offered comfort and strength.</p> <p>7.2 <b>Q. Was the HR Follow Up action relating to contracts of employment completed by the implementation date of 31 August 2021?</b></p> <p>A. No, this has been delayed due to Covid restrictions. The work to complete this action commences this month.</p> <p>7.3 The Committee received the Annual Internal Audit Report, to be reflected on in the Audit Committee’s Annual Report to the Corporation.</p>	
8.	<p><b><u>Additional services from Audit service providers</u></b></p> <p>8.1 The DCEO provided a verbal update of the additional services from audit service providers advising that there had been additional costs arising from the investigation carried out by Wylie Bisset referred to at 7 (above). No other</p>	

	additional services had been commissioned from either internal or external audit.	
<b>External Audit</b>		
<b>9.</b>	<b><u>Regularity Self-Assessment Questionnaire</u></b>	
9.1	The DCEO Provided an overview of the Regulatory Self-Assessment Questionnaire.  The Chair added that it was a good detailed report.	
9.2	<b>Q. Is the College part of the West Yorkshire Consortium of Colleges?</b>  A. It was previously, however, a decision was made by the Corporation in May 2021 to withdraw.	
9.3	<b>RECOMMENDATION:</b> That the completed Regularity Self- Assessment Questionnaire be recommended to the Corporation for approval and subsequent signature by the Chair and Accounting Officer.	
<b>Governance and Risk</b>		
<b>10.</b>	<b><u>Value for Money Report</u></b>	
10.1	The DF&P provided an overview of the Value for Money Report, highlighting a number of areas of spend that have benefited from new contracts or controls with the view to achieving value for money.  The report identified a number of areas for 2021-22 where value for money could be further enhanced: <ul style="list-style-type: none"> <li>• Utilities (Gas, Electric and Water)</li> <li>• IT Hardware Costs (replacement of equipment)</li> <li>• Subscriptions’ renewals</li> <li>• Telecommunications</li> <li>• Website maintenance</li> </ul> The DCEO advised that the college has an obligation to the Office for Students to provide assurance on spend and VFM.	
10.2	<b>ACTION:</b> That the report be added to, focusing on VFM for HE.	<b>DCEO/ DFP</b>
10.3	<b>Q. It says we will save 250k for the length of the facilities contract but it doesn’t state how long that contract is.</b>  A. It is a 3- year contract and we will add that in.	
10.4	<b>ACTION:</b> The DFP to add the facilities contract length in to the report.	<b>DCEO/ DFP</b>

10.5	<b>ACTION:</b> Updated VFM Report to be published on the College website.	<b>DCEO/ DFP</b>
<b>11.</b>	<b><u>Report on Whistleblowing, Fraud and Other Irregularities</u></b>	
11.1	The DCEO summarised the Report on Whistleblowing, Fraud and Other Irregularities and advised that there have been no instances of whistleblowing or irregularities to bring to the Committee’s attention for the period May 2021 to August 2021.	
11.2	The report also updated the Committee in respect of a low amount insurance claims. It was noted that there were no discernible trends identified but all cases are reviewed from a probity perspective as a matter of course but that timescales for settlement are of some concern and the college is actively exploring alternative future insurance options with a respected broker.  The Committee noted the report.	
<b>12.</b>	<b><u>Annual Risk Management Report</u></b>	
12.1	The DCEO presented the Annual Risk Management Report. Risk management is well developed within the College and a Governor’s training session covering risk appetite had recently been held.	
12.2	It was noted that there had been some movement in a positive downward direction compared to last year.	
<b>13.</b>	<b><u>Strategic Risk Management</u></b>	
13.1	The committee reviewed the Strategic Risk Register as updated. The DCEO gave a brief overview of Strategic Risk Register advising that there were 3 areas of change and welcomed any comments from the Audit Committee.	
13.2	<b>Q. AEB budget funding is now devolved, how was it last year?</b> A. There is a shortfall, which has been reported to governors and we have made provisions for that in our accounts. We are also making a business case to attempt clawback.	
13.3	<b>Q. When was the last time Critical Incidents were reviewed?</b> A. We will pick this up with the VPD&ER who is the Critical Incident lead and feedback to the committee at the next meeting.	
13.4	<b>ACTION:</b> The DCEO to feedback on the Critical Incident Review at the next Audit Committee meeting.	<b>DCEO</b>
13.5	<b>ACTION:</b> The DCEO to consider adding cyber-attack / IT failure to SR10 -	<b>DCEO</b>

13.6	<p>Failure to prepare for and respond to critical incidents.</p> <p>It was also noted that recruitment and retention of staff may need to become a more focused area of risk.</p>	
<b>Policies</b>		
14.	<b><u>Policies:</u></b>	
14.1	<p><b><u>Policy for the engagement of audit services</u></b></p> <p>The Committee was asked to approve a new policy for the regular retendering of the external and internal audit services in line with the requirements set out in the Post 16 Audit Code of Practice.</p>	
14.2	<p><b>Q. Is it a good idea to have both the internal and external audit tenders in the same year?</b></p> <p>A. Some audit firms like to tender for both internal and external audit services at the same time.</p>	
14.3	<p><b>APPROVED:</b> The Policy for the Engagement of Audit Services is approved.</p> <p>It was noted that the internal audit service was in the final year of the current contract.</p>	
14.5	<p><b>ACTION:</b> In line with the approved policy, the Clerk is asked to commence the procurement exercise for the internal audit service from 2022-23 onwards.</p>	Clerk
14.6	<p><b><u>Anti- Bribery Policy</u></b></p> <p>The Committee reviewed the Anti-Bribery Policy that had been updated to split out the policy from the procedure. The DCEO welcomed any comments or feedback.</p>	
14.7	<p><b>Q. Why is the policy repeated again in the procedure?</b></p> <p>A. We will take the repetition out of the final version.</p>	
14.8	<p><b>ACTION:</b> To remove the repetition from the final version of the Anti- Bribery Policy.</p>	DCEO
14.9	<p><b>RECOMMENDATION:</b> That with the changes identified, the Anti- Bribery Policy be recommended to the Corporation for approval.</p>	
14.10	<p><b><u>Anti- Fraud Policy</u></b></p> <p>The committee reviewed the Anti-Fraud Policy. The Chair advised that he would be happy to be included in the list of contacts to report any concern to.</p>	
14.11	<p><b>ACTION:</b> The Chair to be added to the reporting list of contacts in the policy.</p>	DCEO



14.12	<b>ACTION:</b> The wording ‘depending on the outcome’ to be removed from the Anti- Fraud Policy.	<b>DCEO</b>
14.13	<b>RECOMMENDATION:</b> That with the changes identified, the Anti- Fraud Policy is recommended to the Corporation for approval.	
14.14	<b>Q. How is the College ensuring that staff understand what is expected of them with regards to policies? Is there any innovative practice in this area?</b>  A. As part of the induction process people have to affirm they have seen certain key policies. There is a new staff intranet in place with a key word search for ease of referencing policies. The College has recently launched a new learner manage system which is much more accessible than the previous system. We are also developing a new staff training room and are looking at more innovative ways to deliver the training.	
14.15	<b><u>Whistleblowing Policy</u></b>  <u>The review of the Whistleblowing Policy was deferred to the next meeting of the Committee – 9 December 2021.</u>	<b>DPS</b>
<b>Any other business</b>		
<b>15.</b>	<b><u>Items for report to the Corporation</u></b>	
15.1	<ul style="list-style-type: none"> <li>• Meeting minutes of 16 September 2021</li> <li>• Internal Audit Reports- for information</li> <li>• RSAQ- for approval and signature</li> <li>• Anti- Bribery Policy- for approval</li> <li>• Anti- Fraud Policy- for approval</li> </ul>	
<b>16.</b>	<b><u>Any other business</u></b>	
16.1	The Clerk advised that there was a vacancy for an Audit Committee Vice Chair. Expressions of interest were sought from members; this item will be discussed at the next Audit Committee meeting.	
16.2	<b>ACTION:</b> The Chair requested that opinions regarding future meetings being held on-site or online be recorded by members on their meeting evaluation forms.	<b>Committee Members</b>
16.3	The next Audit Committee meeting will take place on the 9 December 2021.	
16.4	The Chair thanked the Audit Committee for their support during his first meeting as Audit Chair.	
16.5	The Chair closed the meeting at 17.45.	

<b>17.</b>	<b><u>Meeting Evaluation</u></b>	<b>Assistant Clerk</b>
17.1	To be circulated by the Assistant Clerk.	

Approved by the Committee:

J. Williams  
Signed by the Chair

16.12.2021  
Date

### Agreed Actions

#	Minute	Action	Who
1	5.2	It is suggested that Committee reviews the need to schedule in another audit when the outcome of the Capital Transformation Fund stage 2 bid is known.	Audit Committee
2	5.4	To discuss an appropriate audit training plan.	Chair/Clerk/ DCEO
3	6.9	That the internal audit reports are shared with the Corporation for information and assurance.	Clerk
4	10.2	That the report be added to, focusing on VFM for HE.	DCEO/ DFP
5	10.4	The DFP to add the facilities contract length in to the report.	DCEO/ DFP
6	10.5	Updated VFM Report to be published on the College website.	DCEO/ DFP
7	13.4	The DCEO to feedback on the Critical Incident Review at the next Audit Committee meeting.	DCEO
8	13.5	The DCEO to consider adding cyber-attack / IT failure to SR10 - Failure to prepare for and respond to critical incidents.	DCEO
9	14.5	In line with the approved policy, the Clerk is asked to commence the procurement exercise for the internal audit service from 2022-23 onwards.	Clerk
10	14.8	To remove the repetition from the final version of the Anti-Bribery Policy.	DCEO
11	14.11	The Chair to be added to the reporting list of contacts in the policy.	DCEO
12	14.12	The wording 'depending on the outcome' to be removed from the Anti- Fraud Policy.	DCEO

13	14.15	The review of the Whistleblowing Policy was deferred to the next meeting of the Committee – 9 December 2021.	DPS
14	16.2	The Chair requested that opinions regarding future meetings being held on-site or online be recorded by members on their meeting evaluation forms.	Audit Committee