

MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 22 FEBRUARY 2022
IN THE HARRISON CENTRE BOARD ROOM (HC012) AND VIA MICROSOFT TEAMS

PRESENT:

Chris Johnson	Chair
Paul Fleming *	Member
Taiyab Sufi *	Member
John Whittaker	Member

IN ATTENDANCE:

Dr Fazal Dad	Principal and Chief Executive
Jennifer Eastham	Vice Principal: Finance and Corporate Services
Lisa Randall *	Head of Internal Audit, RSM – Internal Auditor
Andrew Mawdsley *	Internal Audit Assistant Manager, RSM - Internal Auditor
Jean Tracy	Clerk to the Corporation

* indicates attendance via Microsoft Teams

The meeting commenced at 17.00 pm.

1. PRESENTATION ON A RISK-THEMED TOPIC – INDIVIDUALISED LEARNER RECORD (ILR) DATA INTEGRITY

The Vice Principal: Finance and Corporate Services gave a presentation on maintaining complete and accurate ilr data. The presentation slides and the ESFA guidance document (updated 12 January 2022) would be uploaded to the Audit Committee members' OneDrive folder.

The presentation covered the oversight expected of governors, the key messages, what colleges needed to do to ensure data integrity and the role of audits. The Head of Internal Audit (RSM) reminded the Audit Committee that internal audits covered different areas of the College's systems in order to provide the necessary assurance to the Committee on those systems and thus on the funding being generated.

In answer to a question from a member of the Committee, the Vice Principal: Finance and Corporate Services provided information on the ways in which the College verified the accuracy of the data being recorded.

2. APOLOGIES FOR ABSENCE

Apologies were received from Haissam Abdolazim and Sharjeel Salahuddin.

3. DECLARATION OF CONFLICTS OF INTEREST

The Chair advised those in attendance that should members of the Audit Committee become aware of any potential conflicts of interest, they should be disclosed at the earliest opportunity during the meeting.

4. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY 23 NOVEMBER 2021

The minutes of the Audit Committee held on Tuesday 23 November 2021 were **AGREED** as a true and accurate record and were duly signed by the Chair.

5. MATTERS ARISING

The Committee noted the update on the actions from previous meetings.

There were no other matters arising.

6. ESFA – THE SCOPE OF WORK OF AUDIT COMMITTEES AND INTERNAL AUDITORS – UPDATED GUIDANCE

The Report analysed the updated recommendations from the ESFA on the scope and work of Audit Committees and Internal Auditors in College Corporations. The position statement against each recommendation and commentary on the one additional action required had been included.

As requested by the Committee at its last meeting, further consideration by the College and RSM had been given to the areas suggested for Internal Audit and it was confirmed that no changes to the Internal Audit Plan were proposed. The Report included information on the ESFA suggested areas for internal coverage not included in the Plan and the explanation/rationale for their exclusion.

7. AUDIT PERFORMANCE INDICATORS 2021/22

The Vice Principal: Finance and Corporate Services presented the update on the Audit Performance Indicators for 2021/22 which assisted the Committee in assessing risk. The Report included information on compliance, financial health, creditor days, debt parameters and loan covenants. It was noted that with the exception of creditor days and debt parameters which were not calculable in-year, and thus were not yet reportable, all Audit Performance Indicators were 'green'.

The Audit Committee noted the performance against the approved Performance Indicators for 2021/22.

The Vice Principal: Finance and Corporate Services also informed the Committee that the year-end budget was on target, it being noted that Policy and Resources Committee monitored progress.

8. INTERNAL AUDIT REPORTS:

(i) KEY FINANCIAL CONTROLS: FINANCE PORTAL SYSTEM IMPLEMENTATION AND EMBEDDEDNESS

The Committee considered the Report which confirmed that the Finance Portal had been embedded in practice and that the College had an established framework in place in relation to the authorising and good receipting of purchases made using the Portal. One low priority management action had been raised as a result of the work undertaken and the auditors concluded that the Corporation Board could take substantial assurance that the controls upon which the organisation relied to manage this risk were suitably designed, consistently applied and effective.

In answer to a question from a member of the Committee, it was confirmed that the frequency of the checks was a College decision.

(ii) ACADEMIC QUALITY GOVERNANCE – HIGHER EDUCATION

The Committee considered the Report on the review of the academic quality assurance arrangements in place relating to the Higher Education (HE) provision at the College.

Two low priority management actions were raised as a result of the work undertaken and the auditors concluded that the Corporation Board could take substantial assurance that the controls upon which the organisation relied to manage this risk were suitably designed, consistently applied and operating effectively.

17:30pm Paul Fleming joined the meeting.

(iii) STUDENT ATTENDANCE MONITORING AND ENGAGEMENT

The Committee considered the Report on the review of the processes and controls in place at the College in regard to the inputting, monitoring and reporting of student attendance across both the Further Education (FE) and Higher Education (HE) provision.

One medium priority management action was raised as a result of the work undertaken and the auditors concluded that the Corporation Board could take substantial assurance that the controls upon which the organisation relied to manage the identified area were suitably designed, consistently applied and operating effectively.

A discussion took place on the marking of registers and the time allowed for staff to do so. The Committee was informed of the actions which are triggered when students are not marked as present and the College agreed that there was work to do to improve the time being taken to mark registers. The Committee noted the discussions which took place at the weekly College Leadership Team meetings and the use of the Information Dashboard. Committee members were reminded by the Clerk that information on attendance was also available to them via the Governors' Portal, though not to individual student level.

(iv) PROGRESS REPORT

The Committee received the Report which provided a summary update on progress against the Internal Audit Plan for 2021/22.

The paper also included information on risk management deep dives, including the key considerations, the purpose and preparation, understanding of the risk, effectiveness of current controls and planned actions, and on the assurance provided.

9. RISK MANAGEMENT – RISK REGISTER

The Committee considered the Report which provided an update on the issues that were included in the College Risk Register. The Report also included information on the three risk which were currently rated as red, the five risk ratings which had reduced and the three risks which it was proposed would be removed as they were no longer considered to be high risk. The Committee noted the commentary provided against each risk.

Having considered the Report, Audit Committee agreed the risk register.

10. ANNUAL REPORT ON THE OPERATION ARRANGEMENTS RELATING TO THE SPORTS FACILITY

The Report provided an overview of the effectiveness of the partnership and operation arrangements for the joint Sports Centre. It was noted that there was no potential conflict of interest for Paul Fleming, who worked for Blackburn with Darwen Council, and thus no requirement for him to leave the meeting.

Key points in the Report included an update on the pay and display charges in the evenings and weekends, confirmation that all defects work had now been completed and the installation of solar panels which were generating electricity and thus offsetting what would have been increased electricity charges. It was noted that there had been no changes to the Terms of Reference for the steering group since they were last presented.

The Audit Committee noted the content within the Report.

11. INTERNAL AUDIT – ACTION POINT STATUS (PROGRESS TOWARDS COMPLETION OF RECOMMENDATIONS)

A Report providing an update of progress towards the completion of recommendations following the Internal Audits which had been undertaken, was received by the Committee. At the time of writing, two actions were ongoing outside the recommended timeframe, the Committee noting the reasons for the delay and the activities being taken to ensure completion. Members noted the information provided on each recommendation, agreed management action and update.

A member of the Committee offered to help regarding implementation issues of an HR system and a discussion took place on the when the system would go live and on its functionality.

The Audit Committee acknowledged the update provided.

12. AUDIT SCHEDULE 2021/22

The Audit Committee received, for information, details of the Internal and External Audit Schedule for the 2021/22 academic year.

13. DATA RETURNS MONITORING REPORT 2021/22

The Audit Committee received a Report, for information, that confirmed the College was compliant with regard to Data/Funding returns for the academic year 2021/22.

14. ANY OTHER BUSINESS

There were no items discussed under Any Other Business.

15. REVIEW OF MEETING

The Chair thanked everyone for their attendance and contribution.

16. DATE AND TIME OF NEXT AUDIT COMMITTEE MEETING

Tuesday 7 June 2022 at 5.00pm.

Signed:

Date: