

MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 23 FEBRUARY 2021 VIA MICROSOFT TEAMS

PRESENT:

Chris Johnson	Chair
Louise Mattinson	Member
John Whittaker	Member

IN ATTENDANCE:

Dr Fazal Dad	Principal and Chief Executive
Jennifer Eastham	Vice Principal: Finance and Corporate Services
Helen Knowles	Audit Director, BDO – External Auditor
Lisa Randall	Head of Internal Audit, RSM Internal Auditor
Andrew Mawdsley	Internal Audit Assistant Manager, RSM Internal Auditor
Kelly Wright	Head of IT/MIS
Jean Tracy	Clerk to the Corporation

The meeting commenced at 17.00pm.

The Chair welcomed members to the meeting.

1. PRESENTATION ON A RISK-THEMED TOPIC – CYBER SECURITY

Kelly Wright was welcomed to the meeting.

The presentation¹ covered cyber security at Blackburn College and included information on the cyber security work already completed which included an internal College audit and the introduction of a cyber security training package. The key ongoing priorities for the College were also covered, the Committee noting that the College had achieved 'cyber security essentials' accreditation and was working towards 'cyber security essentials plus' and then ISO27001.

In answer to a question from a Committee member, it was confirmed that phishing attacks testing was being monitored and reviewed.

Kelly Wright was thanked for her presentation and then left the meeting.

2. APOLOGIES FOR ABSENCE

Apologies were received from Brooklyn Spiers. Apologies were also received from Kashif Azeem (RSM) and Sam Hughes (BDO).

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.

¹ Presentation slides uploaded to OneDrive folders

Louise Mattinson's role as Director of Finance and Customer Services at Blackburn with Darwen Borough Council was noted – Agenda Item 10. No other declarations were received.

4. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY 17 NOVEMBER 2020

The minutes of the Audit Committee held on Tuesday 17 November 2020 were **AGREED** as a true and accurate record and would be duly signed by the Chair².

5. MATTERS ARISING

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

There were no other matters arising.

6. AUDIT PERFORMANCE INDICATORS 2020/21 UPDATE

The Vice Principal: Finance and Corporate Services presented an update on the Audit Performance Indicators for 2020/21 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 the debt parameters, which could only be measured on an annual basis and was thus not yet reportable, all were 'green'.

The Audit Committee noted the performance against the approved Performance Indicators for 2020/21.

7. INTERNAL AUDIT REPORTS:

(i) STUDENT TARGET SETTING AND TRACKING (PROMONITOR)

The Head of Internal Audit commented that it was rare that high priority recommendations were raised for the College and that whilst one such recommendation had been made, it did not materially impact on the overall report.

The Internal Audit Assistant Manager presented the report which covered the review of the processes used by the College for the recording and monitoring of student information held on the ProMonitor system. The Internal Audit confirmed that established processes were in place for training staff on the use of ProMonitor and for monitoring quality and compliances. However, whilst acknowledging the impact of the Covid-19 pandemic, the audit identified a significant number of exceptions regarding the completion of certain key fields on the system by staff and an issue regarding the way in which students considered to be 'at risk' of withdrawing from their course were highlighted and reported. A total of three management actions been raised – one each of 'high', 'medium' and 'low'.

Taking account of the issues identified, the audit opinion was that the Board could take 'reasonable assurance' that the controls in place to management the risk were suitably designed and consistently applied.

A Committee member commented that a number of internal audit reports revolved around missing or incomplete data and asked whether changes to the system could be made to make the completion of certain fields mandatory. The Vice Principal: Finance and Corporate Services would look into the issue of mandatory fields.

Action: Vice Principal: Finance and Corporate Services

² Teams meeting as Covid-19

Post meeting update: The Assistant Principal: Student Support and Engagement had confirmed that there was a plan to look at the completion fields in ProMonitor to see if it was possible to make them mandatory. It had also been agreed that the reporting and monitoring needed to improve to highlight where there were gaps in the data. Discussions had taken place as part of themed College Leadership Team (CLT) meetings and the issues were also included in the Quality Summit reports/ meetings.

The need for further staff training was also raised and what checks were being undertaken to ascertain whether the issues related to the need for continuing staff training or performance management. The Internal Audit Manager informed the Committee that the sample had been wide and thus showed a true reflection of the current situation.

(ii) PROGRESS REPORT

The Report provided a summary update on progress against the Internal Audit Plan for 2020/21 and summarised the results of the work undertaken by RSM. It was noted that the internal audit of Human Resources: Performance Management had been delayed at the College's request because of the availability of staff during the Covid-19 pandemic but was now scheduled to take place week commencing 22 March 2021.

8. 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 current time, four Internal Audit assignments had been completed, two of which were during the week commencing 8 February 2021.

Members noted the Information provided on the four actions which were ongoing, outstanding or amended.

The Vice Principal: Finance and Corporate Services, in answer to a question from a Committee member, confirmed that the College new HR system would be in place by July 2021. It was also confirmed that the College would look to purchase a bolt-on pay roll module at a future date.

The Audit Committee acknowledged the update 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 continued impact of Coronavirus across the College, College finances, Government funding, recruitment, retention, quality, student results, staff morale and well-being was noted. As mentioned at previous meetings, the risk due to the Structure and Prospects Appraisal that had been undertaken to determine the future of St Mary's College had now significantly decreased as the College's application had not been successful and therefore the merger would not take place. The risk was still included in the Register as the College would monitor the impact on enrolment of the closure of St Mary's College.

The College confirmed that the College had continued to operate during the '2nd' lockdown and thus the wording on the number of lockdowns in relation to credit notes was correct.

The 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. Key points in the Report covered the introduction of pay and display charges in the evenings and weekends and the discussions on the impact on gym membership. Information on the maintenance and repair review was also provided. 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. RSM REPORT – DETERMINING YOUR RISK APPETITE

The Head of Internal Audit (RSM) presented the paper which provided a summary of alternative approaches to appetite, tolerance, etc. and on how the College might review and monitor risk appetite.

The Principal and Chief Executive commented that the recent FE White Paper - Skills for Jobs: Lifelong Learning for Opportunity and Growth included proposals to ensure that the governance of colleges was robust. It made reference to governors' skills set, and decision making to ensure that colleges were financially and academically robust. In answer the question as to how this would fit in with the RSM paper, the Head of Internal Audit commented on how risks were considered, what was the evidence base, etc. used to triangulate the assumptions being made, and on how the Board held management to account in order that the Board obtained assurance to support the statements being made by the College and to be able to accept that the College had done all it could to mitigate the risks.

12. AUDIT SCHEDULE 2020/21

The Audit Committee received, for information, details of the Internal and External Audit Schedule for the 2020/21 academic year.

13. DATA RETURNS MONITORING REPORT 2020/21

The Audit Committee received a Report, for information, that confirmed the College was compliant with regard to Data/Funding returns for the academic year 2020/21.

14. ANY OTHER BUSINESS

It was noted that this would be the last meeting for Louise Mattinson as she was taking up a role with another local authority and had thus tendered her resignation as a co-opted member of the Audit Committee. The Committee wished her well for the future.

There were no other 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 8 June 2021 at 5.00pm.

Signed:

Date: