Minutes of the Audit Committee meeting

held on Tuesday 28th November 2023 at 8.00 am By Microsoft Teams

Birmingham Metropolitan College

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| **Present** | **Apologies** |
| Helen Miles {HM) |  |
| Alaric Rae (AR) |  |
| Sharon Isaacs (SI) |  |
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| Pat Carvalho (PC) | Sir Dexter Hutt (DH) |
| Stephen Belling (SB) |  |
| Simon Eaton (SE) |  |
| Fiona Yardley (FY) |  |
| Andrew Crowter (AC)) Agenda Item 2 |  |
| Asam Hussain (RSM) |  |
| Stuart McKay (MHA) |  |

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| **Ref** | **Agenda Item** |
|  | **Apologies** |
|  | HM noted that due to increased work commitments Julie Willis had resigned as a BMet Governor. |
|  | **No Declarations of Interest** |
|  | No declarations were received in addition to those recorded in the Register of Interests. |
| 1 (i) | **Minutes of Audit Committee 30th March 2023** |
|  | Subject to one typographical error the minutes of the meeting held on 30th June 2023 were accepted as a true and accurate record of the meeting.  IT **WAS RESOLVED THAT:**  **AC23/24: 01**  **Subject to the one typographical amendment the minutes of the meeting held on 30th June 2023 be approved.** |
| l(ii) | **Action Log** |
|  | Progress in relation to each action point was noted.  **IT WAS RESOLVED THAT AC23/24:02**  **The** IT **and Cyber Security Deep Dive be further postponed to March 2024.** |
| 2 | **Annual Health and Safety Report** |
|  | AC presented the Annual Health and Safety report in the committee pack and emphasised the following:   * Health and Safety policies and procedures had been reviewed during the year. * A new Crises Management Plan had been formed drawing on advice and guidance produced by the Department for Education. * New Policies had been produced concerning Assistance Dogs and the Administration of Medication. * The current Health and Safety Policy would be submitted to Corporation for its consideration and if appropriate, approval to comply with internal audit recommendations. |

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|  | * The College's Health and Safety committee continues to be well attended including representation from Vice Principals and the Unions. * BMet's membership of the JISC Health and Safety group   **Governors' Questions and Observations**  1. Covid had a distortive effect on the comparisons made in relation to health and safety incidents but there does not appear to have been an exponential increase in incidents reported (HM)  **IT WAS RESOLVED THAT AC23/24: 03**  **The content of the Annual Health and Safety Report be noted.** |
| **3** | **Annual Insurance Report** |
|  | FY presented the Annual Insurance Report in the Committee Pack and emphasised the following: -   * Savings amounting to £2k had been made. * Three claims to a value of £41K are in progress. * The need for terrorism cover at the Erdington Skills Centre at a value of £1.5 k is being discussed with the ESFA.   **Governors' Questions and Observations**  1. It was noted that Governor's queries raised regarding insurance requirements last year had been addressed in the Annual Insurance Report (HM).  **IT WAS RESOLVED THAT AC23/24: 04**  **The content of the Annual Insurance Report be noted.** |
| **4** | **Contract Compliance Report** |
|  | SB introduced the Contract Compliance Report provided with the Committee Pack and drew Governor's attention to the key issues identified during the recent round of compliance testing and actions being taken to address them.  SB advised that a review of the subcontract regarding support with the College's rail provision was being undertaken and that action may be required to put in place alternative arrangements with the approval of the West Midlands Combined Authority and Corporation.  **Governors' Observations and Questions**   1. The need for a new safeguarding risk assessment to be produced by BCU was noted (HM) 2. It would be helpful to meet with staff undertaking risk assessments to review the how assessments are made and how a distinction is made between a risk and threat.   **IT WAS RESOLVED THAT:**  **AC23/24:0S**  **The content of the Contract Compliance Report be noted.** |
| **5** | **Internal Audit reports** |
|  | AH introduced the internal audit reports provided in the Committee pack and advised: |

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| **Ref** | **Agenda Item** |
|  | ***Regarding the West Midlands Combined Authority (WMCA} Subcontract Audit:***   * The report should be received as a positive report. * Testing had been undertaken in accordance with last year's WMCA assessment framework. * A certificate of assurance regarding systems and controls had been issued. * Four actions were recommended and all have been implemented.   + Enhancement of the Supply Chain Policy to advise potential tenderers of due diligence requirements.   + Updating procedures when credit safe reports return no data.   + Signing prior to start of service (which is noted to be an issue found by the auditors across all subcontracting reviews).   + Confirmation re template declaration requirements of the WMCA.   Regarding the Education and Skills Funding Agency (ESFA) Subcontracting Standards Assurance Framework audit:   * A review had been undertaken in accordance with new standards established to ensure sufficient oversight of public funds. * The review had covered AEB and Apprenticeship funding streams and involved providing a RAG rating in respect of 91 Assurance standards. * Most assurances were classified as green. * Six housekeeping actions were recommended:   + Reviewing the costing template used by the college to ensure triangulation between subcontractor provision, college provision, and the college's management fee.   + Documenting how the college undertakes an evaluation of the cost of contract management and determines it is justified and proportionate.   Ensuring:   * + That all subcontract payments are made within the defined payment periods and ensuring adequate explanation for any late payments is documented.   + Contract management costs are factored into budget planning.   + Benchmarking exercises are documented.   **Governors' Observations and Questions**   1. ***How are management costs assessed? (HM}***   FY advised that the finance team and Contract manager assess them at the start of the academic year once the exact number of learners has been established.   1. ***Is an interim review of management costs be done? {HM}***   AH advised that current practice was sufficient and no interim review was required.   1. ***How is benchmarking undertaken? {HM}***   SB advised that this is done through the procurement process when a subcontractor is appointed and then as part of the business planning process undertaken each year.  **IT WAS RESOLVED THAT:**  **AC23/24: 06**  **RSM subcontracting audits for the ESFA and WMCA be noted and approved.** |

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| **Ref** | **Agenda Item** |
| **6** | **Risk Register Update** |
|  | SE advised presented the Risk Register Update report in the Committee Pack and emphasised the following : -   * Department risk review meetings had been interrupted by the Ofsted inspection but have now been   completed and the register has been updated.   * Additional capital has been incorporated into the budget to address risk relating to IT and related infrastructure. * Reference to Infrastructure and FETC project has been updated to reflect progress made with the project i.e., moving from establishing the project to ongoing monitoring alongside additional   projects.   * Emerging risks were also considered, the outcome of which was that no new issues were to be added to the register.   **Governors' Observations and Questions**   1. The Risk register now reflects what Governor aspirations and is a now a document Governors can rely on to see where the risks are and what actions are being taken. The work undertaken by staff is appreciated and to be noted. (HM) 2. ***How do we process the annual evaluation of the Estate? (AR)***   FY advised that a review would be taken to see what was suggested after completion of the last condition surveys, that it was known the Department for Education planned to undertake more surveys in 2024 and that a plan was best deferred until completion of the Further Education Transformation Fund Capital Works Programmes .  **IT WAS RESOLVED THAT:**  **AC23/24: 08**  **The Risk Register Update report be noted and approved.** |
|  | **Any other Business** |
|  | There being no other business, the meeting concluded at 11.00 am. |

