Minutes of the Audit Committee meeting

held on Friday 21st June 2024 at 8.00 am
By Microsoft Teams

Birmingham Metropolitan College

Present	Apologies
Helen Miles (HM)	Sharon Isaacs (SI)
Alaric Rae (AR)	
Lorain Morrison (LM)	
In attendance	
Sir Dexter Hutt (DH)	Pat Carvalho (PC)
Stephen Belling (SB)	
Fiona Yardley (FY)	
Anna Jackson (AJ)	
Andrew Crowter (AC) (Agenda Item 2)	
Dan Mooney (DM) (Agenda Item 11)	
Louise Tweedie (LT) RSM	
Stuart McKay (SM) MHA	

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	Apologies
	Apologies were received from SI and PC.
	Declarations of Interest.
	No declarations were received in addition to those recorded in the Register of Interests.
1 (i)	**Minutes of Audit Committee.**
	The minutes of the meeting held on 15th March 2024 were reviewed. **IT WAS RESOLVED THAT:** **AC 23/24:19** **Subject to one typographical error the minutes of the meeting held on 15th March 2024 be approved.**
1(ii)	**Action Log.**
	It was noted that all points on the Action Log had been progressed and that there were no matters arising.
2 (i)	**Spring Term Health and Safety Report .**
	AC presented the Health and Safety report in the committee pack and emphasised the following: • The Health and Safety policy was reviewed as part of the annual review process. • Risk assessments are ongoing and continue to be monitored on a regular basis – formal assessments had been complemented by informal assessments. • 4 new members of staff had been trained in emergency first aid work. • No planned evacuations had taken place during the spring term – they are usually held in the autumn and summer terms. • Unplanned evacuations had occurred during the building works and had been executed well. • The Health and Safety Manger had completed a course enabling internal training to be provided. • I – audit , a software package used in engineering has been deployed and is being used effectively.

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	• The Health and Safety committee continues to meet, is fully attended and includes union representatives. • Incident reporting continues to occur and is monitored appropriately. • No Riddor Incidents have occurred. • The Health and Safety Officer has also taken part in first aid training to provide support for infants. **Governors' Questions and Observations** 1. *Do "Near Miss" indicate any trends ? (LM)* AC advised: • An awareness raising exercise had been undertaken and the reporting process had been simplified. • There was a relatively low number of reports. • He was not aware of any trends but would undertake a review. 2. *Is there any training available for students interested in providing First aid? (HM)* AC advised he had not been aware of any student interest in training . A Ja advised that this could be explored as part of the student enrichment offer. **IT WAS RESOLVED THAT** **AC 23/24: 20** **The content of the Summer Health and Safety Report be noted.**
3	**Crises Management Update.**
	AC introduced the Crises Management Update Report provided in the Committee pack and advised: • Forms had been developed to ensure information obtained during crises management practice exercises was captured effectively. • The strategy and processes had been tested on a college trip to Washington and proved to work well. **IT WAS RESOLVED THAT** **AC 23/24: 21** **The content of the Crises Management Update be noted.**
4	**Contract Compliance Report.**
	SB introduced the Contract Compliance Report proved with the Committee Pack and noted the key issues identified during the recent round of compliance testing and actions being taken to address them. **AC 23/24: 22** **The content of the Contract Compliance Report be noted.**
5	**Internal Audit Reports.**
	LT introduced the internal audit reports provided in the Committee pack and made the following key points:

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	In respect of Overall progress Report:
	
	• The Follow Up Audit commenced on 10 June and will form part of the Annual Report provided to Committee in the Autumn term.
	
	In respect of the Curriculum Report
	
	• A positive level of assurance was being provided: the required systems are in place and are working in practice.
	• One Medium action related to how the utilisation is measured on a consistent basis to ensure alignment can be tracked more effectively.
	
	In respect of Student Early Journey
	
	• The audit outcome was very positive outcome.
	• Everything that should be in place was.
	
	In respect of Financial Controls
	
	• Audits consider different control systems on a cyclical basis and are particularly important because of the risk of fraudulent activity.
	• Phone number verification is a very important practice to maintain.
	• The Audit outcome was very positive.
	
	In respect of Learner Numbers systems
	
	• Audits consider different control systems on a cyclical basis.
	• Audit outcome very positive compared to others in the sector.
	• One action recommended.
	
	In respect of the 2024- 2025 Internal Audit Plan
	
	• The HR audit would focus on training and development because of challenges face by the Further Education Sector in relation to recruitment and retention .
	
	• The GDPR audit will focus on:-
	   o arrangements put in place with 3rd parties;
	   o How IT related controls are managed;
	   o Storage and retention – electronic and paper (and micro fiche);
	   o How consent is managed – e.g. how student pictures are used for marketing purposes; and
	   o The logging and managing of data breaches.
	
	• Risk Management will focus on how staff involved across the college are involved with the process to get the best management of risk.
	• The plan is within the context of a three-year plan which takes account of historic assurances and can be amended during the year if considered helpful.
	
	Governors' Observations and Questions
	
	1. It is important to ensure the work of the teams involved in the Early student journey audit is recognised as it is essential to ensure student retention, growth, development and effective response to competition (AR)

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	2. The tightening of practices referred to in the Financial Control Audit were noted (HM) HM conveyed thanks to the RSM team for their work. **IT WAS RESOLVED THAT:** **AC 23/24: 23** **The content of the internal audit reports relating to Progress, Curriculum and Quality Assurance Systems, Student Early Journey, Financial Controls, Learner Records and the 2024-2 Internal audit plan be noted .**
6	**External Audit Plan.**
	SM introduced the External Audit report in the Committee pack and emphasised the following points: - The reference to 2% of income is in line with plans for most colleges (previously the reference was to 1.5 %) - The performance percentage decreases is because of the auditor's increased knowledge of the college. - The audit is scheduled to conclude on 2 December 2024 with interim audits in July, August and the major work being done in October. - The Teachers Penson work will be undertaken by a separate team but no additional safeguards need to be put in place. - A review of Key Audit Risks and has resulted in an increased focus on capital activity across the sector. - The FE Handbook effectively brings all of the relevant reference points into one place. - No significant concerns have been raised in advance of the audit and MHA will take account of general sector risks. **Governors Questions and Observations** 1. Are draft materiality statements acceptable? (HM) FY advised that draft materiality statements were acceptable. **IT WAS RESOLVED THAT:** **AC 23/24: 24** **The proposed external audit plan be commended to Corporation for approval.**
7	**Risk Register and Assurance Map.**
	FY presented the Risk Management Update report and emphasised the following: - - The risk register had been reviewed with all risk owners and updated accordingly. - Timetabling had been added as a risk to be covered because it relates to developing effective utilisation rates and attendance. - Cyber Security continues to be regarded as the highest risk facing the college. Training against phishing attacks has been very effective and targeted work is being done with repeat offenders. - The college is alive to the need for monitoring the possible impact of curriculum reforms after the General election. - A contingency plan needs to be put in place to deal with any shortfall in achieving the increased HE target. - The business development team is working to ensure the Local Strategic Improvement Plan matches the priorities identified by the Local Strategic Partners.

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	• Crypto cloud is being used to give the college 24-hour monitoring of its IT systems. • The increased IT budget is deemed to be an appropriate response to cyber threat. **Governors' Questions and Observations.** 1. *Is the 7 % pay savings as a result of staff turnover (AR)* FY confirmed that it was. 2. It is good to see the progress made in relation to cyber security (HM) 3. *Does the timetabling process allow for sufficient flexibility? (AR)* A Ja advised that the model being used is the one used for organising A levels. It has the capacity to be flexible where needed and systems are in place or time tables to be approved which should optimise effectiveness. **IT WAS RESOLVED THAT:** **AC 23/24:25** **The content of the Risk Register Report be noted.**
8	**Risk Management Policy.**
	FY presented the proposed new Risk Management Policy produced in collaboration with BDO who supported the college with the development of its new Risk manage framework. **IT WAS RESOLVED** **AC 23/24:26** **The Risk Management Policy be commended to Corporation for approval.**
9	**Anti-Fraud Controls Report.**
	FY presented the Annual Review of the Operation of Anti-Fraud controls and advised that there had been no instances of Fraud and theft to report. The committee noted the importance of remaining vigilant to the risks of cyber related fraud. **IT WAS RESOLVED** **AC 23/24:7** **The content of the Annual Review of the Operation of Anti-Fraud controls be noted.**
10	**Annual Whistleblowing Report.**
	SB presented the Annual Whistle Blowing Report in the Committee pack and the one incidence of whistle blowing. **Governors' Questions and Observations.** 1. It is important that if an anonymous report is made within a department, the whole department is made aware of how a report has been received and processed. 2. It would be helpful if the recruitment process be considered in the HR internal audit programmed for the new academic year. (AR) **IT WAS RESOLVED** **AC 23/24:28** **The content of the Annual Whistle Blowing Report be noted.**

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11	**Learner Records Audit Follow Up.**
	DM provided an update report referring to actions taken in response to the internal Learner Record Audit. LT advised it was good to that progress was being tracked and that issues arising were also being noted and added to the progress log.
12	**Terms of Reference & Committee Review.**
	SB introduced the proposed amendments to the Terms of Reference to take account of audit recommendations regarding the role of Committee in relation to the risk management function. SB also referred to the Governance self-assessment survey which was to be completed as part of the 2023-2024 review. **IT WAS RESOLVED** **AC 23/24:29** **The proposed amendments to the Committees Terms of Reference be commended to Corporation for approval.**
13	**Any other Business.**
	Committee noted the receipt and content of the MHA digest provided by SM. There being no other business, the meeting concluded at 11.00 am

Signed: H.Miles

Date: 24.1.25