



# MINUTES



## 1.4 Declarations of Interest

The Chair reminded everyone present to declare any interests that they may have on matters to be discussed. Standing declarations were noted particularly in relation to the University of Bolton reciprocal governance arrangements and also paid positions.

There were no declarations of interest.

## 1.5 Request for an item to be unstarred

No requests were made.

## 1.6 Minutes of the previous meeting held on 11<sup>th</sup> June 2020

The minutes of the meeting held 11 June 2020 had been previously circulated to members for consideration.

**Agreed:** that the minutes are approved as a correct record and authorised for publication.

## 1.7 Matters arising from the previous minutes

The Clerk presented the action progress log and the following points were noted:

Any ongoing actions related to business continuity and pursuing Group contingency plans with the University.

All other items from the previous meeting had been actioned.

## 2. SECTION B - COLLEGE MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE

### 2.1 Internal Audit Reports

#### (i) OfS Ongoing Conditions of Registration Compliance

PwC presented the report and the following points were noted:

The College's processes to ensure compliance with the OfS had also been reviewed at other colleges and the University.

The review looked in detail at three conditions. The successful outcome of students (condition B3), financial sustainability (condition D1) and co-operation with electoral registration of students (condition E5)

The College was ahead of other colleges in its compliance with robust processes in place that were well structured and defined.

The outcome of the review was very good with four findings raised. One medium finding related to non-prescribed HE provision that was within OfS scope. The College would report the non-prescribed HE provision and ensure that it was integrated into the

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prescribed HE process. The three minor findings were raised to give extra depth. Reports on HE would cross reference to the OfS ongoing conditions of registration to ensure that there was oversight and evidence of compliance.

The College had 114 HE learners and 6,000 adult learners, it was important that the work undertaken was proportionate to the number of HE learners.

The College had created parallel processes to that at the University showing further benefit of the merger.

## **Governor Questions:**

Was a self-evaluation document the same as a SAR?

The self-evaluation and SAR were similar, self-evaluation was the terminology used for HE. It was how provision at Level 4 and above was measured and evaluated in terms of data, student feedback, success rates and employability.

The Committee noted that it was encouraging to see that the College compared favourably in comparison to other colleges.

## **RESOLVED:**

The Committee noted the progress made against the plan.

**(Karen Westsmith left the meeting at 5.20pm)**

## **2.2 Outstanding Audit Recommendations: Monitoring Schedule**

The Executive Finance Director presented the outstanding audit recommendations monitoring schedule. All outstanding recommendations were completed except for cash control.

## **Governor Questions:**

What materiality and level of financial risk was there related to cash control?

The College operated a shop, restaurant and there was petty cash associated with community learning. There were not a lot of cash

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The plan was presented to the Committee in June 2020 and was now finalised with progress made accordingly.

The plan had rolled forward the capacity review to include cyber security.

The return to the workplace review draft report had been issued to the College with the final report to be presented at the next Committee meeting.

PwC were currently undertaking the public interest governance review with good progress made against the 2020-21 plan.

The Principal reported that the College would have an ESFA audit to be completed by KPMG that would include the adult education budget. The audit was raised at the AoC Principals meeting as the audit of the adult education budget was devolved to the GMCA.

The following observations were made:

The ILR for devolved authorities was managed by the ESFA data portal.

The College had circa. £40k of the national allocation.

ESFA had increased its interest in cybersecurity and ensuring appropriate safeguards were in place. Following reports of targeted attacks on educational institutions, the College had taken out cyberattack insurance as part of the Group.

## **RESOLVED:**

The Committee reviewed and noted the 2020-21 internal audit plan.

## **2.5 Financial Statements 2019-20 and Regularity Audit**

### **(i) Financial Statements 2019-20**

The Executive Director of Finance and external auditors presented the statements and the following points were highlighted to the Committee:

The financial statements for the year 2019-20 had been audited by the Group external auditors, Azets.

There were no major concerns and an unqualified audit opinion had been issued in respect of the accounts for the financial year ending 31 July 2020.

COVID-19 did not have the anticipated impact on income with an operating surplus of £179k.

The bank had flexed the covenants but there was still significant loss related to the pension scheme.

The depreciation figure had increased – aligning the accounting policy with the University. The financial statements would be submitted to the Board for approval prior to submission to the ESFA by 31<sup>st</sup> December 2020.

The Committee reviewed the financial statements and commented that Note 18 was referenced but omitted and required amendment.

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**RESOLVED:**

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learning placed online this week. English and maths tutorials were highlighted as a risk area and were also to be placed online after half-term.

## **RESOLVED:**

The Committee agreed that the report be submitted to the Board for consideration.

## **ACTION:**

Clerk / Board Agenda

## **2.8 Risk Management / Risk Register**

Tim Openshaw presented the report and the following points were highlighted:

There had been an anticipated increase in score in one of the risk areas that related to the COVID-19 environment and was represented in the summary chart.

A review of the register and mitigation of the risks were live issues.

The Committee felt assured that the risk register was a live document and adjusted accordingly to matters for consideration.

## **RESOLVED:**

The Committee noted the update to the Risk Management / Risk Register.

## **2.9 ESFA Audit Code of Practice 2019-20**

The following update was provided by the Clerk:

The report provided an update of the changes to the ESFA Post-16 Audit Code of Practice that was published in July 2020.

A schedule of the updates was provided and the extent to which the College was compliant with those changes, as applicable.

The College acknowledged and was cognizant of the Code's requirements that included the enhanced clarification provided by it.

## **RESOLVED:**

The Committee reviewed and noted the Audit Code of Practice 2019-20.

## **2.10\* Audit Committee Terms of Reference**

The Clerk advised that the terms of reference were recommended for review every three years and had been updated to ensure that they were consistent(a)e consistent(a)e consistent(4)8( )-16

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## **RESOLVED:**

The Committee noted the updated terms of reference and were recommended for approval by the Board.

## **ACTION:**

Clerk / Board Agenda

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