

**Minutes of the  
Audit Committee held online on  
Monday, 19<sup>th</sup> June 2023, 4:00 pm – 6:00 pm  
Online Teams meeting**

**Present:** Dennis Buckley  
Luke Ferebee (Chair)  
Matthew Glass  
Faheem Mir

**In attendance:** Pat Jones (Deputy CEO Finance)  
Saeed Keynejad (Director of College Information Services)  
Stephen Walker (The Deputy Director, Finance Controls)  
Rachel Nicol (Group Director of Governance)  
Trevor Fernandez (Head of Finance and Estates (CBC))  
Shachi Blakemore (Buzzacott Auditors (CBC))  
Kunal Mistry (Buzzacott Auditors (CBC))  
Natasha Stringer (Minutes)

**AC/26/23 Apologies for absence and Declarations of interest**

Apologies for absence were received from Raj Randhawa.

There were no declarations of interest relevant to the matters on the agenda.

**AC/27/23 Matters arising not covered elsewhere on the agenda**

The Group Director of Governance shared with the Committee a letter from the Office for Students (OfS) regarding the reconciliation exercise since the Central Bedfordshire College (CBC) merger.

The Committee discussed the potential risks, the potential open nature of the obligations and possible future discussions on monitoring and covering the risks and funding assurances going forward.

***The Deputy CEO Finance will draft an item for the Audit Committee.***

**The Committee noted the letter**

**AC/28/23 CBC Financial Statements**

The Head of Finance and Estates (CBC) provided an overview of the financial statements for the seven months leading up to February 28, 2023. The accounts were audited by Board-appointed Financial Statement Auditors, Buzzacott, which included a detailed run-through of income and expenditure and the balance sheet position.

The Committee sought clarification on senior personnel's roles and sign-off requirements, recognising the need for further explanation. The financial statement auditor from Buzzacott confirmed that the latest version sent had an updated narrative. ***It was agreed this would be updated in the board pack following the meeting.***

***The Committee agreed that it would be beneficial to have a summary explanation of the key expectations of the position at merger and the position now and requested that this be prepared for the Board meeting on 6<sup>th</sup> July 2023.***

The Buzzacott auditor provided a short summary of their post-audit management report for CBC. The auditor confirmed that the financial statements represented an accurate and fair view but highlighted it would be a modified opinion as CBC no longer exists as a corporation and is no longer a going concern.

The Committee were asked to recommend the Annual Report and Financial statements to the Board for approval and note the Audit management letters from Buzzacott.

**The Committee approved the accounts and letter to be signed by the Accounting Officer and filed with the ESFA.**

#### **AC/29/23 CBC Regularity Self-assessment questionnaire 7 months to 28<sup>th</sup> February 2023**

The Buzzacott auditor provided an explanation of a regularity self-assessment questionnaire and a fraud regularity self-assessment.

The Committee raised a concern regarding CBC's lack of a fraud policy, to which it was confirmed that there was an existing anti-bribery policy in place. It was noted that the regularity and fraud questionnaire would be subject to updates and required sign-off by the Deputy CEO Finance.

**Subject to review and amendment by the Deputy CEO Finance the Committee noted the questionnaire and recommended sign off by the Corporation.**

#### **AC/30/23 Audit committee report (relating to CBC)**

The Head of Finance and Estates (CBC) summarised the report for the Committee and requested that the Bedford College Audit Committee sign it off.

The Committee agreed that since they had no knowledge of the work of the CBC Audit Committee, except for what was included in the due diligence papers, the Group Director of Governance would review the CBC minutes. [post meeting note - the report was subsequently amended following a review of minutes and presented

to the Corporation meeting on 06.07.23].

*16:37 The Head of Finance and Estates (CBC) and the representatives from Buzzacott left the meeting*

### **AC/31/23 Progress on internal audit recommendation**

The Deputy CEO Finance provided an update to the Committee regarding the progress of the internal audit recommendations. The Deputy CEO Finance explained that good progress had been made and explained the tracking system. It was further highlighted that the implementation of GDPR recommendations was impacted by the arrangements related to the DPO role. However, assurance was provided that appropriate caretaking and risk management are being carried out to ensure GDPR compliance.

### **The report was noted**

### **AC/32/23 Internal audit reports**

The internal audit reports were presented to the Committee and discussed as follows:

#### **4.1 External Assurance (Sub-Contracting Controls)**

The Committee discussed the ESFA requirement for examining controls surrounding sub-contracting provisions. Two low-level recommendations were made regarding the standardisation of paperwork and changes to annual contracts. Management confirmed that the amendments would be implemented for new contracts beginning on August 1st.

#### **4.2 Apprenticeship Achievement**

The review concluded that the design was good, the application was adequate, and there was substantial assurance.

The following actions were proposed:

- Templates for reviews to be revised to better track the progress of apprentices
- Better management of overdue reviews
- Off-the-job training to be tracked.

The Committee discussed the number of overdue reviews and how they were being managed. It was also confirmed that there were only eight apprentices left at CBC from pre-merger.

#### **4.3 KPI Dashboard and Management Information**

The Committee discussed the implementation of a performance dashboard using Power BI to create a single process for monitoring targets outlined in the Strategic

Plan. The Committee emphasised the importance of good design, application, compliance, and assurance.

### **The reports were noted**

#### **AC/33/23 ESFA Funding Review Final Report**

The Director of CIS provided an update to the Committee on the 2021/2022 funding Assurance Review. The audit had been prepared for the funding body.

The Committee noted that the number of repeated recommendations from previous years were considered to be high and discussed the risk levels and the level of confidence in achieving recommendations by July 23. The discussion also took into consideration the reasons for non-implementation in previous years.

**The Committee acknowledged the action plan and agreed to monitor the progress of the implementation.**

#### **AC/34/23 Internal audit plan 2023-2024 and updated strategy**

The Committee Chair met with the Deputy CEO Finance and the internal auditor to discuss the proposed audits. The methodology behind the risk-based strategy design was outlined, and the plan included audits for HE Strategy, subcontracting arrangements, Mock Funding audit, key financial controls, post-merger systems integration, and learner attendance and registers.

After consideration, the Committee recommended the plan to the Board for approval, with the recommendation to swap the timing of two audits. **It was agreed that post-merger implementation would be in term one and the HE Strategy would be in term two.**

**The Committee recommended the plan to the Board for approval**

#### **AC/35/23 Risk and opportunities review**

The Deputy Director, Finance Controls outlined changes to the risk register following the previous report.

Key areas of discussion included:

- the appointment of a new CEO,
- CBC monitoring visit,
- progress against IT audit recommendations.

The Committee received assurances that the risks associated with recruitment and scoring had been reviewed by the Executive Director of HR, who had confirmed that the scoring was high enough.

The issue of cyber security was raised, and the Committee was informed that good progress was being made in this area. However, it was highlighted that not all governors had yet committed to using college emails.

To ensure that the risk register remained a live document, the Committee noted the importance of cross-referencing information in reports and updating them accordingly.

The Committee received an update on an opportunity related to provision at Leighton Buzzard. A working group was formed to conduct market research in the area.

### **The report was noted**

#### **AC/36/23 Data Protection update**

The Director of CIS provided an update on key data protection activities, and it was reported that an outsourced arrangement is currently in place for the DPO, with interviews scheduled to take place in the following week.

Key areas covered in the update included:

- Performance update on key Data Protection areas
- Status update on the Gap Analysis

A Discussion took place on the organisation's performance in terms of training compliance, breaches, and data requests. The Committee discussed the level of engagement within the operational group.

The Committee commented on the note within the report on inconsistent attendance of staff at GDPR meetings, and the CEO suggested analysing the meeting frequency across the college to help address the issue.

### **The report was noted**

*17:04 Director of CIS left the meeting*

#### **AC/37/23 Irregularity / whistleblowing update**

The Group Director of Governance updated the Committee and asked them to note the position on incidents and recommend the updated anti-bribery and corruption policy and raising concerns procedure for approval to the Board.

No matters have been reported or investigated under the Raising Concerns Procedure in 2022- 2023. One incident of irregularity was reported, but it fell significantly under the fraud threshold and is still subject to investigation.

The Committee discussed the potential need for a comprehensive fraud strategy and response plan that would cover cyber, academic, personnel, and financial fraud. They agreed to keep this matter under review for future consideration.

**The Committee reviewed changes to the Raising Concerns Procedure and the Anti Bribery & Corruption Policy and recommended their approval to the Board**

**AC/38/23 Update on tender for Financial Statement auditors**

The Deputy Director Finance Controls provided a report to update the Committee on the process and recommendation to appoint a Financial Statement Audit Service Provider for 2023-24. The tender process was discussed, including market conditions.

**The Committee confirmed their recommendation for the appointment of Buzzacott as the Financial Statements auditor for The Bedford College Group.**

**AC/39/23 Terms of Reference**

The Group Director of Governance provided the Committee with updated terms of reference to review.

**The Committee supported the recommendation of amendments to the terms of reference to the Board.**

**AC/40/23 Minutes of the previous meeting**

The minutes of 16.03.2023 will be added to the Governance portal, and any comments to be directed to the Group Director of Governance. [post meeting note- no comments minutes approved]

**AC/41/23 Any other business**

No other business was raised.