

**Minutes of the meeting of the Audit Committee held on Tuesday 17 September 2019 at  
4.00pm at Barnsley College, Old Mill Lane, Barnsley**

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**Present:** Clare Partridge (Chair)  
Simon Brian (Governor)  
David Shepherd (Governor)  
Simon Taylor (Governor)  
Sara Turton (Governor)

**In attendance:** Heather Jackson (Director of Governance and Clerk to the Board)  
David Reeve (Interim Vice Principal – Finance)  
Tony Johnson (Vice Principal – Corporate Services)  
Suki Rai (Interim Vice Principal – Funding, Data and Compliance)  
Liz Leek (Vice Principal – Curriculum & Culture)  
David Akeroyd (Vice Principal – Technical & Professional Education)  
Lisa Smith (RSM – Internal Audit)  
Debbie Watson (Grant Thornton – External Audit)

**PART I – For Publication**

Minute	
<b>PROCEDURAL MATTERS</b>	
<b>A19/038</b>	<b>Agenda Item No. 1:</b> Quorum  The meeting was quorate.
<b>A19/039</b>	<b>Agenda Item No. 2:</b> Apologies for Absence  There were apologies from Ben Owen. The Chair welcomed David Akeroyd to the meeting.
<b>A19/040</b>	<b>Agenda Item No. 3:</b> Declarations of interest:  Clare Partridge noted that KPMG had undertaken the review of Bournville College although she had not personally been involved.
<b>A19/041</b>	<b>Agenda Item No. 4:</b> Minutes of the last meeting held on 26 March 2019 (Part I)

Minute	
	<p>The minutes were approved as a correct record.</p> <p>It was <b>RESOLVED</b> to approve the Minutes of the meeting held on 25 June 2019.</p> <p>The minutes were signed by the Chair.</p>
<b>A19/042</b>	<p><b>Agenda Item No. 5:</b> Matters arising from the last meeting</p> <p>There were no matters arising.</p>
<b>A19/043</b>	<p><b>Agenda Item No. 6:</b> Rolling action list</p> <p>Tony Johnson proposed that the scheduled Project Management audit would look at a large scale project (Heating and Vent project at Old Mill Lane) as well as oversight of a number of smaller projects</p> <p>The committee discussed what they would expect to see to give them assurance that exceptions within a project were addressed at all level of projects and it was agreed that this would be reviewed when the audit was presented. Governors could then ask for further work if required.</p> <p>Tony Johnson noted that the BAF action would be addressed as part of the agenda item 11.</p> <p>All other actions had been completed.</p> <p>It was <b>RESOLVED</b> to note the Rolling Action List.</p>
<b>A19/044</b>	<p><b>Agenda Item No. 7:</b> Notification of any other business</p> <p>There were no items of other business.</p>
<b>MATTERS FOR DISCUSSION AND MONITORING</b>	
<b>A19/045</b>	<p><b>Agenda Item No. 8.1:</b> Mock Funding Review ITS Group</p> <p>Lisa Smith presented the ITS Audit to the Board and noted the main key findings.</p> <ul style="list-style-type: none"> <li>• A small sample of post May 2017 and pre May 2017 files had been reviewed.</li> <li>• The audit had identified 7 high and 6 medium actions</li> </ul>

Minute	
	<ul style="list-style-type: none"> <li>• The audit had found significant issues with the completion, accuracy and presence of paperwork for pre and post May 2017 apprenticeships at ITS.</li> <li>• The audit also identified a number of areas where funding may have been incorrectly claimed.</li> <li>• Eligibility criteria, price breakdowns for costs and locations of learners was not evident.</li> <li>• As a result the Audit concluded that funding errors could have occurred.</li> </ul> <p>Suki Rai noted that all documentation had now been brought in line with College processes and procedures and the ITS staff had been TUPED into the College teams. There had also been a series of training sessions over the summer for all staff involved in the apprenticeship programme.</p> <p>The Committee noted the actions taken for new apprenticeships but expressed their disappointment with the findings of the audit and asked for further clarity on mitigating the risks of a funding clawback and the exposure risks for the rest of the College.</p> <p>Lisa Smith noted that there were a number of actions that could be taken to mitigate risks.</p> <p>The committee noted that the external audit started in two weeks and Grant Thornton would be looking for a statement from the College on the level of risks. It was also noted that the ITS Auditor (Sharps) would also require further assurance.</p> <p>The committee asked why the issues weren't picked up through the due diligence exercise and Tony Johnson noted that a light touch approach had been agreed as ITS was not a huge entity.</p> <p>Tony Johnson noted that the College had taken a shared services approach to supporting ITS as a subsidiary since the merger. The knowledge, resource and responsibility was now taken by College teams and to date no Head of Service had noted any issue with capacity in supporting ITS.</p> <p>It was <b>RESOLVED</b> that Suki Rai and Lisa Smith would discuss how to address and mitigate the risks identified in the audit report and produce further assurance for the committee and the Board.</p> <p>It was <b>RESOLVED</b> that David Reeve would quantify the level of potential risks and sums involved in advance of the external audit and prior to the Board meeting in October.</p> <p>It was <b>RESOLVED</b> that the ITS Funding Review should be discussed with the Board.</p>

Minute	
A19/046	<p><b>Agenda Item No. 8.2a:</b> Progress Report 18/19</p> <p>Governors noted that all work had been completed.</p> <p>It was <b>RESOLVED</b> to note the Progress Report 18/19</p>
A19/047	<p><b>Agenda Item No. 8.2b:</b> Progress Report 19/20</p> <p>Lisa Smith noted that planning was underway and all dates had been agreed apart from the audit to replace the Research Excellence Framework.</p> <p>It was <b>RESOLVED</b> to note the Progress Report 19/20.</p>
A19/048	<p><b>Agenda Item No. 8.3:</b> Annual Internal Audit Report</p> <p>Lisa Smith noted that despite the issues raised in the ITS report, overall the annual internal audit opinion is reasonable and the college has an adequate and effective framework for risk management, governance and internal control. It was noted that there was a robust framework but RSM had identified some areas that management at the College needed to address to ensure that it remains adequate and effective.</p> <p>Lisa Smith noted that the assurance reviews undertaken in 2018-19 reflected issues that were being identified across the sector. Good progress was being made against the actions and previous risks had been mitigated.</p> <p>The committee noted that a potential conflict of interest relating to additional work undertaken on sub-contracted provision was declared by RSM.</p> <p>It was <b>RESOLVED</b> to note the Annual Internal Audit Report</p>
A19/049	<p><b>Agenda Item No. 9:</b> Financial Regulations</p> <p>David Reeve presented the revised financial regulations to the committee and noted 3 proposed changes:</p> <ul style="list-style-type: none"> <li>• Amendment to reflect the addition of ITS and Smartstyle as a subsidiary.</li> <li>• Inclusion of a statement on the declaration of unusual or novel fraud or £10k to ESFA.</li> <li>• Inclusion of consent for SLT members to sign call off agreements or similar where the principal contract has been agreed and signed off by Board/Chair/Principal</li> </ul>

Minute	
	<p>The committee discussed the third recommendation and sought assurance that the College was not avoiding public procurement rules. David Reeve assured the Governors that there would be no change to the procurement process or avoidance of procurement rules.</p> <p>David Reeve also noted that he had recommended the inclusion of new policies on treasury management and money laundering and these would be brought to future meetings.</p> <p>Clare Partridge noted changes on claiming alcohol through expenses and it was agreed that the policy would be clarified to reflect this.</p> <p>It was <b>RESOLVED</b> that a register of the Master Contract with a list of monthly and quarterly invoices would be reviewed by the auditors as part of the internal audit process.</p> <p>It was <b>RESOLVED</b> to note the revised Financial Regulations and recommend their approval to the Board.</p>
<p><b>A19/050</b></p>	<p><b>Agenda Item No. 10:</b> Regulatory Audit Self-Assessment Questionnaire.</p> <p>David Reeve presented the questionnaire to the committee which is a review of the controls that operate at the College. It was prepared by the College on behalf of the Board and provides proof of the actions that the College actually undertakes.</p> <p>David Reeve noted that he had been through the questionnaire in detail and noted that additional assurance was provided for our subcontracting work with the provision of certification from the auditors. Grant Thornton will also review the questionnaire as part of their external audit.</p> <p>The committee noted that the questionnaire provided a good discipline to map its work against.</p> <p>The committee also noted that ESFA had requested a guarantee from the College for ITS.</p> <p>It was <b>RESOLVED</b> to note the Regulatory Audit Self-Assessment Questionnaire and recommend their approval to the Board subject to the review of ITS findings and assurance that processes are in place and any potential clawback identified is not material.</p>
<p><b>A19/051</b></p>	<p><b>Agenda Item No. 11:</b> Board Assurance Framework</p> <p>Tony Johnson presented the BAF and noted the following changes:</p> <ul style="list-style-type: none"> <li>• It had been updated to reflect the changes to the strategic pillars</li> <li>• A new risk relating to high needs funding had been added</li> </ul>

Minute	
	<ul style="list-style-type: none"> <li>• The residual risk relating to GCSE English and Maths had reduced</li> </ul> <p>Tony Johnson proposed a number of changes to the BAF timetable following recommendations from the Governance Audit and these were agreed.</p> <p>The committee discussed how risks like ITS or the Trinity Multi Academy Trust (900 11-16 year old places in Barnsley opening in 2021) as a new entrant into the market were addressed by the BAF. Tony Johnson noted that these issues were dealt with through performance and management meetings and through the quality and finance teams that fed up into the BAF.</p> <p>It was noted that next week's Creative Board session would be looking at results and these would be used to inform the deep dive topics for the year.</p> <p>The committee discussed the software purchased to support GDPR and Suki Rai noted that it was being used to support data asset, data sharing agreements and data mapping.</p> <p>It was <b>RESOLVED</b> to note the BAF and approve the recommended changes in reporting.</p>
<b>A19/052</b>	<p><b>Agenda Item 12: Bournville College – lessons learnt</b></p> <p>David Reeve presented a number of key issues highlighted in the Bournville College report. ESFA had asked Governors to ensure they have satisfied themselves that the college complies with the following:</p> <ol style="list-style-type: none"> <li>College accounts direction.</li> <li>Annual statement of regularity and propriety.</li> <li>Self-assessment questionnaire gives adequate assurance.</li> <li>Financial regulations are complied with fully.</li> <li>Conflicts of interest and anti-bribery are properly disclosed and dealt with.</li> <li>Post 16 audit code of practice followed.</li> <li>Assurance over data returns.</li> <li>Addressing audit recommendations promptly and fully.</li> <li>Adoption of Colleges' senior staff remuneration code.</li> <li>Adoption of governance code and which is being used.</li> <li>Financial benchmarking.</li> </ol> <p>The college can demonstrate that each of the above points have been or are being addressed by the Board / governors through its annual business cycle and reports received. A summary of some of the checks performed is as follows:</p>

Minute	
	<p>a) Part of checklist around year-end financial statements, reviewed by the external auditors.</p> <p>b) Reviewed by Audit Committee prior to sign-off by the Chair and Accounting Officer. Statements in that can be challenged / tested by the Committee.</p> <p>c) Reviewed by the Audit Committee; again can be challenged / tested. Internal audit assurance also on certain aspects of the questionnaire.</p> <p>d) Internal audit test checks on areas; governance processes followed e.g. contract sign off by Chair.</p> <p>e) Policies in place; declarations regularly sought and verified for both governors and SMT members.</p> <p>f) Part of financial statements verification, reviewed by external auditors.</p> <p>g) Data returns reviewed periodically by internal audit; subcontracting review carried out by internal audit; returns filed on a timely basis; few or no queries from funding bodies.</p> <p>h) All points tracked, followed up and dealt with on a timely basis.</p> <p>i) Code already adopted.</p> <p>j) Governance code adopted disclosed in financial statements.</p> <p>k) Benchmarking carried out throughout the year and from a financial perspective as part of the budget setting process as well as financial statements comparison.</p> <p>Governors noted that the report and were assured that the College had suitable processes and procedures in place to prevent such actions.</p> <p>It was <b>RESOLVED</b> to note the report and share key findings through the minutes with the Board.</p>
<p><b>A19/053</b></p>	<p><b>Agenda Item 13: ITS Audit Plan</b></p> <p>Governors noted the approach and strategy recommended for the audit. Debbie Watson noted that Grant Thornton and Sharps had discussed their respective audits.</p> <p>Clare Partridge noted that audit should also consider revenue risk on clawback and cut off and McCloud on pensions.</p> <p>It was <b>RESOLVED</b> that the ITS Audit plan be adjusted as above and noted.</p>

Minute	
A19/054	<p><b>Agenda Item 14:</b> Clerk's Monitoring of Audit Recommendations</p> <p>The Clerk provided an overview of the position in relation to management actions arising from internal and external audit reports in the previous years and it was noted that most actions are complete or due to be completed shortly.</p> <p>It was <b>RESOLVED</b> to note the progress to date in delivering the actions arising from previous internal and external audit reports.</p> <p>It was <b>RESOLVED</b> to incorporate all agreed management actions arising from Agenda items 8.1, 8.2b, 9, 10, 12 and 13 from today's meeting into the Clerk's Monitoring of Audit Recommendations report for future meetings of the Committee.</p>
A19/055	<p><b>Agenda Item 15:</b> Meeting of the auditors</p> <p>This was deferred to the December meeting</p>
A19/056	<p><b>Agenda Item No. 16:</b> Audit Committee self-assessment</p> <p>The committee noted the results of the self-assessment questionnaire. It was agreed that overall it was an effective and well balanced committee.</p> <p>The committee noted that more work was needed on the identification and categorisation of risk and ensuring that it was up to date and it was suggested that this may be a topic for the strategic planning session in January.</p> <p>The committee noted the added value that Clare Partridge brought to the committee in terms of her audit experience. A decision has not yet been made on her replacement as Chair and it was suggested that someone with audit experience should be sought to join the committee.</p> <p>It was also noted that the papers were still too unwieldy and it was agreed that they would be split into papers and appendices for future meetings.</p> <p>It was <b>RESOLVED</b> to recommend to the Board that any new governor should have audit experience or knowledge</p>
A19/057	<p><b>Agenda Item 16:</b> Any other business</p> <p>There was no other business</p>



<b>Minute</b>	
<b>A19/058</b>	<b>Agenda Item No. 17: Date and time of next meeting</b> <u><b>Wednesday 4 December at 4.00pm</b></u>

SLT and the Auditors left the meeting 5.25pm. The meeting ended at 5.55pm

**Signed (Chair):** ..... **Dated:** .....