

**BOSTON COLLEGE****MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 14 MARCH 2019**

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**1. PRESENT**

David Hanson (Chair), Andy Atkins and Ann Savage.

Apologies for absence: Stephen Brown

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Director of Finance), Jo Maher (Principal) and Martin Harrison (ICCA).

Attendance 75%

**2. ACTION LOG**

Members reviewed the committee's action log and progress which had been made against items on it along with the Audit recommendations tracking log.

David Hanson asked about the timing of removal of items from the recommendations tracking. Debbie Holland advised that internal checks are carried out and updates provided and ultimately items are removed when follow up from ICCA demonstrates that they have been satisfactorily dealt with. Ann Savage suggested that items which had been done should be marked up in green and this was agreed. ●

On the action log Ann Savage asked about the analysis of different codes for the governing body which was proposed. Janet Hemmant reported that this was still being discussed across the sector and that it would be one of the topics of conversation at the forthcoming governance summit. A report will be submitted to the Search and Governance committee in due course. ●

With regards to the condition of the College property it was reported that it was hoped that the outcome of the IoT bid would be known in the near future and the Estates strategy will then be taken to the Finance and Resources Committee.

David Hanson asked about the summary advice expected on funding audits from RSM and Debbie Holland reported that it had not yet been received. The committee noted receipt of the report which had gone to Finance and Resources Committee on funding and data control compliance.

**3. MINUTES**

The minutes of the meeting held on 22 November 2018 were reviewed and approved as a correct record.

**4. INTERNAL AUDIT**

Martin Harrison presented a number of reports from ICCA:

a) Sub-contracting arrangements

The committee was advised that previous recommendations had been fully implemented and that this report showed a couple of areas of partial compliance. It was noted that paperwork should be signed up in advance and this related to a number of instances of fraud which had been found elsewhere in the sector.

One partner contract had not used their complete name. It was acknowledged that there was more risk where there were new partners rather than with long standing partners. The committee discussed the changes which would arise in partnership arrangements due to devolution. A query was raised about a recommendation that a number of additional points should be added to partnership contracts and Debbie Holland confirmed that these had now been added.

b) ESFA mock funding audit

Martin Harrison advised the committee that it was normal to find some minor issues on this audit. He ran through the issues found in the report and a discussion took place about the 20% off the job training requirement for Apprenticeships and a number of other issues relating to this area of work. Jo Maher advised that issues included recognition of previous learning and, in response to a query raised by Ann Savage, confirmed that the 20% requirement did not include travel time which was an issue for all colleges. Jo advised the committee that the College was anticipating an ESFA audit this year. Ongoing checks are in place and additional work on Apprenticeships has been carried out because of the roll-on/roll-off nature of this work which increases its complexity. This is the responsibility of the Apprenticeship Manager.

A question was raised about the clarity of functional skills requirements for learners and Jo explained that this was another complex area. An app is being developed to evidence the work which learners undertake.

c) Key Financial Controls

The committee noted that this report had got positive assurance for design application/compliance and overall assurance which was a good result.

A discussion took place about petty cash and Debbie Holland advised the committee that most onsite Petty Cash was being moved to the Finance Office. Learner Services still require a Petty Cash float because inability to access funds quickly could impact on learners in this area. Debbie reminded the committee that some of the Petty Cash was actually in use for till floats. The committee noted that there was a need to reduce Petty Cash but also to have due regard to issues regarding cashless transactions. Debbie is to remind staff of the correct use of Petty Cash.

The committee thanked Martin for his presentation of the report.

## 5. **INTERNAL AUDIT UPDATE**

Members received a report from the Director of Finance on the Audit Plan.

Since the residential accommodation is having a Mock Inspection this year it is proposed to defer its internal audit to the next audit year. This will release a number of days which could be used for the audit of the new finance system implementation. The committee agreed that the 3 days should be swapped as proposed.

## 6. **RISK MANAGEMENT**

Members received a report from the Director of Finance on risk management.

Debbie Holland advised that she, along with the Chair of the Audit Committee and the Clerk to the Corporation, had attended a Board Assurance seminar run by RSM. Richard Lewis had shared the results from an assurance seminar and it was agreed that these should be circulated to the members of the Audit Committee.

The committee reviewed the risk register and the details provided on the top 3 risks. Jo Maher advised of the potential implications of European Union withdrawal on funding and the potential that International learners could go elsewhere because of the uncertainty. It was noted that because of the lagged funding arrangements the College funding would be secure for the coming year but losing students would impact on income related to accommodation. The College has taken a decision that learners in this position can attend without fees next year to ensure that the accommodation usage is maintained. Relationships with partners are being developed to manage the impact on lagged funding. It is hoped that a sports arrangement where the College would work with a partner but would be responsible for all of the students' learning will be established and could lead to progression to Higher Education in Sport.

Members reviewed the example of Board Assurance analysis of risk which had been shared by RSM and agreed that this was a good analysis to develop.

**7. NEXT MEETING**

It was noted that the next meeting of the committee will be held on Thursday 20 June 2019.