

BOSTON COLLEGE**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 19 NOVEMBER 2020**

1. PRESENT

Andy Atkins, Heather Lee, Chris Pett and Ann Savage.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Claire Foster (Principal and CEO), Debbie Holland (Vice Principal: Finance & Corporate Services), Charlotte Robinson (Head of Finance), Gareth Jones (RSM) and Jonathan Creed (ICCA).

Attendance: 100%

2. APPOINTMENT OF CHAIR

Having been duly nominated, Andy Atkins was appointed as Chair of the committee for 2020-21.

3. APPOINTMENT OF VICE-CHAIR

Having been duly nominated, Ann Savage was appointed as Vice-Chair of the committee for 2020-21.

4. ACTION LOG

Members reviewed the committee's action log and noted progress made against the points on it.

5. MINUTES

The minutes of the meeting held on 25 June 2020 were reviewed and agreed as a correct record.

6. AUDIT RECOMMENDATIONS TRACKING

The committee reviewed the recommendations tracking log.

Andy Atkins asked whether a solution had been found to the issue of use of USB sticks. Debbie Holland advised that it was likely that there would be different solutions in different departments of the College.

Chris Pett asked what was meant by the different levels of audit recommendation. Jonathan Creed explained that they were ranked from the most to the least critical and that advisory recommendations captured best practice and provided information to be considered but did not necessarily indicate that the College was deficient in any way.

7. INTERNAL AUDIT

Jonathan Creed presented reports to the committee:

a) Management Information and Board Reporting

Jonathan explained that this report had been delayed by the Covid lockdown. It identified that the College had a comprehensive suite of management reports going through its committees and Corporation. The committee noted that there

was one medium and one low level recommendation and that the College had responded positively to both of these.

b) Annual Internal Audit Report 2019-20

Jonathan presented the report which gave Reasonable Assurance, the highest level possible, on the College's governance, risk management and systems of internal control. The committee noted that this was a clean report containing the assurances required by the Audit committee in relation to the signing off of the accounts. The impact of Covid-19 on the audit programme was noted.

Chris Pett asked whether the College was aware of any areas of concern which had not been covered. Jonathan Creed explained that there were no identified concerns and Andy Atkins outlined how the areas for review are selected. The report was noted to be consistent with previous years.

8. ANNUAL ACCOUNTS 2019-20

Members received a report from the Vice Principal: Finance and Corporate Services on the annual accounts.

Gareth Jones presented the accounts from the audit prospective. He explained that the reporting was a little behind plan with a couple of items outstanding. The accounts will be reviewed again at the time of signature and there is one further adjustment to be made.

The conclusion is that the College remains a going concern and this has now been subject to confirmatory review by a second partner at RSM. The renewal of the banking facility next year was noted and the auditors are comfortable with this although additional representation will be required. The lease provision was noted to be reasonable. An adjustment needed to be made in respect of the EMAT retention.

The audit opinions to be given by RSM will be unmodified but the committee noted that there were some minor amendments still to be made to the statements. There will be more depth in the accounts on the going concern issues than usual.

The committee was pleased to note the position on the accounts. Gareth assured them that the audit had been no less robust because it had had to take place remotely and he thanked the College team for their input.

Chris Pett raised a query about the split between teaching and non-teaching staff. Debbie Holland advised that the changed split may be due to the pandemic and having less staff during the year. Charlotte Robinson suggested that the breakdown could have been affected by the use of existing staff rather more than casual staff. The non-pay costs had been affected by sub-contracting.

Andy Atkins noted that it was a pity that pensions had had such an impact on the accounts. Gareth commented that this was common across the sector and was out of the College's control.

The committee were satisfied with the accounting policies, the Corporate Governance statement and the audit findings.

9. RISK MANAGEMENT ANNUAL REPORT 2019-20

Members received a report from the Vice Principal: Finance and Corporate Services on Risk Management.

Members reviewed the contents of the Risk Register and noted that one risk was classified as critical post mitigation which was the pandemic illness outbreak. Ann Savage asked whether lost apprenticeships as a result of the pandemic would impact on the College and also whether this could have a broader impact on young people choosing to take apprenticeships. Claire Foster commented on the national job losses and advised that locally the impact had not been the same as in some other areas. Chris Pett asked about the effect of vaccine developments on the risk assessment and the committee were advised that this would be reviewed. Ann Savage advised that viable vaccines were affecting the assessment of risk in her business. Claire Foster advised that the key risk impacts were through illness in the College and that there has been a need to support colleagues through this. Heather Lee suggested that Lincolnshire was likely to be in a higher tier after the current lockdown as infection numbers are so much higher at present. The committee considered whether people would stay on in education if employment availability was reduced.

10. COMMITTEE PERFORMANCE MONITORING

Members received a report from the Clerk to the Corporation on the committee's performance in 2019-20. The contents of the committee's annual report to the corporation which included a review of the committee's performance were approved. It was agreed that the committee's targets for 2020-21 to be suggested to the Corporation should be:

- Make an annual report to the corporation
- 75% attendance at meetings
- Oversight of tendering for Audit services.

11. ESFA REGULARITY QUESTIONNAIRE 2019-20

Members received a report from the Vice Principal: Finance and Corporate Services including copies of the Regularity Questionnaires.

The committee noted the contents of the questionnaire. Andy Atkins asked whether this had been audited by RSM and this was confirmed. A discussion took place about the declarations of interest by Corporation members and it was noted that each agenda included a requirement to declare interests.

12. AUDITORS PERFORMANCE

Jonathan Creed and Gareth Jones left the meeting at this point.

Debbie Holland presented the draft review of auditors performance and noted how this has been affected by tender requirements. No major issues had been identified from either audit service and the reviews were approved. Andy Atkins and Ann Savage asked for and received clarification about how challenging the financial statements audit process had been.

13. NEXT MEETING

It was noted that the next meetings of the committee would take place on 25 March 2021 and 17 June 2021.