

BOSTON COLLEGE

NOTES OF A MEETING OF MEMBERS OF THE AUDIT COMMITTEE HELD ON 21 NOVEMBER 2019

1. PRESENT

Ann Savage and Helen Wright.

Apologies for absence: Andy Atkins

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Director of Finance), Jo Maher (Principal), Richard Lewis (RSM) and Jonathan Creed (ICCA).

2. BUSINESS

Since there could not be a formal meeting of the committee due to the unavailability of members, it was agreed that members should review the critical items of business and that another meeting of the Audit Committee should be scheduled prior to the next Corporation meeting.

3. ACTION LOG

Members reviewed the action log and noted progress made against the items listed.

It was noted that training for managers on what to look for in fraud had been completed and that governor training would be scheduled.

4. ANNUAL ACCOUNTS

Richard Lewis explained the contents of the Annual Accounts Report and members noted the key points. He pointed out that RSM had given an unqualified audit report.

Members noted that the accounts note on internal controls and management of risk were particularly important as was the section on going concern. Information supporting the statements made in the accounts which included the support offered by the internal audit service, the sound pre-audit process for the financial accounts audit and the standing risk management committee was noted. The going concern statement reflects the good financial position of the College. Jo Maher advised that the college was in Outstanding financial health and had made considerable investment in facilities. Richard advised that the college's accounting policies were consistent and appropriate.

Richard Lewis drew attention to the section in the accounts on senior managers' salaries. He noted that transparency of the Accounting Officer's salary is regarded by ESFA as a key issue.

Richard confirmed that he had spoken to the Chair of the Corporation and to the Principal regarding regularity requirements reported in the accounts and the regularity questionnaire and drew members attention to the auditor's opinion given within the accounts. Having drawn the attention of the committee to the income and expenditure account and balance sheet, he advised that the accounting policies at the College were consistent and appropriate.

Members' attention was drawn to the pensions information in the accounts and Richard confirmed that he and the college had engaged with the actuary over this. A further item which he noted was the length of service of some governors.

Richard led the committee through the audit findings. He advised that they contained nothing of concern and there had been no impropriety identified. The ESFA final reconciliation statement is still awaited. He also drew attention to the 'Emerging Issues' section of the document.

Members noted that the Chair and Principal are required to sign the statement of corporate governance and internal control and the Audit Committee must be satisfied with the statements being made within their annual report so that this can be signed. Members were also satisfied with the audit findings.

It was agreed that all members of the committee should be asked to confirm their approval of the accounts and the committee annual report. The members not in attendance are to be offered an opportunity to discuss the accounts and supporting information directly with RSM and ICCA. The committee will meet formally to sign this off.

5. BOURNVILLE REPORT

A report produced by Debbie Holland was reviewed and it was noted that the recommendations from this report did not include anything the college was not already doing.

6. INTERNAL AUDIT

Jonathan Creed presented internal audit reports on the new accounting system implementation and work placements.

Migration to the new finance system was noted to have been successful and well done. Work placements were noted to be challenging to deliver. A discussion took place about liability for health and safety in placements.

Jonathan presented the annual internal audit report for 2018-19 prepared by ICCA Education Training and Skills. Members noted that the report gave reasonable assurance on governance, risk management and systems of internal control and was a clean audit opinion.

7. RISK MANAGEMENT ANNUAL REPORT 2018-19

Members reviewed a report from Debbie Holland on risk management including information on the top risks and the detailed information presented by the Risk Management Group. Debbie advised that the Risk Management Group looks at a selection of risks at its meetings and the risk register is actively managed. Information presented included detail on the management of the risk relating to EU withdrawal.

8. COMMITTEE PERFORMANCE MONITORING

Members received a report from the Clerk to the Corporation on the committee's performance against its 2018-19 targets which were covered within the draft annual report.

Members agreed that the committee should confirm its recommendations for targets for 2019-20 to the December meeting of the Corporation.

9. AUDITORS REPORT PERFORMANCE

Members reviewed draft analyses of the performance of ICCA and RSM. It was noted that a tendering exercise needed to be undertaken and members agreed that evidence of external assurance of the auditors should form part of this.