

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 25 JUNE 2020

1. **PRESENT**

Andy Atkins, Ann Savage and Helen Wright.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Director of Finance and funding), Claire Foster (Principal and CEO), Richard Lewis (RSM), Sam Lawrence (RSM), Gareth Jones (RSM) and Jonathan Creed (ICCA)

Apologies for absence were received from Michelle Sacks

Attendance:

75%

Due to technical issues it was agreed that the Vice-Chair, Ann Savage, should chair the meeting.

Ann Savage in the Chair

2. **ACTION LOG**

Members reviewed the contents of the committee's action log and noted the completion of the items listed.

3. **MINUTES**

The minutes of the meeting held on 11 December 2019 were reviewed and agreed as a correct record.

4. **RECOMMENDATIONS TRACKING**

Members reviewed the recommendation tracking log and discussed the contents.

It was noted that the issue of apprenticeship 20% off the job training was being addressed and was currently marked as amber rated. An action related to credit cards was also noted to be amber. The committee looked at a recommendation regarding USB ports and their use and was advised that it may not be possible for this to be resolved by the August deadline. Other ways of mitigating the risks are being reviewed. Claire Foster advised that migration to cloud based technology was underway and staff will be trained in its use which will remove the USB risk. With regard to actions relating to the ESFA mock funding audit, target dates are to be reviewed to allow for the return to College following the Covid 19 break.

5. **AUDIT PLAN FOR YEAR ENDED 31 JULY 2020**

Richard Lewis introduced the Audit Plan on behalf of RSM and advised that he will be rotating off the college's lead manager position. He introduced Gareth Jones and Sam Lawrence to the committee and it was noted that Gareth will be assuming the lead manager position. Richard Lewis then left the meeting.

Gareth Jones advised the committee that he was an FE specialist audit partner and explained that RSM would be able to carry out remote audit work if necessary. The audit plan for the year ended 31 July 2020 was outlined and the committee noted that it was the normal scope but that final information on the self assessment questionnaire

was awaited. Materiality was noted to be similar to the previous year and the timetable for the delivery of the audit had been discussed with the Director of Finance and Funding.

Gareth advised the committee that it was unlikely that the pensions evaluation outcome was going to be positive and he anticipated more focus on the going concern review this year. He also noted a need to review the provision for the onerous lease. The committee accepted the Audit Plan and noted the fees to be charged.

Gareth outlined the emerging issues which had been identified by RSM. The committee noted his advice that there was a reported spike in fraud in the current circumstances and that this might make strategic fraud risk assessment a higher priority than it was. A new disclosure to the Office for Students in the trustee report was noted.

6. INTERNAL AUDIT PLAN 2020/2021 AND UPDATED STRATEGY

Jonathan Creed introduced the audit plan for 2020/21 and advised the committee that it was in a similar format to previous years. Discussions had taken place with the Principal and Director of Finance and Funding. It was noted that the funding work identified in the plan would be used to support any ESFA funding audit if necessary.

Helen Wright asked if audit had to be done remotely were there any of the audits proposed which would be particularly difficult to do. Jonathan advised that they would have to respond to circumstances but there was not much planned in term 1 and that was data driven. Hopefully terms 2 and 3 will be on site audits.

The committee accepted the plan and agreed to recommend it to the Corporation.

7. INTERNAL AUDIT REPORTS

Jonathan Creed presented a number of internal audit reports to the committee:

a) Key Financial Controls

It was noted that there were 2 recommendations 1 of which was advisory. The committee noted the recommendation to keep credit card evidence centrally as part of the VFM evidence.

b) Payroll and Purchase Ledger

A change had been made to this audit to reflect the remote working which has had to be introduced because of Covid 19. There had been 1 recommendation to make the audit trail for payroll clearer and Debbie Holland confirmed that this was now resolved.

Helen Wright asked about procurement cards which had high limits. Debbie Holland advised that the finance office card which covers a lot of transactions for different areas had a high limit and also that Learner Services had a card with a higher limit due to the transport charges.

c) Sub-contracting

Members noted that the carrying out of this audit enabled the College to issue a required sub-contracting certificate to the ESFA.

d) IT Data Security Infrastructure and Disaster Recovery

The committee noted that this was green rated with 5 recommendations, 3 low priority and 2 advisory.

Helen Wright asked why disaster recovery is an advisory recommendation. Jonathan advised that the issue was that work was being done but was not on

a planned or scheduled basis and the recommendation was that this should change.

e) **ESFA Mock Funding Audit**

Reasonable assurance was noted with 3 medium recommendations. Jonathan went through the action plan for this report. He advised that the issue of 20% off the job training has been one of the big failings across the sector. The audit had received positive management responses to all recommendations.

Helen Wright asked about the use of Smart Assessor in respect of recording of apprenticeships. Debbie Holland advised that the software had been bought a year ago and will be helpful in resolving this issue.

Andy Atkins asked about funding audit risks and Debbie advised the committee that the registry is planning six-weekly audits of the data.

Jonathan advised the committee that there was one piece of audit work outstanding which related to dashboards and KPIs and that this will come back to the Autumn term meeting of the committee.

f) **Follow up of previous recommendations**

It was noted that all recommendations had been signed off.

8. RISK MANAGEMENT

Members received a report from the Director of Finance and Funding on Risk Management.

The committee noted that risk management had been affected by Covid 19 factors and noted the specific risks relating to the virus particularly those which were most relevant to the way in which the College works.

9. AUDIT COMMITTEE NUMBERS

It was noted that the committee needs to increase its membership. Helen Wright and Ann Savage confirmed that they had found membership of the committee a useful background for their broader work as members of the governing body. The committee recorded its thanks to Helen for her many years of work as a member of the committee.

10. NEXT MEETING

It was noted that the date of the next meeting would be confirmed at the Corporation meeting on 1 July.