

Boston College

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 10 NOVEMBER 2022

1. PRESENT

Andy Atkins (Chair), Chris Pett and Sandra Williamson.

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), Harvey Mudd (RSM) and Jonathan Creed (ICCA).

Apologies for absence were received from Heather Lee.

Attendance: 75%

2. APPOINTMENT OF CHAIR

Due to imminent changes in the committee's membership, it was agreed that Andy Atkins should continue as Chair until a new Chair is appointed at the next meeting.

3. ACTION LOG

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

Debbie Holland reported that a data recovery test had just been carried out and was successful.

4. MINUTES

The minutes of the written resolution made on 22 June 2022 were reviewed and approved as a correct record.

5. AUDIT RECOMMENDATIONS TRACKING

The committee reviewed the recommendations tracking log.

Debbie Holland and Claire Foster gave updates on the position of some recommendations. Chris Pett asked if it was normal to have several items with amber status and the committee was assured that there was not an issue with this. Jonathan Creed noted that these recommendations were not designated as high priority.

6. INTERNAL AUDIT

Jonathan Creed presented reports to the committee:

a) HR and Payroll

The committee discussed the contents of the report and noted that it gave substantial assurance with no recommendations.

b) Annual Internal Audit Report 2021-22

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.

Jonathan commented that it was good to see all positive outcomes from the audits carried out and gave assurance to the committee that the audits had not been steered in any particular directions.

c) IT Data Security, Infrastructure and Disaster Recovery

The committee noted that this report gave reasonable assurance and Jonathan advised that it was hard to achieve substantial assurance in the current climate so reasonable assurance was not unusual for this particular review.

The committee noted that several of the recommendations related to data recovery and documentation and Andy Atkins commented that it was good to have confirmation of the successful data recovery test.

Chris Pett asked about protocols for setting passwords. It was confirmed that the system controls password rotation. It was also noted that the college regularly reminds users about the need to be aware of spoof emails.

Sandra Williamson asked about the planned change to the data protection officer arrangements in January and the reason for this not being implemented earlier. The committee noted that this was currently a split role which was required to change. In response to a query about the possibility of making interim arrangements until January, it was confirmed that this had been explored but it was not possible to change the duties of individuals. Debbie Holland confirmed that an order had been placed to implement the new arrangements. The committee recognise that there was some risk in this delay. Jonathan Creed advise that there was not a problem managing data but the theoretical breach of requirements would only become an actual risk if there is a data breach in the interim. Sandra Williamson asked what would happen if on boarding was delayed and this was discussed. The committee agreed to review this at its next meeting and consider mitigation if necessary.

7. ANNUAL ACCOUNTS 2021-22

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

Gareth Jones presented the audit findings. He advised that the outcome of the audit was very positive and he was anticipating an unqualified audit opinion. Two minor recommendation were noted.

The committee noted that the draft accounts had been updated to reflect the pension scheme valuation. Discussions had taken place with the actuary and some changes had been made to assumptions. The outcome was a small asset which is not material. With regard to the Going Concern conclusions it was noted that it is key that cash balances remain positive. Gareth reported that RSM were comfortable with this. No areas of concern had been identified with the regularity review. Gareth suggested that bad debts should be kept under review as there was a suggestion of creeping older debts.

Gareth confirmed that there were no fee amendments and that RSM were independent of the college. Final checks are currently being carried out on the accounts.

Andy Atkins thanked Debbie Holland and Charlotte Robinson For their work on the accounts.

In looking at the accounts, the committee noted that staff costs were high against target but not necessarily high in comparison to the sector. A question was raised about the ratio of non-teaching to teaching staff. Debbie advised that this was affected by the college not outsourcing a number of services and by levels of SEND activity. Andy Atkins suggested that this should be tracked year on year. Claire Foster confirmed that the college keeps the possibility of outsourcing under review.

An overall drop in cash had been explained. Chris Pett asked if there was anything governors should be pursuing to ensure the position in 12 months time. Gareth suggested that members maintain a close interest and ensure that there is visibility over the cash position. Any moves from budget will need to be flagged early. Andy Atkins suggested that cashflow could be the first thing reported to provide assurance and a discussion took place about how this could be presented.

The committee confirmed that it was satisfied with the accounting policies, the Corporate Governance statement and the audit findings.

8. RISK MANAGEMENT ANNUAL REPORT 2021-22

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

Members reviewed the contents of the Risk Register and detailed information on the most significant risks. The committee felt that the addition of arrows indicating the movement of risks on the register was helpful.

9. COMMITTEE PERFORMANCE MONITORING

Members received a report from the Clerk to the Corporation on the committee's performance in 2021-22. 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 2022-23 to be suggested to the Corporation should be:

- 80% attendance at meetings
- Increasing membership of the committee
- Oversight of reporting which contributes to the Going Concern test including scrutiny of forecasts

10. ESFA REGULARITY QUESTIONNAIRE 2021-22

Members received a report from the Vice Principal: Finance and Corporate Services with a copy of the Regularity Questionnaire.

The committee noted the contents of the questionnaire which had been audited by RSM.

11. MEMBERS CPD

It was noted that Andy Atkins and Chris Pett had attended an audit masterclass.

The committee felt that in-house presentations on specific topics were useful. It was agreed that JISC should be invited to give a briefing at the governor CPD event.

12. COMMITTEE NAME

It was suggested that the committee name should be changed to Risk and Assurance Committee. ●

13. AUDITORS' PERFORMANCE

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

Debbie Holland presented the draft review of auditors' performance. No major issues had been identified from either audit service and the reviews were approved.

14. NEXT MEETINGS

It was noted that the next meetings of the committee would take place on 23 March 2023 and 15 June 2023.