

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 15 JUNE 2023

1. **PRESENT**

Sandra Williamson (Chair), Andy Atkins and Daniel Elkington.

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), Tom Winter (ICCA), Gareth Jones and Harvey Mudd (RSM).

Apologies for absence were received from Heather Lee and Katy Priestley.

Attendance: 60%

2. **APPOINTMENT OF VICE CHAIR**

The committee agreed that, as this was the last meeting of the year, the appointment of a Vice Chair could be deferred until the 2023/23 appointments are made in the autumn.

It was noted that Heather Lee is leaving the committee and appointment of a replacement will be sought at the Corporation's July meeting. ●

3. **ACTION LOG AND RECOMMENDATION TRACKING**

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

It was agreed that the committee change of name could be considered again at a later date. Debbie Holland reported that the draft financial handbook was still awaited but suggested a due date of November for the Remuneration action point. The presentation on Fraud and Corruption will be delivered at the Corporation's next meeting. ●

On recommendation tracking, it was noted that all items were marked as complete and the follow-up report had been received. Two new audit reports are expected and will be added to the tracker and completed items will be removed. Tom Winter confirmed that ICCA check the management tracker.

4. **MINUTES**

The minutes of the meeting held on 23 March 2023 were reviewed and approved as a correct record.

5. **INTERNAL AUDIT**

a) **Internal Audit Plan 2023/24 and Strategy 2024/25**

Tom Winter went through the detail of the plan and confirmed that the day rate remained unchanged. Debbie Holland confirmed that she was happy with the plan proposed.

Daniel Elkington asked whether promotion of level 6 courses was being looked at. Tom suggested that the marketing processes for higher education courses could be included within the proposed Office for Students review.

Sandra Williamson suggested that since there had been a question about the recovery of special needs funding, a review of income maximisation might be appropriate. Tom advised that this would be covered in the financial controls audit.

The committee agreed to approve the Internal Audit Plan 2023/24 and Strategy 2024/25.

b) Follow-Up of Previous Recommendations

Tom reported that all six recommendations had been fully implemented and there was 100% compliance with the college tracker. No recommendations are to be carried forward. It was noted that the Mock Funding Audit report did not require follow up as it was superseded by this year's report which would be issued imminently.

6. AUDIT PLAN FOR THE YEAR ENDED 31 JULY 2023

Gareth Jones presented RSM's audit plan and advised members that the emerging issues document would be available for circulation shortly.

Gareth explained that there was a significant amount of additional work as a result of regulatory changes. The finalised handbook is expected in March 2024 with an implementation date of August 2024. Auditors and trustees have to confirm compliance with managing public funds regulations.

Specialist staff will be used for some elements of the audit and materiality will be 2-3% of funding. Gareth drew attention to the risk analysis on the breakdown of non-significant risks. It is anticipated that in some areas larger sample sizes will be required. RSM will be required to do more work and the management team will have to produce more information.

Harvey Mudd ran through the risks identified so far. Income reconciliation will mostly be covered by the work of the funding team. Management override will also be an area for review with specific and detailed sample testing and there will also be a focus on estimates. Regarding the pension liability it is anticipated that, after a lot of movement in valuations last year, this will have settled for the current year. Going Concern is a risk across many colleges. There is a significant change and additional work on Regularity with a heightened risk of error. With a lot of grant funding for the college estate there is also potential for error.

It was noted that planning over the next couple of months could lead to some changes to the audit. Debbie confirmed that she had gone through the plan and was happy with what is being presented. Sandra Williamson asked if the finance team had sufficient support for the extra work and Debbie advised that they had although it was difficult to be absolutely sure until the handbook was available. Claire Foster confirmed that requirements will be monitored to ensure compliance and additional support would be made available for Debbie and her team.

Sandra asked about readiness for compliance given the short window from March to August next year. Gareth advised that it was difficult to be certain, but he was optimistic that there would be sympathy with the rapid rule change. He said that the priority is to get on top of policies and referred to the letter to the Accounting Officer. The regulatory review should help as there will be checks on borrowing and novel/contentious transactions. The college has not had any asset disposals and Remuneration requirements currently apply to new appointments.

Sandra asked if a summary of changes should be shared with Corporation members in a report to the next meeting. Claire offered to reference this in her report. It was noted

that the college had already done a self-assessment return and the emerging issues document which will be shared also has a summary of the changes.

Sandra noted the increase in fees and received confirmation that this had been provided for in the budget.

The committee agreed to approve the audit plan.

7. RISK MANAGEMENT

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

The committee noted that details of management and mitigation of the top risks had been included as agreed. Claire advised that the information presented reflected the fact that the executive continually reviewed risk in a rapidly changing environment. Andy Atkins confirmed that the inclusion of mitigations for the top risks was helpful

Debbie Holland asked if there was anything further which the committee required. Sandra Williamson confirmed that deeper dives into some risks may be considered at some time. Debbie confirmed thought this would help with assurance and would be useful.

8. FRAUD AND CORRUPTION REPORTING

Debbie Holland confirmed that there was nothing to report.

9. GOING CONCERN

The committee considered how the Corporation and committees reviewed issues which contributed to Going Concern judgement. It was agreed that a summary of how this is demonstrated should be prepared and published on Teams. ●

10. MEETINGS

It was agreed that the virtual meeting had been satisfactory and that this format should be used for meetings of the committee other than the November accounts meeting which would take place face to face. The timings of the committee meetings are to remain unchanged after consultation.