

BOSTON COLLEGE

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 13 NOVEMBER 2023

1. **PRESENT**

Andy Atkins, Daran Bland, James Brindle (to item 6), Daniel Elkington, Katy Priestley and Sandra Williamson.

Also in attendance: Janet Hemmant (Clerk to the Corporation), Debbie Holland (Chief Operating Officer), Charlotte Robinson (Head of Finance), Jonathan Creed (ICCA) and Gareth Jones (RSM).

Attendance: 100%

2. **APPOINTMENT OF CHAIR**

Having been duly nominated, Sandra Williamson was appointed as Chair of the committee for 2023-24.

Sandra Williamson in the Chair.

3. **APPOINTMENT OF VICE CHAIR**

Having been duly nominated, Daran Bland was appointed as Vice-Chair of the committee for 2023-24.

4. **ACTION LOG AND RECOMMENDATION TRACKING**

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

It was noted that the financial handbook had not yet been issued. It was agreed that the potential change of name for the committee should be removed from the action log and the name remain unchanged. ●

The recommendations tracking log was reviewed.

5. **MINUTES**

The minutes of the meeting held on 15 June 2023 were reviewed and approved as a correct record.

6. **INTERNAL AUDIT**

Jonathan Creed presented a number of reports:

a) **ESFA Mock Funding Audit**

This report carried a Reasonable assurance opinion. Jonathan explained that it was normal not to have a completely clean funding audit report. It was noted that the ESFA audits allow zero tolerance even if there are no funding implications of issues raised. Apprenticeships typically sees the most issues. ICCA are satisfied with the positive and detailed management responses.

Daran Bland asked about the direction of travel for the number of issues raised. Jonathan advised that there were more recommendations but that this reflected

frequent changes to the funding methodology which occur annually and within year.

Jonathan identified apprenticeship learner reviews as a recurring issue. Katy Priestley asked whether review meetings were pre-arranged and whether they should be booked at the outset of an apprenticeship. Sandra Williamson asked that working with employers and booking of reviews be followed up through the Standards Committee to ensure timely reviews and understanding of employer engagement. It was agreed that this issue should be noted on the risk register.

b) Work Experience Placements

This report carried a Reasonable assurance opinion. Jonathan identified that the recommendations related to staff engagement with the Grofar system and inconsistencies in the data.

Katy Priestley and Daniel Elkington enquired about the data inconsistencies and the effectiveness of staff training. Sandra Williamson asked if issues of misreporting which had been identified related to college set up of the system and Jonathan confirmed that this appeared to be the issue. Debbie Holland advised that the system had been set up by the industry placement team. Debbie said that it was believed that the issue had now been resolved.

Daran Bland enquired whether the provision of work experience was a compliance issue and it was confirmed that it was. Sandra asked where the reporting of work experience was reviewed and was advised that the Standards Committee had oversight of this. Daniel asked whether the college was confident of compliance with the requirements and Jonathan noted that this was rarely 100% compliant. It was agreed that the Standards Committee should be provided with a copy of the report and asked to form a view on compliance.

c) HR Performance Management

This report carried a Reasonable assurance opinion. Jonathan identified timely completion of performance reviews and the completed paperwork as issues. Management responses had been positive and transition to a new system may be a contributing factor to the issues.

Katy Priestley asked if AI could contribute to making performance targets smart and Debbie Holland agreed that this would be considered. Daran Bland identified the need to upskill managers in setting targets. This will be reviewed as part of the follow up audit and it was suggested to that the follow up could specifically review target setting. The importance of performance management in a period of change was emphasised.

d) Annual Internal Audit Report 2022-23

Jonathan presented the report which gave Reasonable Assurance, the highest level possible for this report, 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 committee noted that audits carried out during the year had an increased number of Reasonable Assurances. It was suggested that this could relate to the number of new systems which had been reviewed.

7. ANNUAL ACCOUNTS 2022-23

Members received a report from Chief Operating Officer on the annual accounts and Gareth Jones presented the audit findings.

It was noted that there were still one or two points to complete on the accounts and RSM are anticipating a clean audit report. Members' attention was drawn to the treatment of the LGPS valuation which was felt to be sensible. The positive Going Concern assurance was explained.

The committee noted that the auditors had identified one payment error which had been resolved immediately. Unadjusted misstatements were immaterial and cash generated had increased. The savings identified within the CEFSS outcome report had contributed to this. The committee agreed that the Finance and Resources committee should be asked to look at stress testing cash levels when they consider the financial handbook. The Corporation target for cash reserves and the anticipated minimum level were noted.

The committee accepted the information presented and approved the required statements to be passed on to the Corporation to allow the accounts to be signed off. Sandra Williamson thanked the teams involved in the audit and production of the accounts.

8. RISK MANAGEMENT ANNUAL REPORT 2022-23

Members received a report from the Chief Operating Officer on Risk Management.

Members reviewed the contents of the Risk Register and detailed information on the most significant risks. Debbie Holland advised that none of the risks were critical post mitigation.

In relation to the risk about staff recruitment, Daniel Elkington asked whether the college had a recruitment and retention plan to address workforce challenges. The committee agreed that this area would be appropriate for a deep dive review and it was agreed that the Executive Director: People should be invited to come to a meeting of the committee to facilitate this.

The committee agreed that the RSM briefing on Emerging Risk considerations should be shared with all Corporation members.

9. COMMITTEE PERFORMANCE MONITORING

Members received a report from the Clerk to the Corporation on the committee's performance in 2022-23. 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 2023-24 to be suggested to the Corporation should be:

- 80% attendance at meetings
- Deep dives of key risks
- Strengthen links and seek assurance through coordination of the work of the Corporation and committees

10. ESFA REGULARITY QUESTIONNAIRE 2022-23

Members received a copy of the completed Regularity Questionnaire. The committee noted the contents of the questionnaire which had been audited by RSM.

11. FRAUD AND CORRUPTION REPORTING

Debbie Holland confirmed that there was nothing to report.

12. MEMBERS' CPD REQUIREMENTS

Members were advised of training available. It was suggested that training on Risk would be useful for all Corporation members and Jonathan Creed offered to provide some training to the Corporation in the Spring Term. ●

13. ARTIFICIAL INTELLIGENCE

Members requested a presentation on the effect of AI on efficiency from staff using the resource. ●

14. AUDITORS' PERFORMANCE

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

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

15. CO-OPTED MEMBER

The committee agreed that Andy Atkins' appointment as a co-opted member should be extended by one year from March 2024. Other than confirming his agreement to being reappointed, Andy Atkins took no part in this discussion.

16. MEETINGS

It was noted that the next meeting of the committee would take place on Teams on 21 March 2024.