

# BOSTON COLLEGE

## MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 25 JUNE 2015

---

### 1. PRESENT

Mr D Hanson (Chair), Mrs H Wright, Mr A Atkins, Mrs S Richards

Also in attendance: Miss S Hill (Clerk to the Audit Committee), Mrs A Mosek (Principal), Mr J Creed (Icca), Mr R Lewis (Baker Tilly)

Meeting attendance: 80%

Apologies for absence were received from: Mr A Reynolds and Mrs J Hemmant (Vice Principal, Corporate Services)

### 2. MINUTES OF MEETING HELD THURSDAY 19 MARCH 2015

Non-starters. Mrs Mosek said that some students had pre-enrolled before the end of the academic year, but then had not returned, although she did say that it had not been a considerable increase from the previous year.

### 3. ACTION LOG

The only item on the action log was to 'review curriculum administration arrangements and report outcomes to the Committee'. Although it was marked as 'done' it was confirmed that this is being reviewed and will probably take until the end of October, so to remain on log.

### 4. INTERNAL AUDIT

#### a) Staff Development

Mr Creed confirmed that it was unusual that there were no recommendations and the audit showed a great deal of compliance. He said that the College has a well embedded staff development process and that part of the review involved speaking with a number of staff who gave very positive comments. Page 7 of the report showed the cost of HR and Staff Development, and although HR salaries are comparatively high, staff development salary costs were relatively low, which meant that overall pay costs were a little above median. It showed a significant shift in performance from two years ago, when Ofsted had been critical. Further discussion took place and the Committee was informed that the Teaching and Learning staff development was managed by the Quality Department.

#### b) Learner Records and Funding EFA and SFA

Mr Creed confirmed that the same methodology was used as that used by the SFA. A substantial assurance was given. The Executive Summary sets out samples chosen in terms of SFA and EFA which have different funding methodology. Mr Creed said that there were no funding errors, which gave a significant degree of comfort. There were two recommendations which were

shown on the action plan on page 8, one was a technical point on whether funding can be drawn for a specific group of learners who withdrew before commencing English and/or mathematics. The College had already flagged these learners, but had not so far, had a response from the EFA. It was stressed how important it was that copies of correspondence be kept for audit purposes. Mr Creed said that overall, substantial assurance was given for a good report.

**c) Learning Support (ALS)**

Mr Creed confirmed that an Amber rating had been given across the board, which still gives a positive assurance, but one step down from good. It was stated that ALS had gone through significant changes with different funding sources for different learners. The report looked at 2013/14 claims and there had been some difficulties in reconciliation, which had highlighted a number of issues. It was suggested that a number of recommendations should be dealt with for 2015/16 rather than looking back to 2014/15, and that SpirALS database is not being updated regularly enough. It was stated that there is some work to do but a reasonable assurance conclusion was given. Additional checks should be included in future. Mrs Mosek explained to the Committee why she thought the problems had arisen and what ideas they have for the future. Further discussion took place.

**d) Follow-up of previous Internal Audit Recommendations**

Mr Creed said that a reasonable assurance had been given. From 13 previous recommendations, 5 had been fully implemented, 2 were still in progress, 1 had not been implemented and 5 have not been implemented because they are no longer applicable or have been superseded.

It was confirmed that in relation to Procurement, the College management team are working to get this in place. Also the invoice scanning system, to make things more streamlined, is in the process of being implemented and this should be in place by July. All three items for Finance need to stay on record and Mrs Mosek said that she will be monitoring progress via the performance monitoring process.

Discussion took place on the 5 items to be removed from the report because of them being categorised as no longer applicable/superseded.

Learner punctuality was discussed and Mrs Mosek said that this was looked at during performance monitoring and stated that it was difficult to record onto electronic registers, and felt it was not appropriate as a top level KPI. This was agreed.

There was discussion about how the College monitors staff utilisation and it was noted that this is now monitored by the Finance and Resources Committee at alternative meetings.

It was felt that Estates utilisation KPIs should be monitored. It is planned that this will be fed to Governors through the Property report.

It was reported that enquiries should, ideally, be recorded on a database but that the College does not have the resources to do this and also the overall

benefit is debatable. Instead the College has chosen to spend money on a dedicated member of staff to support the recruitment of 16-18 year olds.

Discussion took place on the Hospitality and Catering Programme Area which had been an area of concern. Mrs Mosek said that an action plan was in place to try to improve financial performance of Catering.

The Chairman confirmed that the Committee agreed for the above five areas to be removed and others carried forward.

The Chairman stated that on the first page of the Audit Recommendations Tracking there was an empty space against the item relating to Budgetary Controls. Mrs Mosek to check with Mrs Hemmant and report back.

Mr Atkins asked whether items can be taken off the tracker once implemented. It was reported that Mrs Hemmant is responsible for this document and that this does happen.

## 5. **INTERNAL AUDIT STRATEGY**

Mr Creed presented the Internal Audit five year plan (2013/14 to 2017/18) for Audit Committee approval. The early part of the report gave details of Icca's responsibilities and the fees payable.

Mr Creed told the Committee that the audit plan for 2015/16 was to look at: International and the College's Highly Trusted Status; Governance following the AOC's Code of Good Governance for English Colleges; Models of Curriculum and delivery looking at the learner enrolment process, review of the curriculum management structure; Fundamental Financial Controls - Payroll; Safeguarding and the new Prevent agenda in line with Ofsted expectations; Learner records and funding and that the first data returns need to be attached to Maths/English qualifications, to ensure it is audit proof and finally Data Security, a refresher of the review done 2 years ago.

Mr Creed confirmed that this is where the 33 audit days will be used and it is addressing the right risks. Mr Hanson asked if there were any 'hot' issues and Mrs Mosek said nothing significant, except Prevent.

Mrs Wright asked if Risk Management should have been included, but Mr Creed replied that it doesn't need to be done every year and there are better ways to look at this.

Mr Hanson asked about International recruitment and the Committee was informed that Paul Collins was in China at the moment, hoping to recruit new agents.

## 6. **EXTERNAL AUDIT PLAN**

The Chairman congratulated Mr Lewis on Baker Tilly retaining the External Audit.

Mr Lewis explained the Introduction and Engagement Objectives of Baker Tilly and their proposed approaches.

Mr Lewis also asked Committee members if anyone was aware of any fraud taking place within the College. Members confirmed that they were not aware of any such incidents.

Mr Lewis talked about the key risks affecting the audit plan. The sale of De Montfort Campus was discussed and it was confirmed that the sale was imminent, but still waiting on planning permission. It was confirmed that FRS17 is always a key area of focus.

The financial position of Colleges was discussed, and Mr Lewis informed the Committee that country-wide there are about 50 colleges in financial difficulties.

It was confirmed that there had been an approach to the College regarding taking over the lease at Briar Way, Skegness, but there was nothing else to report at this time.

Mr Lewis told the Committee that the Accounts will look different for next year. One change is accrual of holiday pay which will cause some complicated administration.

7. **ANY OTHER BUSINESS**

Mr Creed said that the final piece of work looking at Risk Management was still outstanding, with one of the reviews still to be done. It was stated that this report would be brought to the meeting in November.