

# **B O S T O N C O L L E G E**

## **MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD THURSDAY 21 NOVEMBER 2014**

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### **1. PRESENT**

Mr A Reynolds (Chair), Mrs H Wright, Mr D Hanson, Mr D White

Also in attendance: Miss S Hill (Clerk to the Audit Committee), Mrs A Mosek (Principal), Mrs J Hemmant (Vice Principal)

The Chairman informed the Committee that Mr White would be retiring from the Audit Committee and thanked him for the contribution he has made over the years.

Mr Standish requested agenda items be switched in order for him to leave early to attend another meeting.

### **2. APPOINTMENT OF CHAIR AND VICE CHAIR**

Mr White nominated Mr Reynolds to continue as Chair and this was unanimously approved.

Mr Reynolds nominated Mr Hanson to continue as Vice Chair and this was unanimously approved.

### **3. MINUTES OF MEETING HELD 26 JUNE**

The minutes of the previous meeting were agreed and signed as a true record.

### **4. REVIEW OF ACTION LOG**

The Action Log was up to date with items either completed or ongoing.

### **5. ANNUAL ACCOUNTS**

Mr Standish went through his report and said that the audit findings followed the normal format. He commented that there were very few changes with the Regularity Audit which were fairly technical, minor points. The final paragraph stated that an updated engagement letter had been issued. The Chairman said that he had not seen a copy of the updated letter.

Mr Standish also commented on the exceptional quality and speed of audit evidence received from the College, which has been better than in previous years. He said he could give a clean audit report for the financial statements and regularity audits.

Section 4 of the report showed misstatements which had been altered in the financial statements and the deficit of £74,000 had remained unaltered which showed the accuracy of the information initially provided.

The Chairman asked Mrs Hemmant to thank her team for the accuracy of the information provided. He also said he was pleased to see no increase in fees. Mr Hanson asked how we compared to other colleges and Mr Standish gave

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the Committee a brief snapshot. It was stated that some Colleges are seeing substantial deficits this year.

Mr Standish talked through key areas of the accounts for the Committee. Mrs Wright commented that the interpretation of the accounts by Mr Standish was very useful.

Mr White asked about the increase in teaching costs compared to the previous year, but it was confirmed that figures have been reallocated to more accurately show teaching and assessing expenses in correct areas of the accounts.

Mr Standish referred the Committee to page 33 note 19 provision relating to the joint tenancy of the property in Skegness totalling £344,000. He said that in accounting terms, he feels it was the right thing to show it in these accounts, and for future years to be shown without the negative effect of this lease. Mrs Hemmant said that the College currently felt that the best thing would be to try and buy the property and then resell it. However, if this did not happen, any future short term lets would at least show income.

The Performance Indicators completed by Mrs Hemmant for Baker Tilly were considered and accepted.

The Chairman confirmed that the report was satisfactory.

#### **INTERNAL AUDIT ANNUAL REPORT YEAR ENDED 31 JULY 2014**

6.

Mr Creed presented his Annual Internal Audit Report to the Committee which included positive opinions.

Page 6 of the report showed that 31 days of work were carried out in the same profile as indicated in the audit plan.

The Chairman asked Mr Creed for his feedback after Icca's first year of working with Boston College. Mr Creed said that he had seen a good spread of operations including high risk areas, and that there were good systems and controls in use. He said it was a good report.

The Chairman thanked Mr Creed and his team for their good work.

#### **RISK MANAGEMENT**

7.

Mrs Hemmant presented the annual report on Risk Management. Discussion took place and Mrs Hemmant informed the Committee that reviews of risks took place regularly, and an annual in-depth review, involving the wider Senior Leadership Team was carried out. It was reported that the guidance has not changed, and that of the risks identified, recruitment in some teaching areas is an issue, and particularly failure to recruit 16-18 year old learners.

## **8. PERFORMANCE MONITORING**

Mrs Hemmant presented her report to the Committee on Performance monitoring.

Committee performance showed an 85% attendance at meetings. The targets proposed for this academic year would be to produce an annual report for the Corporation, to appoint a new committee member, an in-depth review looking at efficiencies and a target of 80% attendance. It was commented that Ms Richards may be interested in replacing Mr White as a member of the committee.

The Committee reviewed the performance indicators for the internal audit service.

The Chairman said that he had found the Auditor's report good and easy to read and recommended Icca continue their appointment for the new academic/financial year.

## **9. PROVIDER FINANCIAL ASSURANCE**

The Funding Assurance Review was discussed, and it was stated that one or two minor errors were found, which should have been picked up by College staff.

## **10. ANY OTHER BUSINESS**

Mr White asked for an update on the Sage Restaurant at Spalding. Mrs Mosek informed the Committee that it had been agreed for a local small company, (who were confident that they have a strong customer base and both proposed to work full time in the business) to take over and run the restaurant on a profit sharing basis. It was proposed that they would move into the Sage primarily doing breakfasts and lunches. Discussion took place.

Mrs Wright asked how the job share was working out with the Accountant from Boston Borough Council. Mrs Mosek said that it was working out very well on a two day a week basis. She confirmed that this had saved a substantial amount of money which had allowed an internal promotion within the Finance Office.

## **11. DATES OF MEETINGS**

Thursday 19 March 2015

Thursday 25 June 2015