

## **BOSTON COLLEGE**

### **MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON FRIDAY 17 NOVEMBER 2006 AT 3 PM**

#### **PRESENT**

Mr A Reynolds (in the Chair), Mr D White, Mr P Adams, Mr T Lightfoot

Also in attendance Miss S Hill (Clerk to the Audit Committee), Ms S Daley (Principal), Mrs J Hemmant (Director of Corporate Services), Mr N Walford (Finance Manager), Mr M Riley (Bentley Jennison), Mr M Standish (Baker Tilly)

#### **1 APOLOGIES**

Apologies were received from Mrs H Wright.

Mr Reynolds congratulated Bentley Jennison on winning Large Firm of the Year recently at Accountancy Age awards ceremony in London.

Mr Reynolds also said that he thought that the Committee would be interested to know that one of Duncan and Toplis' Partners, Damon Brain was awarded **Accounting Technician of the Year** at the same awards. Damon had taken his AAT exams at Boston College.

#### **2 APPOINTMENT OF CHAIRMAN**

Mr White proposed that Mr Reynolds continue as Chairman of the Audit Committee for 2006-2007 and this was agreed.

#### **3 MINUTES OF PREVIOUS MEETING**

Internal Audit – Corporation Committee Constitutions

Mrs Hemmant confirmed that she would update these as necessary and put them on the annual cycle of Corporation business.

#### **4 INTERNAL AUDIT ANNUAL REPORT 2005-6 AND AUDIT PLAN 2006-7**

Mr Riley talked through the Internal Audit Annual Report and Audit Plan. He told the Committee that over the 2005/6 period the College received a substantial assurance for all work done which was an outstanding result.

Mr Standish concurred with this view.

The Chairman thanked everyone for their team work.

Mr Riley had met with the Principal and the Director of Corporate Services and put together a two year plan based on the audit needs of the College. This year the focus will be on 14-16 year olds, Overseas Contracts and the Management Centre. Mrs Hemmant told the Committee that Key Stage 4 provision is an important area of work for the College and that schools will be paying directly for it. The Principal said that there will be new specialised diplomas and these courses needed to be costed properly, as the College appears to be making a loss on schools work at the moment.

It was stated that the Overseas contracts is an important area to look at as there was an issue in the past.

It was also decided to look at the Management Centre because of the College's proposed move to the town centre.

Appendix C of the report showed the history of audits carried out over the past few years.

Discussion took place on realigning the College in different markets and whether it was felt that marketing is working and cost-effective.

Mr White asked about the number of days proposed and Mrs Hemmant confirmed that it is around the above number of days and everyone was happy with this. The Committee was happy to accept the audit plan.

## 5 ANNUAL ACCOUNTS

The Committee had received a full set of annual accounts and Mr Standish took the Committee through the audit findings. He said that overall there were no issues unresolved, that the audit had gone smoothly. The Chairman questioned the FRS17 adjustment and asked Mr Standish and Mr Walford to look at and reconcile this. Mr Standish to formally confirm this when done. \*

It was commented that the background on some of the pages of the Final Audit Findings had not copied well and it was asked for it to be printed on white in future so that it can be easily read. Mr Standish explained that on section 3 the left hand column was the issues identified prior to audit at initial planning stage and the right hand side is how the issues were resolved.

Discussion took place about land disposal and comment was made that the College should be very careful about tax issues. Mr Lightfoot asked if the College would be obtaining tax advice and Mrs Hemmant said that tax advisers had been put on alert. Mr Walford to confirm the name of the company to be used to the Audit Committee. \*

It was stated that the Regularity Management Report was straight forward and there was nothing to report.

Mr Lightfoot said that on page 6 of the Members' Report 'Statement of Corporate Governance and Internal Control' it looked as if his term of office had expired. Mrs Hemmant to amend this. \*

## 6 RISK MANAGEMENT

Mrs Hemmant commented that the Committee needs to take a view of Risk Management.

Item 6 of the report on Risk Management, summarises that this is satisfactory, although there is one issue about the risk management software becoming increasingly dated and no longer supported.

The Committee was happy to accept the report.

## 7 PERFORMANCE MONITORING

### i) Committee performance

Mrs Hemmant had distributed a draft report to the Committee, but it was pointed out that Mr Charlton had retired in December 2005 and this needed to be reported to be consistent with the departure of Miss Bulbeck.

Mr White queried the figure of 78% attendance at meetings, and Mrs Hemmant confirmed that this figure was based on the number of members who could have attended. The targets set for next year are to make an annual report, 80% attendance at meetings and to look at a particular area of work, which was suggested to be Risk Management Methodology.

ii) Auditors Performance

Bentley Jennison had included a review in their report and the college had completed the standard assessment tick list. The committee completed and approved the assessment.

Mr Lightfoot asked if there was an improvement was expected each year. It was felt that a continuous improvement in audit was required.

Baker Tilly. The Committee went through the assessment and completed the outstanding answers.

The Chairman thanked both Mr Riley and Mr Standish on the work done this year.

**8 REVIEW OF WORK BASED LEARNING PROVISION**

The Chairman congratulated Lynn Ladds for all the hard work which had led to this report.

**9 DATES OF MEETINGS**

Thursday 22 March 2007

Thursday 10 May 2007

Thursday 5 July 2007

**10 ANY OTHER BUSINESS**

As there was no further business, the meeting closed.