

BOSTON COLLEGE

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 22 MARCH 2007 AT 3 PM

PRESENT

Mr A Reynolds (in the Chair), Mr D White, Mr T Lightfoot, Mrs H Wright

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 C Williams (Bentley Jennison), Mrs Lynn Ladds (Head of Employer Engagement)

1 APOLOGIES

Apology for absence was received from Mr M Standish, Baker Tilly.

The Chairman welcomed Mrs Wright to her first meeting.

Mr Lightfoot informed the Committee that he would like to step down from the Audit Committee and the Board of Governors from September this year. Mr Reynolds thanked Mr Lightfoot for his valuable contributions to Audit Committee Meetings.

2 MINUTES OF PREVIOUS MEETING

Annual Accounts – Mrs Hemmant confirmed that the final version of the Accounts had been corrected.

Tax Advisers – Mr Walford confirmed that Davies Myers have been used previously, but Mrs Hemmant told the Committee that the College would choose at a later date which firm to use, the most likely being Davies Myers, Eversheds or Baker Tilly.

The Chairman signed the previous minutes as a true record.

3 INTERNAL AUDIT

(a) Learner Numbers System (01.06/07)

Mr Williams told the Committee about the findings of the report and discussion took place and said there was a substantial assurance. Concern was expressed that exactly the same point was raised at a previous audit which was that course specification forms had not been signed. The Principal said that this happens in every college. The process of chasing them up happens at the busiest time of the year when thousands of forms are being processed. She explained that it was due to human error, but because of such large volumes was almost inevitable. Mrs Hemmant told the Committee that the College would be moving towards an electronic and automated system which would be the responsibility of the MIS team. Curriculum teams would input the details into an electronic and automated system although it will still need to be monitored and checked.

Item 2 of the action plan related to Course Specification reports not being signed which was due to the long term sickness of a Curriculum Leader. The Chairman asked what back up systems are in place. The Principal said that in this area there is not depth in experience and staff, and the College accepted responsibility for this.

Item 3 of the action plan was the recommendation for the enroller to document and retain evidence with the enrolment form. However, this was not accepted by Management. Discussion took place and Mrs Hemmant explained that this is quite a sensitive area and difficult to ask prospective students about mental health problems, homelessness, etc. Mr Lightfoot asked about the financial risk which was said to be negligible.

(b) 14-16 year olds – Income and Expenditure (02.06/07)

Mr Williams reported that an adequate assurance had been given in this report. Concerns had already been acknowledged by Management about the cost of provision and there were a number of issues identified around the control framework.

Discussion took place regarding the Key Stage 4 and 4Real programmes which were funded by local schools.

The Chairman asked if it was felt that this was just a transitional problem but the Principal said no – there had been a number of funding streams for several years but she felt that the College had not had a good enough grasp of the situation, and wanted a clear view from the internal auditors.

Mr Lightfoot asked if the programmes were loss making nationally and it was reported that nationally and within Lincolnshire colleges were all having the same problems. It was explained that the IFP income has been coming into the same budget head as KS4 and 4Real and being managed by the same team, and the College had not been able to separate the data. The Principal explained that they were a complex set of programmes to manage. The Director of Corporate Services said that there were significant losses amounting to tens of thousands of pounds. It was reported that Grantham College estimate that they will only provide around 50% of provision next year because of the costs. The Principal said that it was large scale business for Boston College because of its high profile and that we must be careful in the future how much it is subsidised.

The Principal said that the College needs to have a costing model produced for the future. Also the College does not have its funding allocation for 2007-2008 yet, but would report back at the next meeting estimated budgets for next year. However, this would not be straightforward because of the way the budget is sliced by the LSC. It would probably have a big impact on non priority work. However, it was aimed to be part of the whole budget for the College, but the picture is complicated as there is no idea what schools will buy and the most expensive courses to run are the most popular.

(c) Overseas Contracts

Mr Williams said that a substantial assurance was given although there was one significant recommendation which had been agreed with management which relates to agents contracts. An agreement should be in place for all agents signed by the Director of Client Services, the International Officer and the Agent.

One issue was also that documented procedures be completed by the end of the academic year.

The Chairman questioned why there had been limitations on the audit carried out when previously there were issues around expenses etc. Mrs Hemmant responded and said the principal concerns had been about what we agree to pay agents. Mr Williams to speak with Mr Riley about this. The Chairman requested that the previous issues be revisited the next time the audit was carried out in this area, where controls which need improving will be put in place.

Mr Lightfoot asked about the risks of employing agents. Discussion took place and it was stated that a previous problem related to one agent only, who is still the prime agent.

4 PROVIDER ASSURANCE

Mrs Ladds attended the meeting to inform the Committee about the Train to Gain Contract which was audited when it started last November. Mrs Ladds said it was a very good exercise to go through as this was new for the College. She advised that Train to Gain has

complex policies and procedures which were difficult to understand and there appeared to be conflicting information, but at least staff were able to ask relevant questions at the audit. The college is working with a lot of partners so it is important to make they have procedures in place.

The Chairman asked Mrs Ladds to thank Paula Capindale for the work she has done.

5 DATE AND TIME OF NEXT MEETING

The next meeting was planned for Thursday 10th May but Mrs Hemmant informed the Committee that this meeting would not be necessary. She had spoken to Mr Standish at Baker Tilly who had confirmed that the College did not need a declaration for interim regularity. In view of this the next meeting was rescheduled for Tuesday 26th June instead of the one planned for Thursday 5th July.

6 ANY OTHER BUSINESS

As there was no other business, the meeting closed.