

## **BOSTON COLLEGE**

### **MINUTES OF A MEETING OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY 26 JUNE 2008 AT 3.00 PM**

#### **PRESENT**

Mr A Reynolds, Mr D Hanson, Mr D White

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 and Stephanie Franconi (Bentley Jennison), Mr M Standish (Baker Tilly)

#### **1 APOLOGIES FOR ABSENCE**

Received from Mrs H Wright

#### **2 MINUTES OF MEETING HELD ON THURSDAY 3 APRIL 2008 AT 3.00 PM**

Action Log – Mr Riley confirmed that the wording on the report relating to Z readings had already been reworded and the recommendation in the report had been revised.

Payroll - Mr Riley commented on the point about spot checks needing to be done on a regular basis. He confirmed that he had now emailed Mr Tharby, Director of HR to clarify the checks which needed to be carried out and it was requested that this be added to the Action Log. \*

Invoices in dispute - Mr Walford confirmed that information had been communicated to Budget holders in the staff newsletter concerning invoices being held up because of dispute. However, it was stated that there is still one budget holder who tends to hold on to invoices, and it was said that Mr Walford should speak to the person concerned. \*

Till being shared – Mr Walford confirmed that although it was recommended that the till in Hair and Beauty be set up with different departmental buttons relating to each session the existing till was unable to provide this facility. A spare till previously used at Market Deeping Centre was now available for use and would be set up ready for the next academic year. This would enable each group to balance up their own tills. This to be reviewed and monitored by the Finance Office during the next academic year. \*

#### **3 INTERNAL AUDIT**

The Chairman welcomed Stephanie Franconi to the meeting.

##### **a) Corporate Governance – Thematic Review**

It was reported that there were no recommendations on this report. Mr Standish asked where does this report lead to and Mr Riley stated that it was just information gathering and a summary report produced benchmarking all FE colleges. The Principal commented that it is a sector review rather than an audit.

##### **b) Train to Gain**

Substantial assurance was given with one significant and two merits attention recommendations. It was commented that these will be dealt with by Lynn Ladds, Head of Employer Engagement.

Discussion took place relating to objective 2 of the report about monitoring income to ensure funds received are in line with claims submitted. It was reported that the College does pay as soon as money is received from the LSC as this is important for small providers who need cash flow guarantee. College Management accepted the point made and will review. It was requested that for the next meeting an example is provided for the Audit Committee of the process to show that this is being done. \*

It was reported that item 3 of the report which related to learner files needing to contain relevant information and the required documentary evidence; this has already been done.

### **c) Risk Management**

Following discussion on the Risk Management report it was noted that there were just two items meriting attention. Mr Standish said that Boston College had fewer issues than other colleges and this was agreed by Mr Riley.

The Principal asked about the statement in the report 'appetite for risk'. Discussion took place and it was stated that this needs inserting into the risk management policy to show how risk averse the College is. This statement needs to be put to the Corporation to approve. \*

### **d) Learner Numbers**

It was reported that substantial assurance was given with only two merits attention points. The first issue related to the Visual Arts section not sending returns in on time in December 2007. It was suggested and agreed that the Principal and Director of Corporate Services write a note to keep this section focused.

It was also recommended that the College should provide a control schedule to show that checks are being made. This was accepted by College management.

### **e) Follow-up**

Previous audits followed up were 14-16 Year Old Income and Expenditure and Overseas Contracts where there were 5 recommendations, two of which had been implemented, 2 ongoing and 1 outstanding. Mr Standish commented that this is really good in comparison to some other colleges. It was reported that there was now a new manager in place in 14-19 and all seems to be working well.

### **f) Benchmarking Information**

Mr Riley explained that this report is not included in the Annual Report. It is a comparison only of Bentley Jennison's clients rather than the sector as a whole. The Principal asked how many clients had responded and Mr Riley stated that about 160 and Boston College was above the average.

## **4 BAKER TILLY AUDIT STRATEGY**

Mr Standish presented the BT audit strategy document for the year ended 31 July 2008. The document is presented to comply with ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance'.

The document covers the following points:

1. Introduction and engagement objectives
2. Audit approach, scope and timetable

3. Key risks affecting the audit plan
4. Governance and control
5. Fees
6. Financial reporting developments

The following points were addressed:

- Discussion took place on the accommodation strategy and by the end of the year the College may have spent hundreds of thousands of pounds on consultancy fees which Baker Tilly advise will have to be written off. The Committee queried whether this was standard accounting treatment and was assured by Mr Standish that it was the norm in the sector.
- It was stated that financial health is a key area with FRS17 having potentially significant impact.
- Mr Standish explained the proposed fees for the next year and explained that the College still has two subsidiaries which involve carrying out audit reports. The Committee agreed to discuss the fees proposal at the end of the meeting – (subsequently done and fees agreed as per document).
- BT have a policy of rotation of audit partners after 7 years. Mr Standish has been the audit partner of Boston College since 2002.
- Mr Standish confirmed that Richard Lewis would be the senior manager from Baker Tilly in the future and that they would try to get the same manager on site too.

## **5 COLLEGE BENCHMARKING INFORMATION**

Mrs Hemmant presented the Committee with LSC benchmarking information for the general FE sector which she also handed to Committee members on a CD which they could take away and study. Mrs Hemmant explained that she had tried to compare only rural colleges but this was found to be difficult so the comparison was done with general FE colleges. The Principal commented on the interesting information on staffing costs. Mrs Hemmant asked members of the Committee to let her know if they had any issues which needed to be pursued.

## **6 DATES OF FUTURE MEETINGS**

Friday 14 November 2008  
Thursday 2 April 2009  
Thursday 18 June 2009