

BOSTON COLLEGE

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 29 APRIL 2010

1. PRESENT

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

Also in attendance: Miss S Hill (Clerk to the Audit Committee), Mrs S Daley (Principal), Mrs J Hemmant (Director of Corporate Services), Mr N Walford (Finance Manager), Mr M Riley (RSM Tenon)

2. APOLOGIES

Apologies were received from Mr D Hanson.

3. MINUTES OF MEETING HELD FRIDAY 13 NOVEMBER 2009 AND MATTERS ARISING

The minutes were agreed as a true record.

To look at the matters arising from the minutes, the Chairman referred to the Action Log.

Mrs Hemmant said that PDAs haven't started to be issued yet, but would be in due course. The Chairman asked for occasional spot checks to be carried out, and Mr Walford confirmed that this would be done by the Finance Officer.

Stock control – it was recorded that feedback from Construction area was vague. Mr Riley confirmed that his staff would be looking at stocktaking this week, and that new guidelines were being written and implemented. Mr Riley to report back to next meeting. *

Mrs Hemmant confirmed that the Environmental Committee had not yet reconvened but will in due course. Mrs Hemmant also informed the Committee that recycling bins had been placed in the Hall of Residence.

Baker Tilly – It was reported that the lead person replacing Mr Standish has not yet been named. It appears that Baker Tilly may be waiting for a decision from the LSC about what is going to be required in the future before a member of staff is assigned.

Risk Management – it was reported that teacher trainer funding has found itself back in the adult learner responsive budget.

Mr Riley had already distributed a paper explaining thematic reviews. He said that this had been produced by their technical people, and that the main work would be done week commencing 10th May.

Mrs Hemmant said that she hoped that a new member would be found for the Committee soon.

4. INTERNAL AUDIT

a) Debtors (02.09/10)

Mr Riley informed the Committee that there were 1 significant and 4 merits attention recommendations. Mrs Hemmant said that the issue with write-offs was because she had given verbal authority which had been acted on, but provided written authority a little later. She agreed that in future, write offs would not be done until documented approval was in place. The Chairman added that controls are put in place for a reason, and that staff should ensure that they are followed.

The Chairman asked about issue 3 concerning reminders or notes regarding the recovery of debts and whether these could be added on to the system. Mr Walford said that notes can be added which would be able to be viewed by other people.

All recommendations were agreed.

The Chairman said he was disappointed with the benchmarking.

Mrs Wright asked when Debtors was last audited and it was confirmed that it is done within Key Financials Systems in previous years.

b) Learner Number Systems (01.09/10)

Mr Riley confirmed that there was a substantial assurance overall although comment was made that one of the recommendations relating to developing a control schedule which was not accepted was brought up last year. It was confirmed that there was a calendar in place. The Committee members were happy that it is being managed but not in a way the auditors had expected.

The other recommendation not accepted was the reconciliation of fees and discussion took place.

Mrs Hemmant said that all student fee payments are recorded, but with cash paid over the counter, there was nothing to reconcile in Finance Office as to which individual had paid. Mrs Hemmant thought that to do this, it would need a completely new system.

The Chairman asked what other colleges do to satisfy the point which we don't seem to be able to do and Mr Riley to look into it and report back. Mr White asked what risks we are incurring by not being able to do this and Mr Riley said it was classic reconciliation control to show it is complete and to reconcile the fees. Mr Walford confirmed that the till would not be able to reconcile the cash. It was said that any new system would need to be cost effective, and would be discussed again at the next meeting. *

The Chairman asked about on-line enrolments and Mrs Hemmant said that this had been started last year. Mrs Hemmant to report back at the next meeting. *

c) Payroll (03.09/10)

Mr Riley said that there was substantial assurance with 4 recommendations which were all merits attention. It was reported that item 3 concerned whether Payroll section could produce a report by exception, although this was not accepted by Management. However, Mr Riley said he was not so concerned by this.

Mr Riley reported that item 4 related to reconciliation of the payroll to the general ledger and it being signed off. This was already being done, but will be signed off from May 2010 onwards.

Discussion took place about page 3 of the report where the table shows the results of the last audit 2007/8 figures and 5 recommendations, three of which had not been fully implemented onto the new payroll system

The Chairman said it was disappointing that these have been brought up again when they were implemented into the old system but not the new one. Mrs Hemmant said that they were slightly different and gave examples.

The Chairman asked, for example, how a bogus employee would be identified, and discussion took place. Mr White asked what checks are carried out and Mr Riley said this is the from the exception report; he said that they would have been tested but doesn't know the outcome. .

The Principal informed the Committee that there was enough staff trained to the cover the payroll, although she would talk with Mr Tharby, Director of Human Resources about this. It was also agreed that Mr Walford should be the person to sign off item the payroll reconciliation at the end of each month, not Mr Tharby.

5. ANY OTHER BUSINESS

Mrs Hemmant told the Committee that the College had submitted its Framework for Excellence questionnaire and the Agency (the Skills Funding Agency) agreed with the College's score.

6. DATE AND TIME OF NEXT MEETING

Thursday 17th June 2010 at 3.00 pm.

7. ISSUES

The Committee was made aware of two issues which were under review.