

BOSTON COLLEGE

MINUTES OF A MEETING OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY 3 APRIL 2008 AT 3.00 PM

PRESENT

Mr A Reynolds, Mr D Hanson, Mr D White, Mrs H Wright

Also in attendance Miss S Hill (Clerk to the Audit Committee), Mrs J Hemmant (Director of Corporate Services), Mr N Walford (Finance Manager), Mr M Riley (Bentley Jennison), Mr J Allison-Maybank (Director of Client Services)

1 APOLOGIES FOR ABSENCE

Received from Mrs S Daley and Mr K Tharby

2 MINUTES OF MEETING HELD ON FRIDAY 16 NOVEMBER 2007

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

Internal controls Issues - it was recommended that the detail given in the Action Log be further expanded to make the issue clearer.

3 INTERNAL AUDIT

a) Key Financial Systems (inc HE income)

Mr Riley gave the Committee details of the Key Financial Systems audit which also focussed on HE Income and in both cases received substantial assurance. Discussion took place on the Action Plan on page 5 of the report which covered lower priority housekeeping issues.

Mr Walford informed the Committee that account codes are a cross between nominal codes and cost centres and it was agreed that if there are any Nominal Ledger accounts not to be used again or which had not been used for a period of time, they would be closed down to avoid future miscoding.

It was also confirmed that signature lists need updating regularly.

It was noted that Purchase Invoices need to be passed through to Finance quickly for payment and this had been notified to Budget Holders. The Chairman stated that Budget Holders should make the Finance Office staff aware of any invoices held up for disputes and anyone doing this regularly should be monitored by Finance Office.

Discussion took place on item 4 of the Action Plan concerning Z readings. Mr Riley agreed that the report needs changing to say that Z readings are not being done in some areas, rather than the tills not being able to do them. Mr Reynolds suggested that perhaps the forms should be amended with a box to enter Z readings. He also asked if differences are monitored. Mrs Hemmant confirmed that there are generally no serious issues, but the staff concerned would investigate if there was a significant discrepancy. Where there was an issue relating to a till being shared it was recommended that either another till be purchased or ensure the existing one is able to cover two different payments. The Chairman asked for a report back on this issue.

Higher Education - Mr Allison-Maybank explained to the Committee that the data input error

mentioned in the report was simply that the assumed fee element for one course was entered rather than the full core funding element. Mrs Hemmant said that this was a mistake quite easy to make.

Mr Allison-Maybank informed the Committee that until he received a memo of agreement then projections of income could not be made. He said that it also was difficult to identify the source of income received unless the respective codes are looked up on Symmetry. It was suggested that the Finance office could enhance the information given.

Mr Allison-Maybank said that Boston College was running HE courses in conjunction with three HE establishments – Huddersfield University, University of Sunderland and Lincoln University. It was confirmed that the financial relationships with Sunderland and Huddersfield had been great, but not so good with Lincoln and that there had been payment problems. Boston College has different types of agreements with each establishment and the value of all the contracts was between £300,000 and £350,000 but the funding was different depending on the number of students and whether they were full or part time.

Mr Allison-Maybank informed the Committee that there had been an issue with the Student Loan Company whereby the loan was reliant on the student completing the form properly. In instances where Boston College had not been indicated as the course provider, the loan payments had been sent to the University. Further background information was given and it was reported that there is now a system in place within the College to keep track of this.

b) Marketing

Mr Riley confirmed that following the audit carried out on Marketing, there was substantial assurance and one item meriting attention regarding recording enquiries made by full and part time students. It was stated that from a Market research perspective, it would be useful to have details of all enquiries made but there were broader issues relating to the logistics of collecting this information which were being considered by the college.

c) Payroll

Mrs Wright asked why it had been decided to change from the previous payroll provider to it being produced in-house. It was stated that although the previous supplier was a specialist payroll provider, there had been a number of problems. Mrs Hemmant confirmed that it was cheaper to have it done in-house and then have exactly what was needed.

Mr Riley confirmed that Bentley Jennison's review had looked at basic salaries only and that overtime claims where the forms are signed off by Mrs Hemmant but this would be looked at later by Auditors. It was suggested that an additional responsible officer be put in place so that Director of Corporate Services does not need to sign them all of the time. The audit report looked at the extra duties of the Finance Officer which had all been documented.

Discussion took place regarding the BACS payment files being stored in locked filing cabinet, and why these cannot be stored electronically. It was questioned whether the College is changing to a paperless system. Mr Walford stated that orders are already done this way and there has already been some discussion of scanning invoices etc.

Further discussion took place about the report and it was suggested that spot checks should be carried out on a regular basis. Typical issues are pay in excess of a particular value, excessive hours worked, etc. Mr Riley commented that the recommendation was probably poorly worded and he would liaise with HR and reword as necessary.

The exception report mentioned in paragraph 4 was being checked. The question was asked who determines the independent officer, and this person was nominated by Mrs

Hemmant and/or Mr Tharby. The Chairman asked that this should be made clear.

It was commented that discrepancies were checked and cleared on a monthly basis, but the evidence of the check needed to be seen.

Mr Reynolds commented that considering the Payroll system has only just come back in house, it was quite a clean report and this comment should be sent back to the team.

4 ANY OTHER BUSINESS

Mrs Hemmant commented that risk management reports should now be coming through from the new management information system.

5 DATE OF NEXT MEETING

Due to the unavailability of some Committee members on 3rd July, the next meeting date was changed to Thursday 26th June.