

# BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

## AUDIT COMMITTEE

Minutes of a Meeting held on Wednesday 21 November 2007 at 5.00pm

<b>Membership:</b>	* Charles Cardiff	Business Member	Chairman
	* Graham Heath	Staff Member	
	* Mike Rushworth	Business Member	
	Pamela Woolgrove	Co-opted Member	
	Vacancy (NC)		
	* Member present		
<b>Quorum:</b>	3 Members required	3 present	Meeting quorate
<b>In Attendance:</b>	Simon Burrell	Clerk to the Corporation	
	Alan Gwyer	Director of Developments & Partnerships (DDP)	
	Claire King	Head of Finance (HoF)	
	Chris Mantell	Tenon (Financial Statements Auditor)	
	David Moir	Deputy Principal - Finance & Resources (DPFR)	
	Shirley Parker	Head of Student Administration (HSA)	
	Richard Plumb	Bentley Jennison (Internal Auditor)	

### 52. APOLOGIES FOR ABSENCE

Pamela Woolgrove, Judith Armstrong (Principal).

### 53. ELECTION OF CHAIRMAN FOR THE MEETING

Charles Cardiff was elected Chairman of the Ctte for the meeting.  
(Proposed by Mike Rushworth, Seconded by Graham Heath)

The Chairman noted that the agenda was substantially based on financial matters, and sought clarification on other aspects of the College's activities the Ctte was allowed to review. The Clerk advised that the Ctte had the powers to review any area of the College's activity. The Internal Auditor offered to arrange for a briefing session on the role of the Audit Ctte to be undertaken prior to a formal meeting.

**ACTION: Clerk/Internal Auditor**

### 54. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

### 55. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

**56. MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 3 July 2007 were confirmed and signed by the Chairman as a correct record.

**57. MATTERS ARISING**

There were no Matters Arising discussed.

**58. PROGRESS REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS AUDIT REPORTS**

A written report was received and considered. The DPFR took Members through the report and updated them on progress made to the items contained within it. It was noted that, of the 26 outstanding recommendations, 10 had been completed. He outlined planned actions that were scheduled to be implemented in order to complete the remaining outstanding actions.

Of particular note, the DPFR advised that:

**1. Business Continuity Plan (Sept 2005)**

Continuity Plan not fully tested as the Health & Safety Manager had left the College and a replacement was currently being sought. Overall health & safety was the responsibility of the Principal, with day-to-day management undertaken by the Facilities & Estates Manager. A Health & Safety Consultant had been appointed earlier that week to assist in resolving outstanding actions related to health & safety matters. As Business Continuity was not a health and safety matter College Management had to consider whether this responsibility should transferred to another post in the College. **ACTION: Facilities & Estates Manager**

**2. Fixed Asset Disposals (Dec 2006)**

A review of formal procedures was currently being undertaken. A physical check of all assets was underway. The Chief Accountant planed to ensure that 25% of the Fixed Asset Register was physically checked each year. **ACTION: Chief Accountant**

**3. Risk Management Policy – risk appetite (Feb 2007)**

The DDP was currently awaiting further advice and guidance from the Internal Auditor. The Internal Auditor advised that the College needed to consider setting a minimum level of risk that would be acceptable. The DDP confirmed that all risks were graded but that many were outside of the College’s control. The Internal Auditor stressed the need for the Corporation to be fully aware of how ‘risk adverse’ the College was. **ACTION: DDP**

Progress on completing all outstanding recommendations was noted.

**59. INTERNAL AUDIT SERVICE REPORTS**

**1. Internal Audit Annual Report 2006/07**

A written report was received and considered. The Internal Auditor advised that the report summarised the internal audit work undertaken during the year. He took Members through the report and highlighted a summary of the conclusions and recommendations made.

In his overall and unqualified opinion, the Internal Auditor confirmed that the College had adequate and effective risk management, control and governance processes to manage the achievement of the College’s objectives.

**It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Annual Report 2006/07 be received and accepted.**

59. (cont)

**2. Tuition Fees/Debtors (01.07/08)**

A written report was received and considered. The Internal Auditor took Members through the report and advised that, in his opinion, the control framework reviewed provided substantial assurance that risks material to the achievement of the college's objectives for this area were adequately managed and controlled. The Internal Auditor had made three 'merits attention' recommendations. It was noted that College Management had accepted all the recommendations made.

**It was RESOLVED that the report be agreed.**

**3. Sessional Lecturers (02.07/08)**

A written report was received and considered. The Internal Auditor took Members through the report and advised that, in his opinion, the control framework reviewed provided adequate assurance that risks material to the achievement of the college's objectives for this area were adequately managed and controlled. The Internal Auditor had made five (2 'significant' and 3 'merits attention') recommendations. It was noted that College Management had accepted all the recommendations made.

**It was RESOLVED that the report be agreed.**

**60. FINANCIAL STATEMENTS AND REGULARITY AUDIT 2006/07**

**1. Management Letter 2006/07**

A written report was received and considered. An updated Management Report (that incorporated Management Responses) was tabled for Members information. The Financial Statements Auditor took Members through the report and highlighted some issues relating to:

- i. revaluation of land and buildings,
- ii. discrete revenue and capital funding
- iii. the need to strengthen further some accounting and financial control systems
- iv. the conflict of interest procedures and BCOT Enterprises project management

The Financial Statements Auditor confirmed that he had issued an unqualified opinion regarding both the financial statements audit and the regularity audit.

**It was RESOLVED to RECOMMEND to the CORPORATION that the Financial Statements Auditor's report on the financial statements and regularity audit 2006/07 be agreed.**

**61. BCOT Enterprises Ltd (Report and Accounts) 2006/07**

A written report was received and considered. The DPFR advised that the accounts related to the operation of the College Bookshop, and showed an operating loss of £511 for the year.

**It was RESOLVED to RECOMMEND to the CORPORATION that the BCOT Enterprises Ltd report and accounts 2006/07 be agreed.**

**61. AUDIT COMMITTEE'S ANNUAL REPORT TO THE CORPORATION 2006/07**

A written report was received and considered. The Clerk advised that the report summarised the work of the Ctte during the year.

**It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Committee's Annual Report 2006/07 be agreed.**

**62. RISK MANAGEMENT ANNUAL REPORT 2006/07**

A written report was received and considered. The DDP took Members through the report and advised that the Senior Management Team had reviewed the Risk Policy and Register to ensure that:

- i. Management at all levels was committed to identifying and managing risk,
- ii. Key indicators in risk areas were identified and included in the Risk Register,
- iii. Risk management was an integral part of normal management,
- iv. The development of a risk management culture and awareness throughout the College did not make people 'risk averse'.

The DDP outlined the actions taken to ensure that the actions highlighted above were incorporated into the daily operations of the College.

Members noted the actions to be taken. They also proposed that the Register should be updated to include a statement against the most serious risks advising that, when actions had been taken to reduce the risk, how many of the risks remained 'high risk' post-mitigation. It was also proposed that this action should be linked to those risks identified that were outside of the control of the College.

**ACTION: DDP**

**It was RESOLVED to RECOMMEND to the CORPORATION that the Risk Policy and Register be agreed.**

**63. HEALTH & SAFETY ANNUAL REPORT 2006/07**

A written report was received and considered. The DPFR advised that the report summarised health and safety activity during 2006/07. It was noted that there had been a decline in reported accidents from 190 (2005/06) to 154 in 2006/07.

**It was RESOLVED to RECOMMEND to the CORPORATION that the Health & Safety Annual Report 2006/07 be received and agreed.**

*(Graham Heath left the meeting)*

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**64. STATUS OF THE MEETING**

The Clerk reported that the meeting had become inquorate. It was agreed to continue the meeting on an 'information only' basis.

**65. INTERNAL AUDIT REPORTS**

**1. Business Development (11.06/07)**

A written report was received and noted. The Internal Auditor took Members through the report and advised that, in his opinion, the control framework reviewed provided adequate assurance that risks material to the achievement of the college's objectives for this area were adequately managed and controlled. The Internal Auditor had made five (2 'significant' and 3 'merits attention') recommendations. It was noted that College Management had accepted all the recommendations made.

**2. Internal Audit Progress Report**

A written report was received and noted. The Internal Auditor took Members through the report, and advised that progress was on target with the annual plan. The Internal Auditor thanked the staff of the College for their help and assistance during all audit visits.

**66. PERFORMANCE INDICATORS (PIs) INTERNAL AND EXTERNAL AUDIT**

A written report was received and noted. The DPFR took Members through the report and outlined the range and type of PIs that were used to evaluate the work of the Internal Auditor and Financial Statements Auditor. In both cases the achievement against the PIs was satisfactory.

**67. USE OF COLLEGE SEAL**

The Clerk advised that the Seal had not been used in the period since the last meeting.

**68. ANY OTHER BUSINESS**

There were no items of Any Other Business discussed.

**69. DATES OF FUTURE MEETINGS**

Wednesday 12 March 2008

Wednesday 18 June 2008

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(Meeting closed at 7.10pm)