

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 14 JUNE 2017

Membership (7):	*	Charles Cardiff	External Member	Chair
	*	Neale Killick	External Member	
	*	Nicole Martin	Co-opted Member	
		Martin Slatford	External Member	
	*	Pamela Woolgrove	External Member	Vice Chair
		Vacancy (MM)	Staff Member	
		Vacancy (SK)	External Member	
Quorum:		3 Members required	4 Members present	Meeting quorate
In Attendance:	*	Anthony Bravo	Principal	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Graeme Clarke	Mazars (Internal Auditor) (IA)	
	*	Carol Davey	Mazars (External Auditor) (EA)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
Present at meeting:	*			

PART 1 – NON CONFIDENTIAL MATTERS

(5.05pm)		ACTION
572.	APOLOGIES FOR ABSENCE There were no apologies received.	
573.	DECLARATIONS OF INTEREST There were no Declarations of Interest made.	
574.	NOTIFICATION OF ANY OTHER BUSINESS There were no items of Any Other Business notified.	
575.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 21 March 2017 were confirmed as a correct record, and were signed by the Chair.	
576.	MATTERS ARISING There were no Matters Arising that had not been considered elsewhere at the meeting.	

<p>577. (5.07)</p>	<p>PROGRESS REPORT ON IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS INTERNAL AND EXTERNAL AUDIT REPORTS</p> <p>A written report was received, considered and noted. The DPFR took the Ctte through the report and updated it on progress with regards to each of the recommendations made at previous audits. There were no significant matters arising from the recommendations.</p> <p>A total of 12 recommendations were outlined in the report. The DPFR advised that 3 had been completed, 3 were due for completion by September 2017, 3 were in progress, and the remaining 3 were on-going.</p> <p>With regards to the recommendation related to IT disaster recovery, the DPFR advised that there had been a further unexpected power cut on 9 June 2017 and that the Director of IT had identified that not all IT recovery systems had operated as expected. Specifically, some of the UPS (uninterruptable power supply) batteries had not been fully-charged when power was lost. However, there had been sufficient power to allow the systems to shut-down safely and no data lost.</p>	
<p>578. (5.22pm)</p>	<p>INTERNAL AUDIT SERVICE</p> <p>1. Assurance Mapping – Extended Follow-up (05.16/17) (Final)</p> <p>A written report was received, considered and noted. The Internal Auditor concluded that he had given 'substantial assurance' on the effectiveness of internal controls reviewed. A total of 3 recommendations had been made, all graded Priority 3 (housekeeping), all of which had been accepted by College Management.</p> <p>2. Progress Report 2016/17</p> <p>A written report was received, considered and noted. The Internal Auditor advised that 1 review (Learner Number Systems) had still to be undertaken and that the fieldwork was due to start in the near future. He advised further that the contingency allocation had not yet been used.</p> <p>3. Internal Audit Strategy Update and Operational Audit Plan 2017/18</p> <p>A written report was received and considered. The Internal Auditor advised that the proposed Plan had been developed after a review of the Risk Register, and a discussion with the DPFR.</p> <p>The IA advised that the proposed Plan would cover:</p> <ul style="list-style-type: none"> • Sub-contracting/Partnerships (4 days) • General Data Protection (5 days) • Learner Number Systems (5 days) • Core Financial Controls – Payroll and Expenses (4 days) • Follow-up (3 days) • Audit Management (4 days) <p>The IA advised further that two other areas for possible review were under consideration:</p> <ol style="list-style-type: none"> 1. IT security (possible system penetration testing) 2. IR 35 <p>In addition, it was proposed that another review could be learner number predictions vis-à-vis accuracy, looking at predictions/competitions/demographics/and a reducing market share.</p> <p>The Chair requested that Members consider any specific areas for review under the Ctte's contingency allocation for discussion at the next meeting.</p>	<p style="text-align: right;">Ctte Members</p>

578. (cont)	<p>The Committee reviewed the proposed Plan.</p> <p>It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Plan 2017/18, set out above, based on 25 days (excluding the Committee's contingency of 5 days), be agreed.</p>	
579. (5.34pm)	<p>RISK MANAGEMENT</p> <p>A written report was received and considered. The DPFR advised that one new risk had been added to the register since the last meeting of the Ctte:</p> <ol style="list-style-type: none"> 1. R7: College actions to be taken in the event of a terrorist attack (Residual Risk Score 10) <p>The DPFR advised further that the biggest risk continued to be around the College's finances and funding following the reductions in learner numbers and cuts in public funding.</p> <p>With regards to the risk highlighted at the last meeting related to the College securing a place on the register of approved training providers (for apprenticeship delivery) the DPFR was pleased to advise that the College had been included in it. However, following changes in the funding methodology there was now more uncertainty around the whole area of apprenticeship funding.</p> <p>The DPFR updated the Ctte on progress related to those risks with a score above 20.</p> <p>It was RESOLVED that the updated Risk Register be agreed.</p>	
580. (5.44pm)	<p>AUDIT STRATEGY MEMORANDUM 2016/17</p> <p>A written report was received, considered and noted. The EA took the Ctte through the report and outlined plans for the review of the accounts for 2016/17. It was noted that the audit fieldwork would be undertaken in October 2017 with final reports being presented at the next meeting of the Ctte in November 2017 and the Corporation in December 2017.</p> <p>The EA advised that the fee for the external audit would be £16,175 plus VAT.</p> <p>In response to a question from a Member the EA advised that the level of materiality would be circa 0.5%.</p>	
581. (5.57pm)	<p>USE OF COLLEGE SEAL</p> <p>The Clerk advised that the Seal had not been used since the last meeting.</p>	
582.	<p>ANY OTHER BUSINESS</p> <p>There were no items of Any Other Business discussed.</p>	
583.	<p>DATES OF FUTURE MEETINGS <i>(Meetings commence at 5.00pm unless stated)</i></p> <p>Wednesday 29 November 2017 Wednesday 7 March 2018 Wednesday 13 June 2018</p>	
(6.00pm)	Meeting closed	