

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 28 NOVEMBER 2018

Membership (7):	*	Charles Cardiff	External Member	Chair
	*	Nicole Martin	Co-opted Member	
	*	Chris Moore	External member	
		Martin Slatford	External Member	
	*	Pamela Woolgrove	External Member	Vice Chair
		Vacancy (TS)	Member	
		Vacancy (MM)	Member	
Quorum:		3 Members required	4 Members present at start	Meeting quorate
In Attendance:		Will Barnard	TIAA (Internal Auditor wef 1 Aug 2018) (IA)	
	*	Anthony Bravo	Principal	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Dan Canham	Mazars (Internal Auditor to 31 July 2018)(IAx)	
	*	Carol Davey	Mazars (External Auditor) (EA)	
	*	Katrina Heath	Health & Safety Manager (HSM)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	*	Ian Sharp	TIAA (Internal Auditor (from 1 August 2018)(IA)	
Present at meeting:	*			

PART 1 – NON CONFIDENTIAL MATTERS

(5.30pm)		ACTION
620.	APOLOGIES FOR ABSENCE Martin Slatford, Will Barnard (TIAA: Internal Auditor).	
621.	DECLARATIONS OF INTEREST There were no Declarations of Interest made.	
622.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 13 June 2018 were confirmed as a correct record and were signed by the Chair.	

623.	<p>MATTERS ARISING</p> <p>1. Audit Ctte's Contingency Allowance (Minute 610)</p> <p>The Audit Ctte confirmed its request that the Internal Auditor should undertake a review of the College Business Continuity Plan as part of the Ctte's contingency allowance.</p>	Internal Auditor
624.	<p>HEALTH & SAFETY ANNUAL REPORT 2017/18</p> <p>A written report was received and considered. The HSM advised that the report detailed the health and safety management systems within the College, and that it summarised the College's arrangements in place to deliver the health and safety policy together with data, including statistics in relation to accidents. In addition, the report noted good progress in improving health and safety performance and promoting a positive health and safety culture.</p> <p>The HSM also advised that the report gave an overview in greater detail, and advised that:</p> <ul style="list-style-type: none"> • The number of College related incidents resulting in injury dropped from 97 to 54 • The College had 0 RIDDOR reportable incidents during the academic year 2017/18 • Compared to FE Health and Safety Managers national figures, incident rates showed that the College continued to record a lower number of College related incidents compared to other Colleges of a similar size, for both staff and learners. • The number of out of College trips/visits recorded during 2018/17 fell from 153 (2016/17) to 104 (2017/18). <p>The HSM stressed that the report showed that the report provided confirmation that the College continued to meet its commitment to provide staff and learners with a safe, healthy and supportive environment.</p> <p>In response to a question from a Member the HSM advised that those learners with special needs had individual personal evacuation plans in place to assist them in the event of an emergency.</p> <p style="text-align: center;">It was RESOLVED that the Health & Safety Annual Report be received and accepted. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p> <p><i>(The Health & Safety Manager left the meeting)</i></p>	
625.	<p>INTERNAL AUDIT SERVICE</p> <p>1. Learner Number Systems (05.17/18)</p> <p>A written report was received, considered and noted. The Internal Auditor (IAx) advised that the review annual review tested the College's compliance with the various funding regulations. He had concluded that he had given a 'partial compliant' assurance on compliance with funding rules. He had made a total of 4 recommendations, 3 graded Priority 2 (significant) and 1 graded Priority 3 (housekeeping), all of which had been accepted by College Management.</p> <p>2. Annual Internal Audit Report 2017/18</p> <p>A written report was received and noted. The Internal Auditor (IAx) advised that the College had continued to retain a full-scope internal audit, and that he was able to issue a clean unqualified report.</p> <p>The IA took the Ctte through the report and referred the Ctte to the Annual Opinion contained in the report. He confirmed that, on the basis of their audit work, he considered that the College's governance, risk management and internal control</p>	

<p>625. (cont)</p>	<p>arrangements were generally adequate and effective to manage the achievement of the College's objectives. Certain weaknesses and exceptions had been highlighted by their work (in particular their advisory review of GDPR), and recommendations made in their individual reviews. He confirmed that no limited assurances had been given. He advised further that those and all other matters had been discussed with management.</p> <p>In response to a question from a Member the IAx advised that BCoT was broadly comparable to other colleges within the FE sector.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Report 2017/18 be received and agreed. <i>(Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</i></p> <p><i>(The IAx left the meeting)</i></p> <p>3. Summary Internal Controls Assurance 2018/19</p> <p>A written report was received and considered. The IA advised that the first reviews were due to start week beginning 10 December 2018.</p> <p>It was noted that one planned review (subsidiary companies) had been replaced by a review of sub-contractor partners.</p>	
<p>626.</p>	<p>FINANCIAL STATEMENTS AND REGULARITY AUDIT 2017/18</p> <p>A written report was received and considered. The EA advised that, as a result of her audit work, she proposed to issue an unqualified opinion without modification.</p> <p>In reaching her conclusions, the EA advised that she had reviewed various significant risks (as outlined in the report), had undertaken a follow-up review of recommendations from the previous year, and had concluded that the College was deemed as a 'going concern'.</p> <p>The EA also advised that the Letters of Representation had been issued in a prescribed format, and that no changes had been made.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the External Audit Report, the Regularity Audit 2017/18 and the Letters of Representation be received and agreed. <i>(Proposed by Charles Cardiff, Seconded by Chris Moore)</i></p>	
<p>627.</p>	<p>REGULARITY SELF-ASSESSMENT QUESTIONNAIRE</p> <p>A written report was received and considered. The DPFR advised that the Questionnaire had been prepared for submission to the FSA and had also been reviewed by the External Auditor.</p> <p style="text-align: center;">It was RESOLVED that the Regularity Self-assessment Questionnaire be agreed. <i>(Proposed by Nicole Martin, Seconded by Charles Cardiff)</i></p>	
<p>628.</p>	<p>RISK MANAGEMENT AND RISK REGISTER</p> <p>A written report was received and considered. The DPFR advised that the Risk Register had been updated fully since the last meeting of the Ctte.</p> <p>The DPFR advised that the risk trend was downwards, and the total risk scores had reduced by 64 since May 2018. In particular:</p> <ul style="list-style-type: none"> • The risk around apprenticeship delivery not being viable had been addressed following the introduction of the apprenticeship costing model. • The risk around the introduction of on-line adult enrolment had reduced following the successful implementation during the summer. 	

<p>628. (cont)</p>	<ul style="list-style-type: none"> • The risk around HE development had reduced because the level of HE activity was now so low in the college that the impact of it declining further was much smaller than it once was. • Learner numbers at the Future Skills Centre in Bordon had increased, and the Centre was closer to operating at break-even. However, a decision would need to be taken before December 2019 on whether to exercise the lease break option at the end of year three, or to continue with the lease for a further seven years. <p>The DPFR also highlighted three risks with an increased risk score:</p> <ul style="list-style-type: none"> • The risk associated with West Berkshire Training Consortium had increased due to a breakdown in the relationship with the company's main subcontractor. This had led to increased costs, a potential negative impact on achievement rates and potential financial liabilities if auditable evidence of learning was not available. • Student attendance had declined in 2017/18. This had been identified by Ofsted in the May 2016 inspection as an area of improvement for the college. • The risk of achievement rates declining had been increased due to the third successive year of decline in apprenticeship achievement rates. <p>The DPFR highlighted a high risk that had just been identified. All colleges and training providers had been advised that they would all need to re-register as an approved training provider for apprenticeships. The consequences of not being approved as a training provider were deemed significant.</p> <p style="text-align: center;">It was RESOLVED that the updated Risk Register be agreed. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p>	
<p>629.</p>	<p>AUDIT COMMITTEE'S ANNUAL REPORT 2017/18</p> <p>A written report was received and considered. The Clerk advised that the Annual Report reflected on the work of the Audit Ctte during the year, and included assurances from the Internal Auditor's annual report, the External Auditor's completion report, risk management and health and safety reports.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Committee's Annual Report 2017/18 be received and agreed. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p>	
<p>630.</p>	<p>USE OF COLLEGE SEAL</p> <p>The DPFR advised that the Seal had been used to sign the merger documentation with West Berkshire Training Consortium.</p>	
<p>631.</p>	<p>ANY OTHER BUSINESS</p> <p>There were no items of Any Other Business discussed.</p>	
<p>632.</p>	<p>DATE OF NEXT MEETING <i>(Meetings commence at 5.00pm unless stated)</i></p> <p>Wednesday 13 March 2019 Wednesday 12 12 June 2019</p>	
<p>(6.44pm)</p>	<p>Meeting closed</p>	