BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 12 JUNE 2019

Membership (7):	*	Charles Cardiff	External Member	Chair	
		Nicole Martin	Co-opted Member		
	*	Chris Moore	External member		
	i	Martin Slatford	External Member		
	*	Pamela Woolgrove	External Member	Vice Chair	
		Vacancy (TS)	Member		
		Vacancy (MM)	Member		
Quorum:		3 Members required	3 Members present	Meeting quorate	
In Attendance:	*	Anthony Bravo	Principal		
	*	Simon Burrell	Clerk to the Corporation (Clerk	Clerk to the Corporation (Clerk)	
	*	Vicky Davies	TIAA (Internal Auditor) (IA)		
	*	David Moir	Deputy Principal Finance & Resources (DPFR)		
Present at meeting:	*				
From Minute 647:	i				

PART 1: NON-CONFIDENTIAL MATTERS

(5.15pm)		ACTION
643.	APOLOGIES FOR ABSENCE	
	Nicole Martin.	
644.	DECLARATIONS OF INTEREST	
	There were no Declarations of Interest made.	
645.	MINUTES OF THE PREVIOUS MEETING	
	The Minutes of the meeting held on 13 March 2019 were confirmed as a correct record and were signed by the Chair.	
646.	MATTERS ARISING	
	1. Audit Ctte's Contingency Allowance (Minute 636.1)	
	The IA advised that the review requested by the Audit Ctte had been delayed owing to illness and was now scheduled to be undertaken later that week.	Internal Auditor

647. INTERNAL AUDIT SERVICE

1. Review of Anti-fraud Duplicate Payments: March 2019

A written report was received, considered and noted. The IA advised that no overall assessment was provided as the review was operational rather than assurance. A total of four recommendations (3 graded 'routine' and 1 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Ctte through the recommendations and outlined the actions proposed.

2. Assurance Review of Key Financial Controls: May 2019

A written report was received, considered and noted. The IA advised that as a result of the review he had issued an overall assurance assessment of 'reasonable assurance'. A total of eleven recommendations (6 graded 'routine', and 5 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Ctte through the recommendations and outlined the management responses and progress.

In response to a question regarding the nursery, the DPFR advised that a number of changes had been implemented and that all fees were now received in advance, on a monthly basis, and made by direct debit.

In response to a further question regarding outgoing payments from the College, the IA advised that all outgoing payments from College accounts were counter-signed by a second member of staff. She stressed that cashflow was a big risk and that TIAA had suggested to their college clients that a review of the cashflow be undertaken during the Plan cycle.

3. Progress on the Internal Audit Plan 2018/19

The IA advised that all the outstanding reviews would all be completed by 31 July 2019. The Ctte requested that copies of the reports for all the outstanding reviews should be circulated by email to the Members of the Ctte as soon as each report had been finalised.

IA/DPFR/ Clerk

(Martin Slatford joined the meeting)

4. Internal Audit Plan 2019/20

A written report was received and considered. The IA advised that in developing the Plan she had met with the DPFR to discuss potential areas to be review and had undertaken a review of the Risk Register to identify any specific areas for review. The Plan proposed was based on a total of 35 days:

Financial governance: Subsidiary Companies 4 days (assurance) Key Financial Controls (to include cashflow) 4 days (compliance) Learner numbers: compliance testing 4 days (compliance) 3 days (compliance) Sub-contracting Campus security 3 days (assurance) ICT Cyber security 4 days (compliance) Audit Ctte's contingency 5 days (assurance) Follow-up/Annual Plan/Annual Report/ 8 davs

Audit Management

The IA advised that there were other potential areas that could be reviewed under the Audit Ctte's contingency allowance. It was agreed to consider these at the next meeting.

IA/Ctte

It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Plan 2019/20 based on 35 days be agreed.

(Proposed by Charles Cardiff, Seconded by Chris Moore)

648. RISK MANAGEMENT AND RISK REGISTER

A written report was received for information and noted. The DPFR advised that whilst the trend in recent reviews had seen the overall College risk profile reduce, three new risks had been added that had increased the overall risk profile. Those new risks were:

- Devolution of adult funding (risk score 29)
- The introduction of T-levels (risk score 28)
- The impact of Brexit on the college's operation (risk score 12)

The DPFR advised that as well as the new risks, the main areas of risk for the college group were:

- Funding changes that had been implemented and were outside of the College's control
- The continuing decline in 16-18 full-time learner numbers, the impact that was having on the College's finances, and the continued viability of some parts of the curriculum
- GDPR breaches
- Below average achievement rates for 16-18 and 19+ Education & Training programmes, early leaver rates were too high
- Three-year decline in apprenticeship achievement rates
- Insufficient monitoring and students' value added/progress made measures
- Development of Higher Education programmes
- Reliance on some key staff with hard to replace skills
- The length of the college's commitment to the Future Skills Centre at the end of the initial three-year period of the lease

The DPFR outlined those areas of opportunity for the College group that included:

- Capital funding: three project bids were being made to Enterprise M3 LEP (Digital Futures, Electric Vehicle Training, Special Educational Needs into Employment)
- Growth in apprenticeships and adult courses
- Building on BCoT's growing reputation as a leader and innovator in the use of digital technologies in teaching, learning and assessment
- Higher Education development

The Ctte proposed that it would review a different section of the Risk Register at each meeting, and that those individuals responsible for those sections should make a short presentation to the Ctte on how they were mitigating the risks.

DPFR

649. REVIEW OF COMMITTEE TERMS OF REFERENCE AND DELEGATION OF RESPONSIBILITIES

A written report was received and considered. The Clerk advised that the terms of reference and the delegation of responsibilities were due for their three-yearly review. He advised further that there were no known changes that were required to be made.

The Ctte reviewed the terms of reference and delegation of responsibilities and agreed that there were no changes required to either.

650. USE OF COLLEGE SEAL

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

651.	ANY OTHER BUSINESS					
	There were no items of Any Other Business discussed.					
652.	DATE OF FUTURE MEETINGS (Meetings commence at 5.00pm unless stated)					
	Wednesday 27 November 2019 Wednesday 18 March 2020 Wednesday 10 June 2020					
653.	EXCLUSION OF OFFICERS					
	No Officers were excluded from the meeting.					
654.	AUDITORS' ONLY					
	The Internal Auditor advised that she had no matters to raise.					
(6.30pm)	Meeting closed					