

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 27 NOVEMBER 2019

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	3 Members present	Meeting quorate
In Attendance:	*	Anthony Bravo	Principal	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Carol Davey	Mazars (Financial Statements Auditor) (FSA)	
	*	Katrina Heath	Health & Safety Co-ordinator (HS)	
	*	Clarence Mporu	TIAA (Internal Auditor) (IA)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	*	Dean Palmer	Director of IT (DoIT)	
Present at meeting:	*			

PART 1: NON-CONFIDENTIAL MATTERS

(5.15pm)		ACTION
655.	APOLOGIES FOR ABSENCE Nicole Martin, Martin Slatford.	
656.	DECLARATIONS OF INTEREST There were no Declarations of Interest made.	
657.	NOTIFICATION OF ANY OTHER URGENT BUSINESS The DPFR notified one item of Any Other Urgent Business	
658.	MINUTES OF THE PREVIOUS MEETING The Minutes of the meeting held on 12 June 2019 were confirmed as a correct record and were signed by the Chair.	

659.	<p>MATTERS ARISING</p> <p>1. Audit Ctte's Contingency Allowance (Minute 647.4)</p> <p>The Chair advised that the Committee proposed that a review be undertaken on the purpose and effectiveness of a curriculum area from the stakeholders' perspective.</p> <p>The DPCR advised that the DPCPI had asked if it would be possible for the Committee to consider (as part of its contingency allowance) a review to be undertaken of the internal verification (IV) process across the whole College. The Principal suggested that a review covering IV would, at this time, be of greater benefit to the College and to the students.</p> <p>The DPCR advised further that a review of the purpose and effectiveness of curriculum areas would be included in a future audit plan.</p> <p>It was RESOLVED that the Internal Auditor be asked to undertake a review of the internal verification process across the whole College.</p>	Internal Auditor
660.	<p>HEALTH & SAFETY ANNUAL REPORT 2019</p> <p>A written report was received and considered. The HS took the Committee through the report and advised 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.</p> <p>The HS advised further that the report provided an overview of the facts and figures (presented in detail later in the report). The HS highlighted that:</p> <ul style="list-style-type: none"> • The number of College related incidents resulting in injury had increased to 77 (2018/19) from 54 (2017/18) • The College had 2 RIDDOR reportable incidents during the academic year 2018/19 • Compared to College benchmarking, incident rates showed that BCoT 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 2018/19 fell from 104 (2017/18) to 95 (2018/19). <p>The HS stressed that the data provide confirmation that the College was meeting its commitment to provide staff and learners with a safe, healthy and supportive environment.</p> <p>The HS outlined her plans for 2019/20 and advised that additional work was planned on implementing COSHH on a College wide basis, and on reviewing the Art Department in greater detail following their recent relocation within North Site.</p> <p>It was RESOLVED that the Health & Safety Report 2018/19 be received and agreed. (Proposed by Chris Moore, Seconded by Charles Cardiff)</p> <p>The Chair thanked Katrina for her report and for her contribution to the Audit Committee.</p> <p><i>(The HS left the meeting)</i></p>	
661.	<p>IT SECURITY</p> <p>A written report was received and noted. The DoIT took the Committee through the report. He advised that there had been an increase nationally in the number of incidents of cyber attacks within the FE sector. He advised further that he had undertaken a full review of existing systems and had updated and improved them to ensure that the College was protected as fully as possible.</p>	

<p>661. (cont)</p>	<p>The DoIT also advised on a recent security incident regarding a phishing email that some staff had responded to. He also highlighted that a recent test undertaken within the College had 'caught' several staff who had responded to it. He advised further that he was investigating the implementation of internal mandatory training for all staff.</p> <p>The DoIT highlighted the problems of internet resilience on both sites and outlined proposals to install a new direct connection on North Site that would also link to South Site and offer greater protection if one connection should fail along with greater bandwidth.</p> <p>The Chair thanked Dean for his report and for his contribution to the Audit Committee.</p> <p><i>(The DoIT left the meeting)</i></p>	
<p>662.</p>	<p>INTERNAL AUDIT SERVICE</p> <p>Written reviews were received and considered. The IA took the Committee through the Audit Progress Report 2018/19 and highlighted the results of those reviews undertaken since the last meeting of the Audit Committee.</p> <p>Specific reviews received were:</p> <p>1. Assurance Review of Business Continuity Planning (Sep 2019)</p> <p>The IA advised that as a result of the review he had issued an overall assurance assessment of 'reasonable assurance'. A total of seven recommendations (3 graded 'important', and 4 graded 'routine') had been made, all of which had been accepted by College Management. The IA took the Cttee through the recommendations and outlined the management responses and progress.</p> <p>2. Compliance Review of Learner Numbers (Sep 2019)</p> <p>The IA advised that as a result of the review he had issued an overall assurance assessment of 'reasonable assurance'. A total of three recommendations (1 graded 'important', 1 graded 'routine', and 1 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Cttee through the recommendations and outlined the management responses and progress.</p> <p>3. ICT Review of ICT – GDPR Compliance (Aug 2019)</p> <p>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 (5 graded 'important', 4 graded 'routine', and 2 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Cttee through the recommendations and outlined the management responses and progress.</p> <p>4. Follow-up Review (Jul 2019)</p> <p>The IA advised that 26 previous recommendations had been implemented, 7 were still outstanding, 1 had been considered but not implemented, and 1 had not been implemented.</p> <p>5. Assurance Review of Sub-Contractors (Jul 2019)</p> <p>The IA advised that as a result of the review he had issued an overall assurance assessment of 'substantial assurance'. A total of three recommendations (2 graded 'routine', and 1 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Cttee through the recommendations and outlined the management responses and progress.</p>	

<p>662. (cont)</p>	<p>6. Internal Audit Annual Report 2018/19</p> <p>The IA advised that he was satisfied that, for the areas reviewed during the year, Basingstoke College of Technology had reasonable and effective risk management, control and governance processes in place. His opinion was based solely on the matters that had come to his attention during the course of the internal audit reviews carried out during the year and was not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or the College's ability to meet financial obligations which must be obtained by the College from its various sources of assurance.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Annual Report 2018/19 be received and agreed. (Proposed by Charles Cardiff, Seconded by Chris Moore)</p> <p>The Chair commented favourably on the new style of IA reports and on the clarity of their presentation.</p>	
<p>663.</p>	<p>FINANCIAL STATEMENTS AND REGULARITY AUDIT 2018/19</p> <p>Written reports were received and considered. The FSA advised that, as a result of her audit work, she proposed to issue an unqualified opinion without modification. As a result of the audit two risks had been identified and both had been resolved satisfactorily.</p> <p>With regards to West Berkshire Training Consortium (WBTC), the FSA advised that as the acquisition was made for nil consideration, the most appropriate treatment for the acquisition within the consolidated financial statements was to treat the acquisition as, in substance, a gift. She had reviewed the net asset position of WBTC on acquisition and agreed the calculation of the gain on acquisition and had concluded that the treatment of the acquisition of WBTC within the financial statements was in line with the HE/FE SORP and not materially misstated.</p> <p>The FSA advised that she had also considered the Actuarial assumptions used in the LGPS pension scheme, and, whilst she acknowledged the salary assumption was lower than might be expected and when compared to other FE institutions, she believed that given the current and anticipated future salary increases, the assumptions was reasonable.</p> <p>The FSA also advised that the Letters of Representation had been issued in a prescribed format. However, reference to the Actuarial assumptions related to the LGPS pension scheme had been included in it.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the External Audit Report, the Regularity Audit 2018/19 and the Letters of Representation be received and agreed. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p>	
<p>664.</p>	<p>RISK MANAGEMENT AND RISK REGISTER</p> <p>A written report was received, considered and noted. The DPFR advised that the risk register and mapping had been updated fully. He advised further that whilst the trend in recent reviews had seen the overall College risk profile reducing, two new risks have been added to the register:</p> <ol style="list-style-type: none"> 1. LGPS rising costs and valuation methodology – risk score 27 2. Data security – risk score 19 	

664. (cont)	The DPFR also advised that despite the good enrolment on 16-18 full-time programmes, the risk score (ref S1) had been left unchanged because of the further loss in market share of Basingstoke school leavers within the overall increase. In addition, the risk around devolution of funding (S11) had been confirmed, with the College losing the entirety of its £550k allocation for delivery in the Greater London Authority area from 2021/22.	
665.	<p>AUDIT COMMITTEE'S ANNUAL REPORT 2018/19</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 Financial Statements Auditor's completion report, risk management and health and safety reports.</p> <p>It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Committee's Annual Report 2018/19 be received and agreed. (Proposed by Charles Cardiff, Seconded by Pamela Woolgrove)</p>	
666.	<p>USE OF COLLEGE SEAL</p> <p>The Clerk advised that the Seal had not been used in the period since the previous meeting.</p>	
667.	<p>ELECTION OF VICE CHAIR OF THE AUDIT COMMITTEE</p> <p>The Clerk called for nominations for Vice Chair of the Audit Ctte for a two-year term of office commencing on the 27 November 2019. One nomination was received.</p> <p>It was RESOLVED that Pamela Woolgrove be elected Vice Chair of the Ctte for a two-year term of office commencing on the 30 November 2019. (Proposed by Charles Cardiff, Seconded by Chris Moore)</p>	
668.	<p>ANY OTHER BUSINESS</p> <p>1. Appointment of Financial Statements Auditor (FSA)</p> <p>The DPFR advised that Mazars had been appointed as the FSA in 2014 and that he proposed that a re-tender process be undertaken during the new year (2020).</p> <p>It was agreed that a re-tender process for the financial statements auditor be undertaken during 2020.</p>	DPFR
669.	<p>DATE OF FUTURE MEETINGS (Meetings commence at 5.00pm unless stated)</p> <p>Wednesday 18 March 2020 Wednesday 10 June 2020</p>	
670.	<p>EXCLUSION OF OFFICERS</p> <p>No Officers were excluded from the meeting.</p>	
671.	<p>AUDITORS' ONLY</p> <p>The Internal Auditor and the FSA advised that they had no matters to raise.</p>	
(6.49pm)	Meeting closed	