

# BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

Owing to the emergency restrictions imposed by HM Government on travel and social distancing because of the global Covid 19 pandemic this meeting was held by video conference

## AUDIT COMMITTEE

### MINUTES OF A MEETING HELD ON WEDNESDAY 10 JUNE 2020

<b>Membership (7):</b>	*	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	
<b>Quorum:</b>		3 Members required	4 Members present	Meeting quorate
<b>In Attendance:</b>	*	Anthony Bravo	Principal	
		Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Chris Mantel	Alliotts (Financial Statements Auditor) (FSA)	
	*	Clarence Mpofo	TIAA (Internal Auditor (IA)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
<b>Present at meeting:</b>	*			

## PART 2: CONFIDENTIAL MATTERS

(5.00pm)		ACTION
<b>672.</b>	<b>APOLOGIES FOR ABSENCE</b>  Pamela Woolgrove.	
<b>673.</b>	<b>DECLARATIONS OF INTEREST</b>  There were no Declarations of Interest made.	
<b>674.</b>	<b>NOTIFICATION OF ANY OTHER URGENT BUSINESS</b>  The DPFR notified one item of Any Other Urgent Business	
<b>675.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>  The Minutes of the meeting held on 27 November 2019 were confirmed as a correct record. <i>[The Minutes would be signed by the Chair when national restrictions were relaxed]</i>	

676.	<p><b>MATTERS ARISING FROM THE MINUTES</b></p> <p>There were no Matters Arising from the Minutes that were not due to be considered elsewhere at the meeting.</p>	
677.	<p><b>INTERNAL AUDIT REPORTS</b></p> <p><b>1. Governance Arrangements (WBTC)</b></p> <p>A written report was received and considered. The IA advised that he had issued an overall assurance assessment of 'limited assurance'. A total of 11 recommendations (1 graded 'Urgent', 2 graded 'important', 4 graded 'routine', 4 graded 'operational') had been made, all of which had been accepted by College Management. The IA took the Ctte through the recommendations. He advised that he would be reviewing the recommendations and progress made during a follow-up review scheduled for later in the cycle. It was noted that WBTC, being a small company, the issue of segregation of duties was more difficult to address owing to the employment of fewer staff.</p> <p><b>2. Internal Audit Progress Report 2019/20</b></p> <p>A written report was received and considered. The IA updated the Ctte on progress of those reviews scheduled for completion during the remainder of the current financial year. He stressed that delivery of the internal audit work for 2019/20 had been impacted by the global Covid-19 pandemic which had taken hold during the current accounting period. As a result, he was not able to continue with the delivery of the remaining audits within the 2019/20 Internal Audit Plan.</p> <p>The IA advised further that the consequences of this unprecedented event were expected to continue into the new financial year and would continue to pose significant risks to all organisations. The impact of ongoing events on the College's control systems, financial sustainability or operational performance had not been assessed and would be considered as part of the audit programme going forward into 2020/21. However, he was in discussion with the DPFR to consider undertaking elements of some internal audit reviews remotely.</p> <p><b>3. Internal Audit Plan 2020/21</b></p> <p>A written report was received and considered. The IA stressed that 2020/21 would be a very challenging year for Further Education Colleges due to the ongoing impact of the COVID-19 pandemic and would have an unprecedented impact across all areas of the College.</p> <p>The IA took the Ctte through his report and highlighted those areas he had proposed for review following discussions with the DPFR. His proposed Plan was based on 35 days and included 7 key areas for consideration (including one deferred from 2019/20) and 5 days to be allocated by the Audit Ctte.</p> <p style="text-align: center;"><b>It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Plan based on 35 days be agreed.</b></p>	
678.	<p><b>RISK MANAGEMENT AND RISK REGISTER</b></p> <p>A written report was received and considered. The DPFR advised that the risk register and mapping had been updated fully in November 2019, and a further update made in March 2020. No new risks had been added since March 2020. However, covid-19 continued to dominate matters, especially on the impact on delivery for the next academic year and on the impact of apprenticeship starts. In addition, the risk around academic results had been increased following the decline in retention rates during the year.</p>	

<p><b>678. (cont)</b></p>	<p>The DPDR advised further that the risk around student numbers declining had been reduced following the increase achieved in September 2019 and the increase in applications for places for September 2020. However, there was now a risk that the College would not be able to deliver to all students who wanted a place in 2020/21 due to the limitations on delivery because of covid-19 and the likely additional work that teaching staff would have to commit to. Devolution of adult funding would also impact negatively on the College, with the loss of all provision in the Tees Valley in 2019/20 (c£50k), and with the loss of all London provision in 2021/22 (£550k). The College was, though, awaiting the outcome of a bid to continue operations in the Tyne region in 2020/21 (£100k).</p> <p>The DPFR highlighted key risks to enrolment in 2020/21 to the College as a result of the covid-19 pandemic as:</p> <ol style="list-style-type: none"> <li>1. How would the College deliver courses in 2020/21 vis-à-vis social distancing and class sizes, and with the need to be as flexible as possible within the constraints of the existing budget would be very difficult,</li> <li>2. The uncertainty of the impact of the economic downturn on employers vis-à-vis the potential reduction in apprenticeship starts, furloughing and redundancy of staff and apprentices,</li> <li>3. A reduction in apprenticeship starts could see a large increase in full time enrolments which would, in turn, cause capacity issues.</li> <li>4. The reductions in adult funding would have a significant impact on the College, especially with the GLA ceasing all contracting with the College from 2021/22.</li> </ol> <p>The DPFR took the Ctte through the top 10 risks contained in the risk register and advised that the top risk was now in relation to the financial viability of apprenticeship delivery if employers stop/reduce employing apprentices.</p>	
<p><b>679.</b></p>	<p><b>FINANCIAL STATEMENTS AUDIT 2019-20</b></p> <p>A written report was received for information and noted. The FSA outlined the plans for the review and completion of the financial statements for 2019/20. He advised that the materiality level had been set at £300k. In addition to completing the College's financial statements, as part of the audit he would also have responsibility for the audit opinions for West Berkshire Training Consortium and BCoT Professional Services.</p> <p>In response to a question from a Member the FSA advised that a lot of the audit work would be through the use of the Alliotts secure on-line portal.</p>	
<p><b>680.</b></p>	<p><b>ELECTION OF CHAIR OF THE AUDIT COMMITTEE</b></p> <p>The Clerk called for nominations for Chair of the Audit Ctte for a two-year term of office commencing on the 12 June 2020. One nomination was received.</p> <p style="text-align: center;"><b>It was RESOLVED that Charles Cardiff be elected Chair of the Ctte for a two-year term of office commencing on the 12 June 2020.</b> <i>(Proposed by Pamela Woolgrove (by email), Seconded by Chris Moore)</i></p>	
<p><b>681.</b></p>	<p><b>USE OF COLLEGE SEAL</b></p> <p>The DPFR advised that the College Seal had not been used in the period since the previous meeting.</p>	

682.	<b>DATES OF FUTURE MEETINGS</b> <i>(Meetings commence at 5.00pm unless stated)</i>  Wednesday 25 November 2020 Wednesday 17 March 2021 Wednesday 16 June 2021	
683.	<b>EXCLUSION OF OFFICERS</b>  No Officers were excluded from the meeting.	
684.	<b>AUDITORS' ONLY</b>  The Internal Auditor and the FSA advised that they had no matters to raise.	
685.	<b>CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING</b>  The Confidential Minutes of the meeting held on 24 April 2020 were confirmed as a correct record. <i>[The Minutes would be signed by the Chair when national restrictions were relaxed]</i>	
686.	<b>CONFIDENTIAL MATTERS ARISING FROM THE MINUTES</b>  There were no Matters Arising from the Confidential Minutes that had not been considered elsewhere at the meeting.	
(5.53pm)	Meeting closed	

Confirmed as a correct record		25 Nov 2020
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