

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON WEDNESDAY 23 NOVEMBER 2022

Membership (6):	*	Charles Cardiff	External Member	Chair
	*	Beryl Huntingdon	External Member	
		Nicole Martin	Co-opted Member	Vice Chair
		Martin Slatford	External member	
	*	Pamela Woolgrove	External Member	
			External Member Vacancy	
Quorum:		3 Members required	3 Members present	Meeting quorate
In Attendance:	*	Anthony Bravo	Principal (part-time)	
		Simon Burrell	Clerk to the Corporation (Clerk)	
	*	Jayne Crowley	Acting Clerk	
	i	Katrina Heath	Health & Safety Co-ordinator (HSC)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	*	Chris Mantel	Alliotts LLP (FSA)	
	*	Clarence Mpofo	TIAA (Internal Auditor) (IA)	
Present at meeting:	*			
Minute 770 Only	i			

PART 1: NON-CONFIDENTIAL MATTERS

		ACTION
763.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies were received from Simon Burrell (Clerk to the Corporation), Nicole Martin and Martin Slatford. Anthony Bravo had advised that he would be late to the meeting.</p>	
764.	<p>DECLARATIONS OF INTEREST</p> <p>There were no Declarations of Interest made.</p>	
765.	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The Minutes of the meeting held on 15 June 2022 were confirmed as a correct record and were signed by the Chair.</p>	
766.	<p>MATTERS ARISING FROM THE MINUTES</p> <p>1. Electric Vehicle Training Centre (Minute 756.4) – see Minute 767.1 below</p> <p>2. Internal Audit Plan 2022/23 (Minute 756.5) – see Minute 767.2 below</p>	

767.
(5.30pm)

INTERNAL AUDIT REPORTS

1. Electric Vehicle Training Centre (Matter Arising from Minute 756.4)

The final written report was received for information. The IA confirmed that management responses to the recommendations had been received.

The Chair of the Audit Ctte asked whether proper market research had been carried out prior to the project being undertaken. The DPFR confirmed that market research had taken place with local franchised automotive dealers and the college had been informed that the dealers received training through the manufacturers and would not require the college's services; independent garages however were more positive. The LEP had provided matched funding to support two key targets: to improve the skills of learners in relation to electric vehicle technology training and to increase income. Unfortunately, the centre hadn't generated the planned income stream but was being used for the delivery of EV training which was producing a rental income as an alternative to the college's own. The DPFR went on to further explain that the pandemic, together with the resignation of the EV Centre Manager, had affected the plans.

(The Principal joined the meeting at 17:50)

The Chair of the Audit Ctte questioned why no rating had been given. The IA explained that no grade was given as it was an advisory review.

In response to a further question from the Chair in relation to what other colleges were offering the Principal advised that many colleges were still at the planning stage, and he was not in a position to give a comprehensive answer to the question. The Principal stated that the centre was one of the first of its kind and took guidance on what would meet the market needs. The Principal stated that the college was continually looking for additional revenue streams, but the EV marketplace was still in its infancy.

In response to a question from the Chair of the Audit Ctte the Principal advised that he did not think that the college had been over-ambitious in its projections and that for the funding provided by the college it was good value.

The Chair of the Audit Ctte asked if there were any risks associated with outsourcing/hiring the facility and whether this was a secure income stream. The DPFR advised that it was not a secure income stream but was additional income for hiring the space when not in use by the college.

The Chair of the Audit Ctte asked when the Steering Group would be set up. The DPFR advised that currently there is no requirement to do this.

The Chair of the Audit Ctte asked whether the Ctte could receive quarterly reports. The DPFR advised that, at the request of the LEP, the reports would be issued half-yearly. In addition, the DPFR will be providing the auditors with a three-year post-project (end of this academic year) report on the lesson learnt. The Chair of the Audit Ctte requested that this report be presented to the Ctte.

2. Internal Audit Plan 2022/23 (Final) (Matter Arising from Minute 756.5)

The Chair of the Audit Ctte requested that the Audit Ctte's contingency be deferred and discussed when all members of the Ctte were present. The Chair also requested that the Search Committee review the Audit Committee membership to possibly reinstate a staff member.

It was RESOLVED that the Internal Audit Plan 2022/23 be agreed.

**Audit
Ctte
Clerk**

<p>767. (cont)</p>	<p>2. Summary Internal Controls Assurance (Progress) Report</p> <p>Safeguarding Requirement Part 1</p> <p>A final written report was received and noted. The IA advised that he had graded his report as 'reasonable assurance'. He took the Ctte through the report and advised that he had made three recommendations. The management responses had been received and actioned.</p> <p>Safeguarding Requirement Part 2 and 3</p> <p>A final written report was received and noted. The IA had graded his report as 'substantial assurance'. The management responses had been received and actioned.</p> <p>Key Financial Controls</p> <p>A final written report was received and noted. The IA graded his report as 'substantial assurance'. The management responses had been received and actioned.</p> <p>Information Security</p> <p>A final written report was received and noted. The IA graded his report as 'substantial assurance'. He took the Ctte through the report and advised that he had made two recommendations. The management responses had been received and actioned.</p> <p>Learners Numbers</p> <p>A final written report was received and noted. The IA graded his report as 'reasonable assurance'. He took the Ctte through the report and advised that he had made three recommendations. The management responses had been received and actioned.</p> <p>3. Internal Audit Annual Report 2021/22</p> <p>A written report was received and considered.</p> <p>It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Annual Report 2021/22 be agreed.</p>	
<p>768.</p>	<p>FINANCIAL STATEMENTS AUDIT 2021/22</p> <p>A written report was received and considered. The FSA reported that no significant issues had been identified.</p> <p>The FSA advised that the pension liability had had to be raised under FRS102 in respect of the Local Government Pension Scheme. The FSA had liaised with the scheme actuary and was satisfied that appropriate assumptions had been used. The college risk category was much lower at BCoT than the sector as a whole.</p> <p>The FSA reported that a decision from the Office for National Statistics regarding the reclassification of the sector was imminent. This could bring guarantees around pension and would allow a lower risk rating to be applied by the LGPS saving on annual contributions and provide a cash benefit to some colleges.</p> <p>Other potential benefits could be: VAT exemption and access to additional funding streams. Potential burdens could be increased bureaucracy and restrictions, and additional financial disclosures and returns.</p>	

<p>768. (cont)</p>	<p>The FSA advised further that West Berkshire Training Consortium (WBTC) had incurred a financial loss during the year, with viability and solvency of the company being put at risk. The FSA was finalising a report to the Trustees. The FSA recommended that the college's apprenticeship department undertake a review of WBTC and provide additional technical support. The Principal advised that discussions were ongoing with WBTC. The Principal requested that the FSA present the final report to the Trustees at their next meeting.</p> <p>Harper Trust v Brazel</p> <p>The implications of the Harper Trust v Brazel were noted for information.</p> <p>Regularity Returns</p> <p>The FM confirmed that the two self-assessment questionnaires had been updated from the previous year and were presented for approval.</p> <p>Letters of Representation (financial statements and for regularity) were received for consideration.</p> <p style="text-align: center;">It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Completion Audit Report 2021/22 and the Regularity Self-assessment Questionnaire 2021/22 be received and agreed.</p>	
<p>769.</p>	<p>RISK MANAGEMENT AND RISK REGISTER</p> <p>A written report was received, considered, and noted. The DPFR advised that the risk profile for the college had increased, in particular because of:</p> <ul style="list-style-type: none"> • The decline in student recruitment which will impact on funding received during 2023-24 • WBTC • Rising costs, particularly in pay, energy costs, IT security • Finances reliant on a single customer • IT system business continuity • Recruiting of staff in certain vocational areas. <p>The risk score related to apprenticeship funding had been reduced.</p> <p>In response to a question from a member the DPFR confirmed that there was a potential risk to the Thames Water contract in so much as they (Thames Water) could end the contract with very little notice.</p> <p>It was noted that the majority of risks were the responsibility of the DPFR as they related to funding and financial matters and this is where the majority of risk lies. Those related to the quality of provision were the responsibility of the DPCPI and at the moment are considered lower risk areas.</p>	
<p>770.</p>	<p>HEALTH & SAFETY ANNUAL REPORT 2021/22</p> <p>A written report was received and considered. The HSC took the Ctte through her report and highlighted the wide range of health and safety activities undertaken during the year. In particular, she outlined the continuing actions taken to ensure the College was as COVID-19 secure as was possible.</p> <p>In a response to a question the HSC advised that it had been difficult to compare 2020/21 to 2021-22 because of the differing impact of the pandemic on college operation. The HSC would revisit how incidents were recorded.</p>	

770. (cont)	<p>In relation to the pandemic the Chair sought clarification on what lessons had been learnt throughout the time of the pandemic. The HSC advised that the college had been guided by government control measures. She advised further that these had been kept in place longer than was recommended to ensure that the impact on staff and students was kept at an absolute minimum. The DPFR highlighted that students preferred to attend onsite and in-person which meant keeping control measures in place for a longer period. It was noted that the college successfully delivered remote learning during this period, but that technology would not replace the delivery of education in person.</p> <p>It was RESOLVED to RECOMMEND to the CORPORATION that the Health & Safety Annual Report 2021/22 be received and agreed.</p>	
771.	<p>AUDIT COMMITTEE'S ANNUAL REPORT 2021/22</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 2020/21 be received and agreed.</p>	
772.	<p>USE OF COLLEGE SEAL</p> <p>The Clerk advised that the College Seal had not been used in the period since the previous meeting.</p>	
773.	<p>REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND DELEGATION OF RESPONSIBILITIES</p> <p>A written report was received and considered. The Acting Clerk advised that the Clerk had undertaken a review and that he (the Clerk) had advised that there were no known changes that were required to be made.</p> <p>The Ctte reviewed the terms of reference and delegation of responsibilities and agreed that there were no changes required to either.</p>	
774.	<p>POST-PROJECT REVIEWS</p> <p>It was noted that there had been no post-project reviews undertaken since the last meeting of the Audit Ctte. The DPFR confirmed that post-project reviews would be presented as and when such reviews had been completed.</p>	
775.	<p>DATES OF FUTURE MEETINGS</p> <p>Wednesday 15 March 2023 Wednesday 14 June 2023</p>	
776.	<p>EXCLUSION OF OFFICERS</p> <p>No Officers were excluded from the meeting.</p>	
777.	<p>AUDITORS ONLY</p> <p>The Auditors advised that there were no matters to raise.</p>	
	Meeting closed 19:15	

Confirmed as a correct record		15 March 2023
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