

# BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

## AUDIT COMMITTEE

### MINUTES OF A MEETING HELD ON WEDNESDAY 29 NOVEMBER 2023

<b>Membership (6):</b>	*	Charles Cardiff	External Member	Chair
		Beryl Huntingdon	External Member	
	*	Nicole Martin	Co-opted Member	Vice Chair
	*	Martin Slatford	External member	
	*	Ian Ward	Staff Member	
	*	Pamela Woolgrove	External Member	
<b>Quorum:</b>		3 Members required	5 Members present	Meeting quorate
<b>In Attendance:</b>	*	Anthony Bravo	Principal	
	*	Mark Bonnett	Finance Manager (FM)	
	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	i	Katrina Heath	Health and Safety Officer (HSO)	
	*	Chris Mantel	Alliotts (Financial Statements Auditor) (FSA)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	*	Clarence Mpofu	TIAA (Internal Auditor) (IA)	
<b>Present at meeting:</b>	*			
<b>Minute 810 Only:</b>	i			

### PART 1: NON-CONFIDENTIAL MATTERS

(5.15pm)		ACTION
<b>802.</b>	<b>APOLOGIES FOR ABSENCE/WELCOME</b>  Beryl Huntingdon.	
<b>803.</b>	<b>DECLARATIONS OF INTEREST</b>  There were no Declarations of Interest made.	
<b>804.</b>	<b>NOTIFICATION OF ANY OTHER BUSINESS</b>  There were no items of Any Other Business notified.	
<b>805.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>  The Minutes of the meeting held on 14 June 2023 were confirmed as a correct record and were signed by the Chair.	
<b>806.</b>	<b>MATTERS ARISING FROM THE MINUTES</b>  There were no Matters Arising discussed that were not due to be considered elsewhere at the meeting.	

<b>807.</b> (5.32pm)	<p><b>INTERNAL AUDIT SERVICE REPORTS</b></p> <p><b>1. Summary Internal Controls Assurance (Progress) Report</b></p> <p>A written report was received for information and noted. The IA advised that progress against the internal audit plan was on target. Completed reviews since the last meeting of the Audit Cttee were:</p> <ul style="list-style-type: none"> <li> <b>Staff Turnover and Retention (Advisory Report):</b>  It was noted that the review had been undertaken as part of the Audit Cttee's contingency allocation, and as deemed an 'advisory' review no overall assessment was given. </li> </ul> <p>The IA took the Cttee through the report and highlighted the key strategic findings, outlined the good practice and positive findings that had been identified. He had made 1 'important' and 4 'operational' recommendations.</p> <p>The Chair sought clarification regarding staff turnover in the past year, especially at a more senior level. The Principal advised that staffing at all levels had stabilised during the year, and staff were generally happy. However, there was still a major issue nationally in recruitment matters, and he praised the Corporation for the very positive pay award it had made in 2023 that had helped staff morale and retention. The FSA advised that vacancy levels in colleges in the southeast were still very high compared to other parts of the country.</p> <ul style="list-style-type: none"> <li> <b>Compliance Review of Learner Numbers:</b>  Reasonable Assurance: One recommendation (graded 'important') had been made. </li> </ul> <p>The DPFR raised his concern that the level of assurance given was graded 'reasonable' and not 'substantial', as only one error had been identified in the sample surveyed by the IA. The IA advised that the grading was based on extrapolating upwards from the samples reviewed. He agreed to review the matter during the next Follow-up review and to check that the error identified was not systemic and would then re-visit the grade given.</p> <p>Copies of the individual reports were received and noted.</p> <p><b>2. Internal Audit Annual Report 2022/23</b></p> <p>A written report was received and considered. The IA advised that he was satisfied that, from the areas reviewed during the year, the College 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 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 its financial obligations. He confirmed that the audit plan (as revised during the year) had been met, and that the Audit Cttee's contingency had not been used in full.</p> <p><b>It was RESOLVED to RECOMMEND to the CORPORATION that the Internal Audit Annual Report 2022/23 be agreed.</b></p>	<p><b>Int Auditor</b></p>
<b>808.</b> (5.50pm)	<p><b>FINANCIAL STATEMENTS AND REGULARITY AUDIT 2022/23</b></p> <p><b>1. Financial Statements</b></p> <p>A written report was received and considered. The FSA recorded his thanks to the DPFR, the FM and his team for their help during the audit of the accounts. He</p>	

<p><b>808.</b> <b>(cont)</b></p>	<p>highlighted that, in his opinion, the audit at BCoT had been one of the smoothest that he had undertaken during the current cycle of audits.</p> <p>The FSA took the Ctte through the Management Report and confirmed that he had issued a clean audit opinion with no qualifications.</p> <p>The FSA advised that he had raised one matter in respect of West Berkshire Training Consortium (WBTC). He noted that there had been challenges around staff retention, budgetary matters, and the need to retain tight control on all costs. In addition, the going concern status of the Company continued to be at risk if recruitment and on-going training activity was below the target levels for 2023/24, but he noted that there were no plans in place to close the company and the going concern basis of accounting remained appropriate.</p> <p>The Principal and DPFR confirmed that there was a financial undertaking included in the merger agreement for the College if WBTC's finances fell below an agreed threshold. However, it was noted that following the reclassification of colleges back into the public sector, there could be a potential risk that the ESFA may not view any financial support as appropriate even though WBTC was an integral part of the BCoT Group.</p> <p><b>2. Regularity Self-assessment Questionnaire (SAQ)</b></p> <p>The FM advised that the annual SAQ was in a prescribed format.</p> <p><b>3. Letters of Representation</b></p> <p>The FSA advised that the Letters of Representation (one for the financial statements and one for regularity) had been updated. In response to a question from a Member it was confirmed that the wording of the Letters of Representation were drafted in a prescribed manner and gave assurance to the FSA that the College had made available all appropriate information to allow the FSA to review the accounts and make an opinion.</p> <p><b>4. Recommendations</b></p> <p><b>It was RESOLVED to RECOMMEND to the CORPORATION that:</b></p> <ol style="list-style-type: none"> <li><b>1. the Financial Statements Audit Management Report 2022/23 and the Regularity Self-assessment Questionnaire 2022/23 be agreed,</b></li> <li><b>2. the Letters of Representation for the Financial Statements and for Regularity Assurance be agreed and signed by the Chair of the Corporation on behalf of the Corporation.</b></li> </ol>	
<p><b>809.</b> <b>(6.07pm)</b></p>	<p><b>RISK MANAGEMENT AND RISK REGISTER</b></p> <p>A written report was received for information and noted. The DPFR advised that since the last update in June 2023 the risk register and mapping had been reviewed and updated, with the overall risk rating of the College being reduced following the very good full-time enrolment in September 2023. In addition, because of the excellent Ofsted report in January 2023, the College was in the ideal position of having excellent quality, strong student numbers and strong finances.</p> <p>However, the DPFR stressed that there were, though, some specific areas where risk remained high or was increasing. He advised that the top six risks were:</p>	

809. (cont)	<table><tr><th>Risk</th><th>Residual Risk Score</th></tr><tr><td>Data security</td><td>33</td></tr><tr><td>Introduction of T Levels</td><td>30</td></tr><tr><td>Apprenticeship delivery</td><td>28</td></tr><tr><td>Future Skills Centre, Bordon</td><td>27</td></tr><tr><td>Demographics and competition</td><td>25</td></tr><tr><td>West Berks Training Consortium</td><td>24</td></tr></table> <p>The DPFR took the Ctte through each one and highlighted the specific issues (set-out in the report) related to each. With regards to the ongoing introduction of T Levels, the Principal advised that the potential impact related to the lack of national certainty about Level 2 qualifications and the ongoing introduction of T Levels at Level 3 and stressed that the College could see a much higher number of students at Level 2, with a reduction in the more academic Level 3 T Level offering.</p> <p>The Audit Ctte sought clarification from the Principal and the DPFR related to several matters arising from the risk register. Specifically, the Ctte was assured that students continuing to a third year at Level 2 would continue to be funded.</p> <p>The revised risk register was received and noted.</p>	Risk	Residual Risk Score	Data security	33	Introduction of T Levels	30	Apprenticeship delivery	28	Future Skills Centre, Bordon	27	Demographics and competition	25	West Berks Training Consortium	24	
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810. (5.17pm)	<p><b>HEALTH &amp; SAFETY (H&amp;S) ANNUAL REPORT 2022/23</b></p> <p>A written report was received and considered. The HSO took the Ctte through her report and highlighted the wide range of health and safety activities undertaken during the year.</p> <p>The HSO advised that the aim of the annual Health and Safety Report was to inform the Audit Ctte and the Corporation of the position and progress over the past year and to reassure both that safety arrangements were in place and that health and safety was being effectively managed across the organisation. She stressed that the College continued to promote a strong and positive health and safety culture that included competency training, promotion of risk assessments and risk controls, incident reporting and ongoing learning following adverse event investigations.</p> <p>In particular, the HSO outlined (full details contained in the report) that:</p> <ul style="list-style-type: none"><li>• There had been an increase in incidents resulting in injury (92 up from 70), 1 RIDDOR reportable incident, 1 near-miss, and a decrease in the number of offsite activities.</li><li>• Departmental risk assessments undertaken, safe systems of work remain robust, and supporting managers with day-to-day issues and queries,</li><li>• Fire risk assessments undertaken across the whole campus and the FSC Bordon with appropriate action taken to address any risks identified,</li><li>• Demand for ongoing H&amp;S training remained high with a wide range of activities undertaken.</li></ul> <p>The HSO concluded her report by highlighting the planned objectives for 2023/24.</p> <p>The Audit Ctte sought clarification on several matters raised in the report and was satisfied with the reassurances given. With regards to the near-miss incident in the Automotive Workshop, the HSO advised that it related to a fault with a hydraulic car lift and that the manufacturer had replaced the faulty machinery.</p> <p>The Audit Ctte was pleased to receive a good and comprehensive health and safety annual report.</p> <p><b>It was RESOLVED to RECOMMEND to the CORPORATION that the Health &amp; Safety Annual Report 2022/23 be received and agreed.</b></p>															

811. (6.27pm)	<b>AUDIT COMMITTEE'S ANNUAL REPORT 2022/23</b>  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 the assurances from the Internal Auditor's annual report, the Financial Statements Auditor's completion report, the Health & Safety Annual Report, and on risk management and the risk register.  <b>It was RESOLVED to RECOMMEND to the CORPORATION that the Audit Committee's Annual Report 2022/23 be received and agreed.</b>	
812. (6.28pm)	<b>USE OF COLLEGE SEAL</b>  The Clerk advised that the College Seal had been used in the period since the previous meeting to sign a lease related to the use of part of the North Site car park for the siting of equipment related to the installation of fast broadband in the locality.	
813. (6.30pm)	<b>ELECTION OF VICE CHAIR OF THE AUDIT CTTE</b>  The Clerk called for nominations for Vice Chair of the Audit Ctte for a two-year term of office commencing on the 30 November 2023. One nomination was received.  <b>It was RESOLVED that Nicole Martin be elected Vice Chair of the Audit Ctte for a two-year term of office commencing on the 30 November 2023.</b>	
814.	<b>POST-PROJECT REVIEWS</b>  No post-project reviews had been undertaken since the last meeting of the Audit Committee.	
815.	<b>ANY OTHER URGENT BUSINESS</b>  There were no items of Any Other Urgent Business discussed.	
816.	<b>DATES OF FUTURE MEETINGS</b>  Wednesday 13 March 2024 Wednesday 12 June 2024	
(6.32pm)	Meeting closed	