

The Bournemouth and Poole College

MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 29 NOVEMBER 2022

Members Present:		
Dan Tout	Board Member & Chair of the Audit & Risk Committee	
Ian Jones	Board Member	
Saba Mohammed	Board Member	
Neethu Stephen	Co-opted Audit Committee Member	Apologies
Michael Johnson	Chief Operating Officer	
Commercial, Finance & Resources Committee Members were in attendance for items 001-004:		
Caron Khan	Board Member	
Mike Kennedy	Board Member	
David Ford	Board Member	
John Dale	Board Member	
Karen Loftus	Board Member	
Phil Sayles	Principal/CEO and Board Member	
In attendance:		
Michael Johnson	Chief Operating Officer	
Marianne Barnard	Director of Governance	
Paul Judd	Director of IT Services	
Chris Mantel	Partner (Alliotts)	

PART A

		Actions
001-2223	APOLOGIES FOR ABSENCE Apologies were received from Neetu Stephens.	
002-2223	DECLARATIONS OF INTEREST There were no declarations of interest noted.	
003-2223	FINANCIAL STATEMENTS AUDIT The following were presented by the External Auditors: <ul style="list-style-type: none"> i) The Management Report for the year ended 31 July 2022 Alliotts presented the management report, it was reported that the audit had gone smoothly despite some delays due to illness in the payroll team. The following key points were noted: <ul style="list-style-type: none"> • In relation to Going Concern, the cash base continued to be healthy • It was noted that although this had not been a funding audit, the funding data reviews completed were clear • The pension liability had decreased c£32m during the year from £46m to £14m, of this decrease, £36.9m was reflected as an actuarial gain • In the prior year BPC had given notice to withdraw from the shared service arrangement operated through WESS. As a result, additional liabilities were expected to arise during the year to 31 July 2022 when 	

	<p>the shared arrangement ceased. The College included a provision of £150k against these future costs. Since the College had withdrawn from this arrangement prior to the year end, it was expected the additional costs associated with the split would have already been incurred and therefore the provision released. No movement has been recognised to date. We understand the divorce costs original forecast have yet to be incurred. Therefore, satisfied that this provision was justified to be carried forward</p> <ul style="list-style-type: none"> • A potential adjustment has been included in respect of the lease on the Redlands building. Under the terms of the lease the College may be required to return the property to the condition it was received or reach a settlement associated with this obligation. The College Director of Estates has estimated that the costs required to meet this obligation would be c£220,000. However, it was understood the landlord was pressing the College to surrender the lease early, indicating that the landlord may forgo any dilapidation charge as part of any such agreement and therefore would mitigate this potential cost. <p>ONS Reclassification – the committee noted and discussed the imminent announcement from the ONS, which was expected to confirm that FE Colleges would return to the public sector.</p> <p>ii) Letter of Representation – Financial Statements Audit</p> <p>The Letter of Representation, Financial Statements Audit to the period ending 31 July 2022, was noted by the Committee.</p> <p>iii) Letter of Representation – Regularity Assurance Engagement</p> <p>The Letter of Representation, Regularity Assurance Engagement to the period ending 31 July 2022, was noted by the Committee.</p> <p>RESOLVED: The Committee received and noted the Management Letter from Alliotts and letters of representation.</p>	
004-2223	<p>FINANCIAL STATEMENTS 2021/22</p> <p>The committee reviewed the following 2021/22 Financial Statements:</p> <p>i) Bournemouth & Poole College Annual Report and Financial Statements</p> <p>The Financial Statements were reviewed and it was confirmed they would be signed at the Board meeting on 15 December 2022. Attention was drawn to the Strategic Report which set out the governance arrangements.</p> <p>ii) Southern Educational Facilities Management Ltd Annual Report and Financial Statements</p> <p>The Committee received and noted the Southern Educational Facilities Management Ltd Annual Report and Financial Statements.</p> <p>iii) Southern Educational Professional Services Ltd Annual Report and Financial Statements</p> <p>The Committee received and noted the Southern Educational Professional Services Ltd Annual Report and Financial Statements.</p>	

	<p>i) WESS Annual Report and Financial Statements</p> <p>The Committee received and noted the WESS Annual Report and Financial Statements.</p> <p>RESOLVED: Members of the Audit & Risk Committee and the Commercial, Finance and Resources Committee considered the detail in the Annual Reports and Financial Statements and recommended them for approval and signing by the Chair of the Corporation at the meeting on 15 December 2022.</p>	
Members of the Commercial, Finance and Resources Committee left the meeting		
005-2223	<p>MINUTES OF THE PREVIOUS AUDIT & RISK COMMITTEE MEETING</p> <p>The committee reviewed and approved the minutes of the Audit & Risk Committee meeting held on 14 June 2022 as a correct record.</p> <p>It was noted that records of audits carried out by other auditors had been included in the Committee's Annual Report to the Board.</p> <p>RESOLVED: The committee approved the minutes of the meeting held on 14 June 2022.</p>	
006-2223	<p>COMMITTEE TERMS OF REFERENCE AND WORKPLAN FOR 2022/23</p> <p>The Committee Terms of Reference and Work Plan for the academic year 2022/23 were noted by the Committee.</p> <p>RESOLVED: The Committee noted the Terms of Reference and Work Plan for 2022/23.</p>	
007-2223	<p>APPOINTMENT OF CHAIR AND VICE CHAIR FOR THE COMMITTEE</p> <p>It was agreed that Dan Tout would continue to Chair the committee during 2022/23 and that Ian Jones would act as Vice Chair.</p> <p>RESOLVED: The Chair and Vice Chair for 2022/23 were noted.</p>	
008-2223	<p>INTERNAL AUDIT REPORTS</p> <p>The COO presented the following:</p> <p>Internal Audit Annual Report 2021/22: This was the 2021/22 Annual Report by TIAA on the internal control environment at Bournemouth and Poole College. The annual internal audit report summarised the outcomes of the reviews carried out on the organisation's framework of governance, risk management and control.</p> <p>Key Financial Controls (Assurance Review): The review considered the effectiveness of the key financial controls which provided assurance that the fundamental financial systems were operating in accordance with the College's requirements following the return to managing these in-house. A number of strategic findings were noted and two important and three routine action points were agreed. The important actions related to information relating to the status of Aged Debtors be included as a standing item in the monthly management accounts report and for all contracts be signed by the Employee as well as the Employer.</p> <p>Apprenticeship Skills Review (Advisory Review): A previous Internal Audit Review was undertaken in June 2021 which resulted in a Limited Assurance</p>	

	<p>assessment in relation to the controls in place at the time. One of the key factors identified related to the number of teams involved in the process, which was identified as being excessive and was resulting in a protracted administrative process. In response to this report the College had revised the governance structure of apprenticeship roles and responsibilities. In order to ensure the success of these changes the College intended to roll out the new structure in a timely manner via a rolling programme rather than all at once. In order to implement the changes there was an action plan detailing the actions required together with the expected timescales. In addition, there was a written guide that had been produced detailing the Apprenticeship Mapping Process together with a process map for staff to follow. A number of actions had been identified to support the College in further support processes that were in place to implement the apprenticeship programmes for Hair and Electrical & Plumbing.</p> <p>RESOLVED: The Committee received and noted the internal audit reports.</p>	
009-2223	<p>COLLEGE FOLLOW UP & AUDIT PLAN</p> <p>The COO presented the following reports:</p> <p>i) Audit follow-up report (November 2022) showing progress with audit recommendations and a status report on completed actions.</p> <p>The recommendations were noted and it was confirmed that recommendations would not be removed from the tracker until TIAA completed their next follow up visit.</p> <p>ii) Audit Strategy and Annual Internal Audit Plan 2022/23</p> <p>It was confirmed that twenty audit days were planned in 2022/23 and would cover the following:</p> <ul style="list-style-type: none"> • Key financial control • Sub-contracting • Benchmarking (on finance departments) • Apprenticeships <p>iii) Internal Audit Days (verbal update)</p> <p>It was confirmed that twenty audit days were planned, however it was noted that colleges around the £30m income mark, averaged twenty-five to thirty audit days, so the college was currently low. It was clarified that internal audit was not mandatory but was common and good practice.</p> <p>It was noted that one of the focuses for 2022/23 would be a Benchmarking exercise to identify the numbers of College FTE staff within Finance Departments compared to those within Bournemouth & Poole College, considering annual turnover.</p> <p>RESOLVED: The Committee received the reports on internal audit.</p>	
010-2223	<p>RISK MANAGEMENT</p> <p>The COO presented the latest version of the Risk Register.</p> <p>i) Updated Risk Management Policy</p> <p>The COO presented the updated Risk Management Policy, one addition to the policy was noted which was around the new committee structure and committee ownership of specific risks. The Committee supported the update.</p> <p>ii) Updated Risk Register (November 2022)</p>	

	<p>The COO presented the latest version of the Risk Register. The number one risk on the register related to Health and Safety. The Head of Health and Safety had been on long-term sick since mid-August 2022 and in his absence, it had become apparent that some risk assessments have not been kept up to date. The College was currently seeking an interim to support getting back on track and this was being progressed.</p> <p>It was noted that a full review of the Risk Register would take place at the next Audit & Risk Committee in March 2023 and that the Vice-Chair of the Corporation would be invited to attend for this item.</p> <p>RESOLVED: The committee noted the current Risk Register and the items discussed.</p>	
011-2223	<p>CYBER SECURITY REPORT</p> <p>The Director of IT presented the latest Cyber Report and the following updates were noted:</p> <p>Accreditations - It was confirmed that Cyber Essentials Plus had been achieved in June 2022.</p> <p>Penetration Testing - The most recent penetration test was conducted by Jisc in February 2022, the reviewer described the outcome as reasonable assurance.</p> <p>Cyber Attacks - It was reported that good levels of phishing emails were being blocked.</p> <p>Multi Factor Authentication - It was noted that MFA for students had been successfully introduced in September 2022.</p> <p>Cyber Awareness - A staff phishing campaign was conducted in the second half of spring term and following this additional training had been provided to some groups of staff.</p> <p>RESOLVED: The Committee received and noted the latest Cyber Security Report.</p>	
012-2223	<p>AUDIT COMMITTEE ANNUAL REPORT 2021/22</p> <p>The committee reviewed the Committee's draft Annual Report to the Board of the Corporation 2021/22 and this was approved.</p> <p>RESOLVED: The Committee received the Committee Annual Report.</p>	
013-2223	<p>REGISTER OF INTERESTS</p> <p>The Committee received and reviewed the latest Register of Interests for Board Members and Senior Staff in the College. It was confirmed that the annual update had been completed in September 2022.</p> <p>RESOLVED: The Committee received and noted the latest Register of Interests.</p>	
014-2223	<p>INTERNAL AUDITORS</p> <p>It was noted that the college was due to tender for internal audit services and this would be organised to take place in January 2023. Advice from Committee members and Alliot's was that the number of internal audit days should be increased to 25-30 days.</p> <p>NOTE ADDED: It was clarified that the college has re-appointed TIAA for</p>	

	<p>the start of the 21/22 financial year and tendering would therefore need to take place in early 2024 for 2024/25 academic year.</p> <p>RESOLVED: The committee discussed and noted the requirement to tender for internal audit services.</p>	
015-2223	<p>ANY OTHER BUSINESS</p> <p>It was confirmed that the Post 16 Audit Code of Practice required the Board of the Corporation be given the opportunity to meet with the External Auditors, it was confirmed that this had been considered and discussed and that the attendance of the Commercial, Finance and Resources Committee Members along with the Audit & Risk Committee included the majority of Board Members and was sufficient, this approach was confirmed by the External Auditors.</p>	
016-2223	<p>DATE OF NEXT MEETING:</p> <p>The next meeting of the Audit Committee would be held on 7 February 2023.</p>	
017-2223	<p>EVALUATION</p> <p>It was noted that the Committee had undertaken the required activities.</p>	
018-2223	<p>CONFIDENTIALITY</p> <p>Items to be recorded confidentially were noted.</p>	