

The Bournemouth and Poole College

MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 30 NOVEMEBR 2021

Members Present:		
Dan Tout	Board Member & Chair of the Audit & Risk Committee	
Ian Jones	Board Member	
Saba Rubaei	Board Member	
Neethu Stephen	Co-opted Audit Committee Member	Apologies
In attendance:		
Lesley Heasman	TIAA (Internal Auditors)	
Chris Mantel	Alliotts (External Auditors)	
Michael Johnson	Chief Operating Officer	
Marianne Barnard	Director of Governance	
Paul Judd	Director of IT Services	
Karen Hancock	Head of Finance, WESS	
Diane Grannell	College Principal & CEO	
Caron Khan	Chair of the Commercial, Finance and Resources Committee	Attended for items 001-004
David Ford	Chair of the Corporation and Commercial, Finance and Resources Committee Member	Attended for items 001-004
John Dale	Commercial, Finance and Resources Committee Member	Attended for items 001-004

PART A

		Actions
001-2122	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies were received from Committee Member Neethu Stephens.</p> <p>It was noted that Members of the Commercial, Finance & Resources Committee had joined the meeting for items 001-2122 to 004-2122.</p>	
002-2122	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest noted.</p>	
003-2122	<p>FINANCIAL STATEMENTS AUDIT</p> <p>The External Auditors Alliotts presented on the following:</p> <p>i) The Management Report for the year ended 31 July 2021</p> <p>It was confirmed that this remained draft due to a point around the access and participation plan that needed clarification.</p> <p>It was noted that prior to the year-end the College had given notice that they would be withdrawing 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 the shared arrangement would cease. Therefore, the College had included a provision of £150k against these future costs. It was noted that the cost would be mainly around the cost of licences and Alliotts confirmed they were satisfied that the provision included within</p>	

	<p>the financial statements was appropriate.</p> <p>Alliotts raised a potential adjustment around dilapidation condition. It was noted that the College held the lease on Redlands, the building from which WESS operated. Under the terms of the lease the College could be required to return the property to the condition it was received on or reach a settlement associated with this obligation. The College estates manager had estimated that the costs required to meet this obligation was c£220,000. A potential adjustment had been included within section 3 in respect of this, however it was agreed not to make the adjustment.</p> <p>ii) Letter of Representation – Financial Statements Audit The Letter of Representation, Financial Statements Audit to the period ending 31 July 2021, was noted by the Committee.</p> <p>iii) Letter of Representation – Regularity Assurance Engagement The Letter of Representation, Regularity Assurance Engagement to the period ending 31 July 2021, was noted by the Committee.</p> <p>RESOLVED: The Committee recommended the above Letters of Representation for approval and signing by the Board at the meeting on 16 December 2021.</p>	
004-2122	<p>ANNUAL REPORT AND FINANCIAL STATEMENTS 2020/21</p> <p>For resolution: To consider the following 2020/21 Financial Statements, in support of the Corporate Governance Statement:</p> <p>i) Bournemouth & Poole College Annual Report and Financial Statements The College Annual Report and Financial Statements were presented to the Committee. Alliotts reported that whilst conditions remained challenging across the sector, the College had had a positive outcome.</p> <p>It was noted that the report at sixty pages was long but that the requirements for the report were very prescriptive. It was confirmed that some final numbers were being added, ready for sign off at the Board meeting on 16 December 2021.</p> <p>ii) Southern Educational Facilities Management Ltd Annual Report and Financial Statements The Committee received and reviewed the Southern Educational Facilities Management Ltd Annual Report and Financial Statements</p> <p>iii) Southern Educational Professional Services Ltd Annual Report and Financial Statements The Committee received and reviewed the Southern Educational Professional Services Ltd 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 Board at the meeting on 16 December 2021.</p>	
	<p>Members of the Commercial, Financial and Resources Committee left the meeting at this point.</p>	
005-2122	<p>MINUTES OF THE LAST MEETING & MATTERS ARISING</p> <p>The minutes of the meeting held on 22 June 2021 were confirmed as an</p>	

	<p>accurate record and approved by the Committee.</p> <p>The committee reviewed the latest Audit Committee Tracker. It was noted that Multi Factor Authentication for most students would be introduced in the autumn 2022.</p> <p>RESOLVED: The committee approved the minutes of the meeting held on 22 June 2021 and the latest Audit Committee Tracker.</p>	
006-2122	<p>COMMITTEE TERMS OF REFERENCE AND WORK PLAN FOR 2021/22</p> <p>The Committee noted the updated Terms of Reference and Work Plan for 2021/22, which had been approved by the Board.</p> <p>RESOLVED: Committee Members noted the Audit & Risk Committee Terms of Reference and Work Plan for 2021/22.</p>	
007-2122	<p>APPOINTMENT OF CHAIR AND VICE-CHAIR</p> <p>It was confirmed that the Chair of the Committee would continue to be Dan Tout and Ian Jones had agreed to act as Vice Chair.</p> <p>RESOLVED: The Committee noted the Chair and Vice Chair for the Committee.</p>	
008-2122	<p>INTERNAL AUDIT REPORTS</p> <p>The Committee received the following reports from the internal auditors TIAA:</p> <p>i) Annual Report 2020/21 - October 2021 TIAA presented the annual report and noted the following key points:</p> <p>TIAA was satisfied that for the areas reviewed during the year, Bournemouth & Poole College has reasonable and effective risk management, control and governance processes in place.</p> <p>The 2020/21 Annual Audit Plan approved by the Audit Committee was for forty days of internal audit coverage in the year. During the year there were three reviews that were cancelled at the request of the Management Team due to assurances being obtained from other sources. All changes to the Audit Plan were approved by the Audit Committee.</p> <p>ii) Compliance Review of Sub-Contracting Substantial assurance was reported and a number of the positive key findings were shared.</p> <p>iii) Appraisal Review of Apprenticeship Provision It had been requested that this take place as an appraisal review and Limited assurance was reported. College staff were aware of some weaknesses in this area and it was reported that the review had been a really helpful piece of work to identify areas for development.</p> <p>iv) Summary Internal Controls Assurance (SICA) Report This summary internal controls assurance report provided the Audit & Risk Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of TIAA's work at Bournemouth and Poole College as at 23 November 2021.</p> <p>RESOLVED: Committee Members noted the reports from TIAA.</p>	
009-2122	<p>COLLEGE FOLLOW-UP & AUDIT PLAN</p> <p>The Committee received the following reports from TIAA:</p>	

	<p>i) Audit follow-up report November 2021 showing progress with audit recommendations and a status report on completed actions.</p> <p>The latest TIAA tracker was presented, it was noted that the ESSFA funding audit actions had been added to the TIAA tracker to support the college in terms of one tracker to maintain.</p> <p>ii) Audit Strategy and Annual Internal Audit Plan 2021/22 and iii) Internal Audit Days</p> <p>Last year, WESS, on behalf of both Bournemouth & Poole College and Brockenhurst College, ran a tender exercise for internal audit and TIAA were re-appointed. In the course of that exercise BPC reduced down the number of audit days per annum from c. 40 to 15 but it was agreed that this would be kept this under review. The Committee discussed the level of assurance the Committee would be seeking in the coming year.</p> <p>It was noted that the College was undertaking a number of significant pieces of work this year and it might be timely to ask TIAA to carry out a review of our project management governance to assure members of the Board that the risk highlighted on the risk register (under management capacity) had been mitigated.</p> <p>Significant projects included:</p> <ul style="list-style-type: none"> • Department for Education-funded capital project • Exiting the shared service • Introducing a new student record system <p>Alliotts noted from an external audit perspective there were significant changes ahead around Human Resources, Management Information and Finance. The COO gave assurance that there was a WESS steering group managing the move of functions from WESS to the college. It was agreed that TIAA and the COO would discuss further the requirements.</p> <p>RESOLVED: That the COO would discuss further with TIAA possible arrangements for a review of project management governance and what its terms of reference might be.</p>	
010-2122	<p>RISK MANAGEMENT</p> <p>The Committee reviewed the latest Risk Register and the Chief Operating Officer noted some recent updates:</p> <p>Risk 3 - Insufficient management capacity to manage change effectively</p> <p>At the Audit & Risk Committee meeting held in March 2021, members confirmed they were happy with the level of assurance but would keep this entry under review. The residual score for this risk had been increased from 8 to 9 and it had therefore moved from position 10 to 3. This was due to a number of significant changes currently underway:</p> <ul style="list-style-type: none"> • The new Principal & CEO starting in January 2022 • Exiting from WESS, the shared service • A new project to change the college student record system which was fundamental to the college and linked to many other systems <p>In order to reduce the residual score, the Committee had discussed the option to procure additional days from the internal auditors to carry out a review of the College project management governance.</p> <p>Risk 4 - Staff are not following our safer recruitment policy</p>	

	<p>As the detailed register stated, an unannounced audit carried out by the COO and Director of Student Experience in September 2021 revealed some gaps. These had all been addressed and weekly audits were now being carried out by the COO and had all revealed good compliance. At the College Management Team meeting on 11 November 2021, changes to procedures effective from 1 January 2022 were explained, these changes would tighten controls further so, for example, from January 2022, all risk assessments being prepared for new staff for whom the college was yet to receive a DBS, must be signed by the Deputy Designated Safeguarding Lead.</p> <p>It was reported that under the new governance structure, risks were being discussed in the separate Committee meetings and feedback from those meetings would be used to inform changes to the risk register.</p> <p>RESOLVED: The committee noted the current Risk Register and the items discussed.</p>	
011-2122	<p>AUDIT & RISK COMMITTEE ANNUAL REPORT</p> <p>The Audit and Risk Committee Annual Report was approved by the Committee and it was confirmed that this would be presented to the Board at the meeting on 16 December 2021.</p> <p>RESOLVED: The committee approved the Audit & Risk Committee Annual Report 2020/21.</p>	
012-2122	<p>REGISTER OF INTERESTS</p> <p>It was confirmed that a refresh of the Register of Interests had been completed during the autumn term and that a number of new Board Members, Co-opted Committee Members and senior staff at the college had been added to the records.</p> <p>RESOLVED: The Committee received the latest version of Register of Interests for Board Members and Senior Staff in the College.</p>	
013-2122	<p>ANY OTHER BUSINESS</p> <p>No items of AOB were noted.</p>	
014-2122	<p>DATE OF NEXT MEETING:</p> <p>The next meeting of the Audit Committee would be held on Tuesday 1 March 2022, via Teams.</p>	
015-2122	<p>EVALUATION</p> <p>It was noted that the Committee had undertaken the required activities.</p>	
016-2122	<p>CONFIDENTIALITY</p> <p>Minutes of the Part B & Part C agenda items would be recorded separately.</p>	