

## The Bournemouth and Poole College

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON  
2 MARCH 2020

<b>Members Present:</b>	
Dan Tout	Board Member & Chair of the Audit Committee
Ian Jones	Board Member
Martin Lucas	Co-opted Committee Member
Guy Spencer	Co-opted Committee Member
<b>In attendance:</b>	
Michael Johnson	Vice Principal Finance & Commercial Development
Nick MacBeale	TIAA
Marianne Barnard	Director of Governance
Caroline Foster	Board Member and Chair of Curriculum Advisory Group

## PART A

		Actions
022-1920	<b>APOLOGIES FOR ABSENCE</b> No apologies for absence were received.	
023-1920	<b>DECLARATIONS OF INTEREST</b> There were no declarations of interest noted.	
024-1920	<b>MINUTES OF THE LAST MEETING &amp; MATTERS ARISING</b> The minutes of the meeting held on 26 November 2019 were confirmed as an accurate record and approved by the Committee. The committee reviewed the latest Audit Committee Tracker and noted that there were no outstanding actions. <b>RESOLVED:</b> The committee approved the minutes of the meeting held on 26 November 2019 and noted the latest Audit Committee Tracker.	
025-1920	<b>FORWARD PLANNING</b> The Audit Committee Calendar of Business for 2019/20 was noted by the Committee. <b>RESOLVED:</b> The committee noted the Audit Committee Calendar of Business for 2019/20.	
026-1920	<b>INTERNAL AUDIT REPORTS</b> The following internal audit reports were presented by TIAA: <ol style="list-style-type: none"><li>1. Cash Flow Validation Overall Assurance Assessment: Substantial Assurance The overall conclusion noted that there were no matters of concern noted from a review of the College's current cash flow projections. A number of minor, good practice matters had been made to enhance the current processes.</li><li>2. Governance Health Check The findings from this review showed that the College had arrangements in place to demonstrate that the identified risks that had led to governance failures at other similar organisations had been mitigated. It was noted that this review was the only college that Nick MacBeath had been involved with where</li></ol>	

	<p>all thirteen risks had been mitigated.</p> <p>3. HR Management Overall Assurance Assessment: Reasonable Assurance The review considered the arrangements for: inductions, maintaining the staff handbook, maintaining job descriptions and person specifications, appraisals, disciplinary processes, sickness and leave monitoring and exit meetings.</p> <p>The review had shown that there were a number of processes for which no monitoring arrangements had been introduced and as a result, no assurance was being provided to the College that these controls are being operating. Four important and three routine recommendations were made, including the introduction of formal monitoring for completion of department inductions and completion of probationary reviews.</p> <p>Committee Members noted some concerns around reporting issues, the VP F&amp;CD noted the recent SLT focus on improving HR practice amongst college managers, which it was believed would improve things.</p> <p><b>RESOLVED:</b> The Audit Committee received and noted the above TIAA internal audit reports.</p>	
027-1920	<p><b>COLLEGE FOLLOW-UP</b></p> <p>The Audit follow-up report dated February 2020 showed progress with audit recommendations and a status report on completed actions (from 25 February 2020). It was noted that there were currently nine outstanding recommendations, however it was noted that any showing overdue had been granted extended deadlines.</p> <p><b>RESOLVED:</b> The committee reviewed the Audit follow-up report showing progress with audit recommendations.</p>	
028-1920	<p><b>RISK MANAGEMENT</b></p> <p>The VP F&amp;CD presented the latest Risk Management Dashboard (which showed the top 10 risk and plotted their movement against previous reports) and the detailed Risk Register that showed all identified risks. The register showed the inherent risk, the assurance identified in order to mitigate the risk and therefore the residual risk.</p> <p>The main purpose of the March Audit Committee meeting with regards the Risk Register was for committee members to review each of the top ten risks and confirm they had gained adequate assurance based on the College's comments in the three assurance columns. If adequate assurance was not gained, members would identify what further action they required.</p> <p>The following identified risks were discussed:</p> <p>The College becomes financially unsustainable in the short-medium term: Adequate Assurance agreed</p> <p>We fail to be appropriately prepared for our first OFSTED monitoring visit: Adequate Assurance agreed</p> <p>Students do not feel safe: Adequate Assurance <u>not</u> agreed.</p> <p>It was confirmed that a review of security on campus was being undertaken following recent reports from students that they did not feel safe on and around the college sites, the Lansdowne site was the main concern due to homeless people often congregating near the college site. It was noted that the VP F&amp;CD would contact local policing teams to explore ways to increase the police presence on and around college campuses.</p> <p>Risk of significant loss of data and disruption through a cyber-attack: Adequate Assurance agreed</p> <p>Insufficient management capacity to manage change effectively - especially in the context of current restructuring:</p>	VP F&CD

	<p>Adequate Assurance agreed</p> <p>We do not currently have a cross-college new staff induction programme and as a consequence new staff can often not be aware of various systems of processes: Adequate Assurance agreed</p> <p>Staff are not following our safer recruitment policy: Adequate Assurance agreed</p> <p>Management of our Engineering department becomes a significant challenge with regards quality and the recruitment and retention of good staff: Adequate Assurance agreed</p> <p>We breach funding rules with regards study programmes; specifically numbers of students participating in work experience and students not studying maths and English: Adequate Assurance agreed</p> <p>We fail to maintain college equipment appropriately (including keeping an updated maintenance log): Adequate Assurance agreed</p> <p>Committee Members noted the new risk added relating to the Coronavirus. It was reported that a Critical Incident Team had been set up and were meeting each day to consider the latest position.</p> <p><b>RESOLVED:</b> The committee noted the current Risk Register.</p>	
029-1920	<p><b>FRAUD REPORT</b></p> <p>It was noted that the College maintained a fraud register to record all instances of actual and attempted fraud and this report was presented to Audit Committee each year.</p> <p>The VP Finance and Commercial Development noted that during the period between January 2019 and January 2020, there had been no instances of fraud, there had also been none in the previous year. However it was reported that since the report had been written, an incident of attempted fraud had happened, however the member of staff involved had identified it as fraudulent and no payment was made.</p> <p>It was noted that there were various ways in which College staff were kept briefed of instances of fraud elsewhere and these were regularly shared with College and WESS staff, these have included: Directors of Finance in the FE sector sharing risks on a shared email address (jiscmail), both of the College banks (Lloyds and Natwest) share regular updates and internal auditors (TIAA) send updates periodically.</p> <p>It was also reported that this was the second consecutive year where there had not been any fraudulent activity on any of the College's credit cards.</p> <p><b>RESOLVED:</b> The committee noted the Fraud Report from the VP F&amp;CD.</p>	
030-1920	<p><b>WHISTLEBLOWING POLICY</b></p> <p>The VP Finance &amp; Commercial Development presented an updated Whistleblowing Policy. Committee Members reviewed the policy, some areas for review were noted including the addition of reference to TUPE. It was agreed that the VP Finance &amp; Commercial Development would consider these changes before finalising the policy.</p> <p><b>RESOLVED:</b> The committee reviewed and approved the College's Whistleblowing Policy, subject to some final amendments.</p>	VP F&CD
031-1920	<p><b>LIABILITY INSURANCE – GOVERNORS</b></p> <p>The Director of Governance confirmed that discussions had been ongoing around the level of liability insurance cover the Board had. The debate on whether to increase the cover had focused around whether having this</p>	

	<p>insurance actually provided any additional protections to those given by law, in addition it had not been possible to find any example of liability insurance having been used in practice across the FE sector. It was agreed that the current levels were appropriate.</p> <p><b>RESOLVED:</b> It was agreed to retain the existing levels of liability insurance.</p>	
<b>032-1920</b>	<p><b>TIAA ANNUAL PLAN</b></p> <p>The TIAA Annual Plan was noted and it was reported that this was progressing on target.</p> <p><b>RESOVLED:</b> The TIAA Annual Plan was noted.</p>	
<b>033-1920</b>	<p><b>ANY OTHER BUSINESS</b></p> <p>Committee Members noted the positive session on the Risk Register. It was recommended that in future committee members could be asked to suggest ideas for the Risk Register. TIAA would also share some examples of risks seen on other FE College Risk Registers.</p> <p>Committee Members thanked Martin Lucas who was attending his final Audit Committee meeting, his contributions and support over the last 3 years were greatly appreciated by the committee and the wider College Board.</p> <p>Confidential minute was recorded in Part B.</p>	TIAA
<b>034-1920</b>	<p><b>DATE OF NEXT MEETING:</b></p> <p>The next Audit Committee meeting would take place on Monday 15 June 2020, 10.00-12.00 at North Road.</p>	
<b>035-1920</b>	<p><b>EVALUATION</b></p> <p>It was agreed that the committee meeting had completed a number of required activities, including the detailed review of the Risk Register.</p>	
<b>036-1920</b>	<p><b>CONFIDENTIALITY</b></p> <p>Confidential note recorded in Part B.</p>	