

Aquinas College Audit Committee

Date: 7 February 2022

Time: 4.00pm

Venue: Virtual

Governors Present

Mr I Anwar, Mrs H Dove, Ms M Garratt, Mr A Martin and Mrs J Miller.

Mr A Martin in the Chair

In Attendance

Ms L Tweedie	RSM
Mr M Benson and Ms N Tucker	Murray Smith LLP
Mrs D Blackburn	Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

1. Opening Prayer

The meeting began with a prayer led by Mr Martin

2. Apologies for Absence

There were no apologies for absence.

3. Declaration of Interests

Members and Staff were asked to declare any interest, which they may have in any items on the Agenda for this meeting. No interests were declared.

4. Committee Minutes

RESOLVED – That the minutes of the meeting held on 8 November 2021, copies of which had been circulated previously be approved and signed by the Chairperson as a correct record.

5. Matters Arising from the Committee Minutes

There were no matters arising from the minutes.

i) Minute 11 – Financial Statement Audit and Management Letter

Mrs Blackburn advised Governors that the Statutory Accounts and Financial Statement Audit and Management Letter and the annual report of the audit committee were submitted to the ESFA on time.

ii) Minute 13 – Risk Register

Mr Martin sought clarification on the additional 20 minutes in each teaching block. Mrs Blackburn replied that the additional 20 minutes was to support student in making up the deficit of skills and knowledge that they may have as a result of their disrupted education due to Covid. The risk is that it means that teachers have to plan to use that time and that it may not be as effective as hoped and students do not make enough progress to compensate for the deficit. This cohort has not experienced formal assessment as their GCSEs were teacher assessed and not examined. She added that the college may have to provide an additional 40 hours for students from next year but this has not yet been defined by the DfE. Once known discussions will take place on how this can be achieved.

6. Internal Audit Progress Report

RSM reported that everything was on target to complete their work in accordance with the Audit Plan for 2021/2022. Three more reports would be submitted to the June 2022 meeting of the committee a) Learner Number Systems – Core 16-19 classroom based provision, b) IT Cyber Security Controls and c) Follow Up.

Since the last Audit Committee meeting the following briefings have been issued:

- i) Further Education Emerging Issues – Autumn 2021
- ii) Criminal Finances Act - “Crack Down on Financial Crime” - information relating to the corporate criminal offence of failing to prevent the facilitation of tax evasion
- iii) Funding/ILR Lessons Learnt flyer

RESOLVED: That the Internal Audit Progress Report be received.

7. Internal Audit Reports

A discussion took place on the internal audit report that had been prepared by RSM on:

- | | |
|---------------------------|-------------------------------|
| a) Key Financial Controls | Substantial Assurance |
| | There were no recommendations |

The object of the audit was i) to ensure that salary payments made to staff are completed in a timely and accurate manner and ii) to ensure information in the financial and management accounts is recorded in a timely and accurate manner.

Taking account of the issues identified in the report the Governing Body can take substantial assurance that the controls upon which the organisation relies to manage the identified areas are suitably designed, consistently applied and operating effectively.

8. Action on Internal Audit Reports

Mrs Blackburn introduced a report that had been circulated to members prior to the meeting that showed that all the actions from previous internal audit reports had been implemented.

9. Feedback on Risk Register and Management Actions

Mrs Blackburn introduced a report that had been circulated to all members prior to the meeting. It gave members a brief overview on risk areas which are a focus for the Spring Term.

The full Risk Register and Policy are submitted to the Autumn Term Governing Body. The current key areas included the following:

- i) Covid Pandemic
- ii) Reduction in funding from the ESFA
- iii) Drop in ESFA funding, devolution to GMCA and rise in fee charges for Adult Centre
- iv) High Level ALS
- v) BTEC Reform
- vi) The college overspends its revenue
- vii) Recruitment of students
- viii) Failure to maintain the reputation of the college
- ix) Loss of key staff
- xx) Student issues – Student attendance, progression and drop out is not acceptable and fails to achieve targets set.
- xi) The college fails to maintain a high standing in national performance tables
- xii) Inspection announced at short notice

The report also gave a list of all the Key Risks included in the Risk Register.

RESOLVED: That the report be received.

10. Fraud Log Book/Whistle Blowing

Mrs Blackburn advised members that there were no incidents of fraud, corruption or whistle blowing to report.

Ms Garratt and the Auditors left the meeting at this point.

11. Appointment of Internal and External Auditors for 2022/2023

A discussion took place on the appointment of Internal and External Auditors for 2022/2023. Members noted that the college had not gone out to tender for some time for Internal Audit, the appointment is on an annual basis recommended to the Governing Body by this committee. Mrs Blackburn reminded Members that an internal audit service was not mandatory but the college had appointed internal auditors to give greater assurance to this committee so that an Annual Audit Opinion can be given to the Governing Body.

Mrs Blackburn introduced a paper that gave details of the various firms that are included on the Crescent Purchasing Consortium list of firms that offer an audit service. After a discussion it was agreed that the following firms would be included on list of firms to be invited to tender for the internal audit service at the college.

- a) RSM LLP
- b) TIAA Ltd
- c) Wylie & Bissett LLP

It was agreed that Mrs Blackburn would obtain further information from the following firms to determine whether or not they be invited to tender.

- d) Audit One
- e) Beever and Struthers
- f) Haines Watts

In addition, Mrs Blackburn would contact Xaverian College who have BDO as their internal auditors.

When the additional information has been received Mrs Blackburn undertook to provide members with an update. At that stage a final shortlist will be drawn up and the firms invited to tender for the provision of an internal audit service to the college.

The paper also included a draft timescale for the tender process which was agreed and it also detailed the areas that the firms would have to address in their tender.

RESOLVED: i) That Murray Smith be appointed as External Auditors to the college for 2022/2023 and ii) That the college go out to tender for the provision of an Internal Audit Service for the college from 2022/2023.

12. Any other Business

Mr Anwar confirmed that due to pressure at work he would have to step down as a member of the Audit Committee but would continue until such time as a replacement is appointed.

Mrs Blackburn asked Mr Anwar if he knew of any work colleagues who might be interested in joining the Audit Committee. Mr Anwar replied that there may be one or two colleagues who would be interested and he undertook to discuss this with them and get back to Mrs Blackburn.

13. Date of Next Meeting

It was agreed that Mr D Pearson (Principal) be invited to attend the next meeting that would be held on 6 June 2022 at 4.00pm.

Signed _____
Chairperson

Date _____