



Aquinas College Audit Committee

Meeting: 6 June 2022

Time: 4.00pm

Venue: Virtual

Governors Present

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

Mrs J Miller in the Chair

In Attendance

Ms L Tweedie

Mr M Benson and Mrs N Tucker

Mr A Anwar

Mr D Pearson

Mrs D Blackburn

Mr T Conlon

RSM

Murray Smith LLP

Prospective Co-opted Governor

Principal (Item 6)

Assistant Principal (Finance)

Clerk to the Governing Body

1. Opening Prayer

The meeting began with a prayer led by Mrs Miller.

2. Apologies for Absence

An apology for absence was received and accepted from Mr Martin for his late arrival.

3. Committee Membership

The Chairperson advised members that Imran Anwar had resigned as a Co-opted member due to the pressure of work and that this would be his last meeting. His brother Asad had agreed to take his place on the Committee. Cllr McGee, Mrs D Blackburn and Mr T Conlon had met with Asad and would be recommending to the Governing Body that he be appointed as a Co-opted member of the committee. Asad was welcomed to the meeting.

4. Declaration of Interests

Governors 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.

5. Committee Minutes

RESOLVED – That the minutes of the meeting held on 7 February 2022, copies of which had been circulated previously be approved and signed by the Chairperson as a correct record.

6. Matters Arising from The Committee Minutes

There were no matters arising from the minutes.

Mrs Blackburn left the meeting at this point.

7. Audit Review

The Chairperson asked the Auditors if there were any areas of concern in the college that they wished to raise with the Audit Committee. RSM advised Members that the audits had run smoothly and that Mrs Blackburn had all the information ready for the audits, they have a good dialogue over the planning and timing of the audits and that she is proactive. Murray Smith echoed the comments of RSM and added that last year's audit had run efficiently.

Mr Pearson advised members that, as a result of the Covid pandemic, Mrs Blackburn had taken on additional duties and had helped guide the college through the many challenges it had faced.

The Committee and Mr Pearson acknowledged the professionalism and hard work of Mrs Blackburn and they recorded their appreciation of the work that Mrs Blackburn does across the college.

Mr Pearson thanked the Auditors for their positive comments.

Mrs Blackburn rejoined the meeting and Mr Pearson left the meeting at this point.

8. Internal Audit Progress Report

RSM circulated a report, which gave details of the use of audit resources, the outcome of work completed to date and incorporated cumulative data in support of internal audit performance. Progress against the Operational Plan was noted and that all the planned work had been carried out. There had been no changes to the agreed audit plan. A summary of the work undertaken in 2021/2022, the levels of assurance given and the number of recommendations made was included in the report. There were 5 recommendations of which 3 were classed as medium and 2 as low risk.

Since the last meeting RSM had issued the following invitations and Client Briefing paper and they were as follows:

- a. Network Invitation - The importance of technology in the new normal
- b. Network Invitation - NED skills and competencies

c. Tackling Fraud Risk

RESOLVED: That the Internal Audit Progress Report be received.

9. Internal Audit Reports

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

a) Learner Number Systems: 16-19 Classroom Based Provision:

- Compliance review no formal opinion.
- Recommendations 1 low

The object of the audit was to ensure that learner numbers and funding data are accurate and inform management's decisions. There was one recommendation as follows:

Management to ensure that all students in receipt of high needs funding are flagged as such on the ILR. Conclusion

In completing the agreed programme of work on the provider's ILR return dated 23 February 2022, nothing has come to our attention that suggests that Aquinas College is not complying with the 16-19 Funding Regulations Guide for 2021 to 2022 ('the Funding Rules').

b) Cyber Security Controls

- Reasonable Assurance
- Recommendations 3 medium and 1 low

The object of the audit was to ensure that IT systems and data are resilient to threats resulting from connection to the internet. There were four recommendations as follows:

i) Multi Factor Authentication (MFA) is being tested on the administrative accounts, with plans to further roll this out for the staff who have remote access by mid-year 2022. Without enabling MFA for staff with remote access to the College network, there is an increased risk of unauthorised access and of those user accounts being compromised. This could lead to a data breach, leak, or loss as well as operational disruption. (Medium)

ii) Both teaching staff and student password settings have a minimum character length of seven and there is no password expiry date set. The latest guidance suggests a password length of 8 with complexity. The staff password policy has minimal additional complexities, such as account lockout, however, these are not set for student accounts. (Medium)

iii) Staff and students receive online training from Child Exploitation and Online Protection (CEOP), which has modules around cyber bullying and catfishing. However, no focused training exists for different cyber-attacks such as phishing etc. and how to prevent/detect them. (Medium)

iv) There is no anti-malware policy in place (Low)

It was agreed that no system can be 100% sure it will protect against cyber attacks. Mrs Miller asked how often is guidance on passwords is updated for staff. Ms Tweedie replied that it was last updated about 5 years ago. A combination of words or phrase is better than complexity enabled passwords. Changes to the password for administration staff is changed every 40 days, teaching staff every couple of months and students yearly, so that the lessons are not interrupted.

c) Follow up 2020/2021

The object of the audit was to assess the degree of implementation achieved of the recommendations reported to the Audit Committee. The audit showed that the college had demonstrated good progress in implementing the agreed management actions, with a total of four actions being fully implemented and three now superseded.

10.Action on Internal Audit Reports

Mrs Blackburn introduced a paper that had been circulated to members prior to the meeting. The paper summarised the action taken by the college on internal audit findings. All recommendations had been implemented or superseded.

11. Post 16 Audit Code of Practice

Mrs Blackburn introduced a paper that had been circulated to members prior to the meeting. The paper summarised the main changes to the Post-16 Audit Code of Practice for 2021/2022. Members had also been provided with the full document. The Code is reviewed and updated annually to reflect the latest sector developments and best practice.

Murray Smith advised Members that there was nothing significant in the changes. RSM added that there are several other changes in relation to the definition of fraud and that the college needs to be proactive and ensure that its policies are up to date.

12.Draft Audit Strategy Memorandum Year Ended 31 July 2022

Murray Smith LLP submitted the Audit Strategy Memorandum for the year ended 31 July 2022. The Audit Strategy Memorandum sets out the audit plan in respect of the statutory audit for the College for the year ending 31 July 2022. The memorandum contained the following:

- a. the Scope of Engagement for the audit of Financial Statements, Reporting on Regularity and audit of Teachers Pension Agency Return (“TPA return”) for the year ending 31 July 2022
- b. Respective responsibilities
- c. Independence
- d. Audit Approach
- e. Significant Risks and Key Judgement areas
- f. Other communication requirements
- g. Audit time line.

The audit fees for the year ending 31 July 2022 will increase by 2% to £11,246 excluding VAT.

Murray Smith reported that some of the work on ILR would be brought forward to the summer term 2022. Work on the Teacher's Pension Scheme had been completed and returned by 31 May 2022. In addition some initial work had started and information was awaited from the college's MIS team.

13. Feedback on Actions From Risk Register For June 2022

Mrs Blackburn introduced a paper that had been circulated prior to the meeting that provided Members with a brief overview on risk areas which are a focus for the current half term. The areas were as follows:

- a. Covid Pandemic
- b. Ongoing reduction in ESFA funding
- c. Drop in ESFA 19+ funding and rise in fee charges
- d. High level ALS
- e. BTEC Reform
- f. The college overspends its revenue
- g. Recruitment of students
- h. Failure to maintain the reputation of the college
- i. Inability to recruit and retain key staff
- j. Student Issues – attendance, progression and drop out is not acceptable and fails to achieve targets set.
- k. The college fails to maintain a high standing in national performance tables
- l. ix) Inspection announced at short notice

Mrs Blackburn advised Members that COVID 19 had affected every area and she gave an update on the changes for each area of risk.

Mr Anwar asked if there was any risk to the funding due to the reduced activity in Adult Education. Mrs Blackburn replied that the £85,000 funding from the Greater Manchester Combined Authority for adult Education was delivery led. Numbers on the academic courses have been low recently, but recruitment for September 2022 has already started. As with other years we will not really have a full picture until September. Leisure courses such as foreign languages have also seen low recruitment numbers but it is hoped that the demand will increase. If the courses are not viable they will not run. If leisure courses break even the course will run to provide community experience.

RESOLVED: That the report be noted.

14. Appointment of Internal Audit

Mrs Blackburn advised Members that the following firms had been invited to tender for the provision of an Internal Audit service to the college.

- a. Beever and Struthers
- b. TIAA
- c. RSM
- d. Wylie and Bissett

A shortlist of Beever and Struthers, TIAA and Wylie and Bissett were invited for an interview by a panel consisting of Mr Martin, Mrs Miller, Mrs Blackburn and Mr Conlon.

d) Each firm were asked to make a presentation that covered the following:

- I. A brief overview of the firm
- II. The personnel to be involved in the audit
- III. Experience of the sector
- IV. Risks and Challenges of the audit
- V. The audit process

This was followed by questions from the panel.

RESOLVED: That the Audit Committee recommend to the Governing Body that Wylie and Bissett be appointed as Internal Auditors to the college for 2022/2023.

Mr Martin joined the meeting whilst this was being discussed.

15. Performance Indicator

Members were asked to complete a Performance Indicators form, which had been circulated before the meeting for Internal and External Audit and return it to the Clerk of Governors no later than 17 June 2022.

16. Review of Policies

Members were asked to inform the Clerk to the Governors of any changes/comments following their review of the following policies:

- a. Hospitality,
- b. Fraud and
- c. Anti Bribery

Mrs Miller asked if the changes to the definition of fraud in the Audit Code of Practice would affect the Fraud Policy. Mrs Blackburn replied that it would not.

17. Fraud Log Book/Whistleblowing

Mrs Blackburn advised Members that there were no incidents of fraud, corruption or whistleblowing to report.

18. Any Other Business

A discussion took place on whether or not to return to face to face meetings at the college. It was agreed that the meetings would be face to face but with the opportunity for Members to attend virtually if they had difficulties attending the meeting. This would be reviewed at the next meeting.

19. Date of Next Meeting

Monday 7 November 2022 at 4.30pm, subject to the Calendar of Meetings being agreed by the Governing Body at its meeting on 28 June 2022.

Signed: _____ Date: _____
Chairperson