

## AQUINAS COLLEGE AUDIT COMMITTEE

Meeting: 19 October 2009

Time: 5.30pm

Venue: The College

### GOVERNORS PRESENT

Mr P Carpenter, Ms C Calverley, Mr A Martin and Fr. V. Whelan.

### IN ATTENDANCE

Mr D Fletcher	Bentley Jennison
Mr K Simmons	Chadwick
Mr G Spence	Chadwick
Mrs D Blackburn	Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

Fr. V. Whelan in the Chair

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr A McCarthy, Ms Randall (Bentley Jennison) and Mr P Carpenter for his late arrival.

#### 2. 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.

#### 3. COMMITTEE MINUTES

RESOLVED – That the minutes of the meeting held on 10 June 2009, copies of which had been circulated previously be approved and signed by the Chairperson as a correct record.

#### 4. MATTERS ARISING FROM THE COMMITTEE MINUTES

There were no matters arising that were not covered by the Agenda for this meeting.

#### 5. DRAFT STATUTORY ACCOUNTS 2008/2009

Mrs Blackburn introduced the draft Statutory Accounts for 2008/2009 that had been circulated previously and advised members that there were a number of changes from previous years that were mainly related to the standard wording of the accounts. It was noted that the Audit Committee has a corporate governance role in approving the Statutory Accounts.

A number of amendments had been identified at the meeting and a revised set of Statutory Accounts would be issued to all members incorporating these changes. In addition all members were asked to check the draft Statutory Accounts for any further mistakes or typing errors and to advise Mrs Blackburn accordingly.

There would be no need for a special meeting of the Committee to approve the Draft Statutory Accounts, the accounts remain draft until they are approved by the Governing Body and signed by the Chairperson.

## 6. FINANCIAL STATEMENTS AUDIT SUMMARY

Mr Simmons of Chadwick LLP advised members that the Audit Summary covered the Financial Statements of the College for the year ended 31 July 2009.

A discussion took place on the draft Financial Statements Audit Summary that had been prepared by Chadwick LLP on the College for the year ended 31 July 2008. Copies of the report and draft Management Letter had been circulated to members prior to the meeting. Members' attention was drawn to the Opinion section of the report and it was noted that there were no unresolved disagreements with management of the College regarding items that could be material to the accounts. An unqualified audit report on both the College's financial statements and regularity audits for the year ended 31 July 2009 would be issued.

The draft Management Letter indicates that subject to carrying out a post balance sheet events review there will be an unqualified opinion on both the Financial Statements and Regularity Audit for the year ended 31 July 2009. There were no management letter points that required to be drawn to the attention of Governors. Due to a change in calculation and criteria introduced at the start of 2009 combined with the ongoing capital project, the financial environment in the College was described as Satisfactory (2008: Category A under the previous criteria). It is hoped that the college will increase to Outstanding for 2010/2011, following completion of the new build.

The capital building programme is still ongoing with the work expected to be completed by May 2010. At present £22.4m of building works have been included within the assets under the course of construction and have therefore not been depreciated.

A copy of a letter from Chadwick dated 21 September 2009 had been circulated to all members prior to the meeting. The letter advised the college of the merger with Mazars LLP with effect from 1 October 2009. Mr Simmons outlined the reasons for the merger and advised members that the merger would not impact on the service provided to the college. The accounts for 2008/2009 would be signed off by Chadwick and all work after 30 November 2009 would be carried out by Mazars.

RESOLVED: i) That the Financial Statements and Regularity Audit from Chadwick for the year ending 31 July 2009 be received.

ii) That the draft Management Letter issued by Chadwick be received

Mr Carpenter took over as Chair and thanked Fr. V. Whelan for chairing the meeting in his absence.

## 7. ANNUAL INTERNAL AUDIT REPORT

Bentley Jennison submitted the Internal Audit Annual Report for 2008/2009 and it covered the work for the period 1 August 2008 to 31 July 2009. It summarised the work undertaken, the details of which had been considered by the Audit Committee throughout the year.



i) Management should ensure that, for all instances of employees being classified as a leaver from the college, there is appropriate documentation on file to support this process. (Merits Attention)

ii) Management should reconsider the current controls in place with respect to payroll processing, review of the monthly exception reports and authorisation of the pay run. It should be ensured that there is clear evidence of an appropriate segregation of duties being in place. (Merits Attention)

The recommendations had been accepted by the college and implemented.

#### 9. FEEDBACK ON PROGRESS AGAINST INTERNAL AUDIT FINDINGS

A paper that showed the progress that the college had made against internal audit findings in 2008/2009 had been circulated to all members prior to the meeting.

Members noted the action taken by the college to implement the recommendations contained in the Internal Audit Reports.

#### 10. RISK MANAGEMENT ANNUAL REPORT

The draft Annual Report for 2008/2009 on Risk Management and the Risk Management Policy had been circulated to all members prior to the meeting. Mrs Blackburn advised members that there had been no changes to the Risk Management Policy. The draft Annual Report summarised the following:

- a) The risk management approach adopted during the year
- b) Summary of performance against the College's Risk Management Plan identifying:
  - i) Any issues in each of the significant risk areas and how these were addressed.
  - ii) Details of Key Performance Indicators with comparators where possible.
  - iii) Details of any changes made to the scope of the Plan during the year as a result of new initiative/developments.
  - v) An overall summary and conclusion on the adequacy of the process in discharging the Governing Body's duties.

It was noted that whilst the risk management process is well established and the risk register is robust, the audit process within the college is still being developed.

RESOLVED: That the draft Annual Report for 2008/2009 on Risk Management be recommended to the Governing Body for approval.

#### 11. CAPITAL PROJECT RISK REGISTER

A copy of the Project Risk Register for the new capital building project had been circulated to all members of the Committee prior to the meeting, along with a Project level Scoring Scheme. Mrs Blackburn highlighted the high risk areas and updated the Committee on the latest position and advised members that some of the risks had been passed on to the contractors.

It was noted that the Register was updated on a monthly basis both within the monthly project meeting in the college and with the Capital Group. The top five risks were

highlighted and members noted that there was nothing classed as above a medium risk. A discussion took place concerning the air handling units on the roof and it was noted that one had been resited.

12. AUDIT COMMITTEE ANNUAL REPORT

A discussion took place on the draft Audit Committee Annual Report that had been circulated to all members prior to the meeting. The report covered all work relating to the 2008/2009 financial year even if the Committee had dealt with the matter after the 31 July 2009. The Committee's Annual Report should advise the Governing Body when they are approving the College's Report and Financial Statements for the year ended 31 July 2009. It was agreed that the report be submitted to the Governing Body for approval at the meeting on 10 November 2009.

13. FRAUD LOG BOOK

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

14. ANY OTHER BUSINESS

There was no any other business

15. DATE AND TIME OF NEXT MEETING

1 February 2010 at 5.30 pm

Signed -----  
Chairperson

Date -----