

AQUINAS COLLEGE AUDIT COMMITTEE

Meeting: 13 June 2011

Time: 4.30pm

Venue: The College

GOVERNORS PRESENT

Mr P Carpenter (Chairperson), Mrs P Lynch, Mr A Martin and Mr A McCarthy.

IN ATTENDANCE

Mr K Rushton	RSM Tenon
Miss H Thompson	Mazars
Mr D Pearson	Principal
Mrs D Blackburn	Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

Before the meeting started the Chairperson welcomed Mr Pearson to the meeting and thanked members for bringing the meeting forward.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted from Fr V Whelan and Mr K Simmons (Mazars).

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 31 January 2011, 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

i) Fire and Health and Safety – Risk Controls – Minute 6(a)

Mrs Blackburn advised members that that the best practice in relation to Fire Risk Assessment was that it should be carried out on an annual basis.

ii) IT Disaster Recovery Planning & Data Back-up – Minute 6(b)

Mrs Blackburn advised members that the IT Disaster Recovery Planning & Data Back-up would be considered under Internal Audit Report.

5. INTERNAL AUDIT PROGRESS REPORT

RSM Tenon 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. Appendix A summarised the work undertaken in 2010/2011 and showed the levels of assurance given and the number of recommendations made. There were 11 recommendations of which 2 were medium and 9 low.

There had been three relevant client briefings issued since the last Audit Committee and these were included in Appendix B: i) Fines Issued by the Information Commissioner, ii) Bribery Act 2010: Update and iii) Corporate Websites – Use of Cookies). In addition a Briefing - Governors 01/11 had been prepared by the Association of Colleges on the Bribery Act 2010

A discussion took place on how the three client briefing reports might impact on the college. Mrs Blackburn advised members that a draft Bribery Policy based on the AoC guidelines would be considered by the college's Senior Management Team. It was agreed that this would be submitted to the next meeting of the Governors for approval.

RESOLVED: That the Internal Audit Progress Report be received.

6. INTERNAL AUDIT REPORTS

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

a) IT Disaster Recovery Planning & Data Back-up Reasonable Assurance – Amber/Green
21 Medium Categorisations and 2 Low Suggestions

The object of the review was to consider the arrangements in place and procedures documented to minimise disruption, maintain the service continuity of the organisation and the integrity of critical data in the event of a defined contingency event occurring. The main recommendations were as follows:

- i) The IT Disaster Recovery Plan should be reviewed and updated to include more comprehensive content to aid the recovery of business systems and data. (Medium Categorisation)
- ii) Management should retain a paper copy of the IT Disaster Recovery Plan securely at the off-site location. (Suggestion)
- iii) Management should expand the responsibilities in sections of the plan to include more detail and the management areas of responsibility. Job descriptions should be updated to include a specific link identifying the post holder's responsibility to support disaster recovery arrangements. (Low Categorisation)
- iv) Management may wish to consider cost benefits of implementing external options to provide additional enhancements to off-site disaster recovery resilience. (Suggestion)
- v) The IT Manager should consider the probability of any disaster scenarios that have not been covered by live event testing and implement a testing schedule for these scenarios. (Low Categorisation)

b) Student Records -Attendance Substantial Assurance - Green

The object of the audit was to evaluate the adequacy of risk management and controls within the system and the extent to which controls have been applied, with a view to delivering an opinion and to give reasonable assurance to the Governing Body over the adequacy of the internal control system and its application in practice. There were no recommendations in the report.

The review included a walkthrough of the Biometric Recording System class register process and an assessment of attendance monitoring activities. Sample testing of student withdrawal dates, missing registers and attendance support procedures was also undertaken as part of the review.

c) Budgetary Control Substantial Assurance - Green

The object of the audit was to evaluate the adequacy of risk management and controls within the system and the extent to which controls have been applied, with a view to delivering an opinion and to give reasonable assurance to the Governing Body over the adequacy of the internal control system and its application in practice. There were no recommendations in the report. Two suggestions were made as follows:

i) The most up to date version of the College's Financial Regulations should be published on Moodle.

ii) Management should consider using emails for the distribution of monthly departmental budget information and the submission of budget holder confirmations. This would reduce the costs associated with the monthly budget holder review and confirmation process and may improve operational efficiency.

d) Internal Audit Charter

The Charter has been prepared in order to support an effective internal audit service and to meet the requirements of Professional Internal Audit Standards and RSM Tenon's Internal Audit manual. The Charter establishes the purpose, authority and responsibilities for the internal audit service for the college. An overview of the process for an individual internal audit assignment was included in Appendix A to the Charter.

It was agreed that the Chair of the Audit Committee sign the Charter on behalf of the college.

7. ACTION ON INTERNAL AUDIT REPORTS

Mrs Blackburn circulated a paper to Members that detailed the action taken by the college to implement the recommendations contained in previous Internal Audit Reports.

Mr McCarthy asked if the signage was not up to European Union standard should it have been installed when the college was being built. He felt that if the standard was in place the college should not bear the cost of replacement; the cost should be borne by the original contractors. It was agreed that a second opinion was needed as to whether or not the signage met European Union standard.

RESOLVED: That the action be noted.

8. STRATEGY FOR INTERNAL AUDIT 2010/2011 – 2012/2013

RSM Tenon submitted a Strategy for the provision of an Internal Audit Service for 2011/2012. The updated strategy for internal audit for 2009/2010 – 2012/2013 was set out in Appendix A and the detailed Audit Plan for 2011/2012 was included in Appendix B. Appendix C showed the emerging issues not covered within the 2011/2012 Internal Audit Plan.

After a full discussion it was agreed that the Audit Plan for 2011/2012 would consist of 22 days with the addition of contingency days as necessary and would be utilised as follows:

Health and Safety - Student Trips	3 days
Curriculum Quality	4 days
Student Records – Key Controls	3 days
Financial Accounting and Assets (Capital Projects)	4 days
Governance Healthcheck	3 days
Follow Up	1 day
Audit Management	4 days

The fee for 2011/2012 would be £9,284 which is an increase of 3% from 2010/2011.

Mr McCarthy asked if the college had a Bribery Policy in place. Mrs Blackburn reported that a policy had been drawn up and would be considered by MGB before being presented to the Audit Committee for approval at its next meeting.

RESOLVED: i) That the revised Audit plan for 2011/2012 be approved and ii) That the updated Strategy for Internal Audit for 2009/2010 – 2012/2013 be approved.

9. AUDIT REVIEW

Mrs Blackburn left the meeting whilst this item was discussed.

The Chairperson asked RSM Tenon and Mazars LLP if there were any areas of concern in the college that they wished to raise with the Audit Committee. They indicated that there was nothing that they wished to raise and that the college had a strong control environment and that relationships with the college are good.

Mr Pearson advised the Committee that the good audit reports were down to the professionalism and hard work of Debbie Blackburn and that he was pleased that communications with the college were good. The Committee acknowledged this and they recorded their appreciation of the work that Mrs Blackburn does.

Mrs Blackburn rejoined the meeting at this point.

10. RISK MANAGEMENT

Mrs Blackburn advised Members that that there were no longer any capital risks because the building work and the snagging list had been completed. Mr Pearson reported that relationships with the neighbours was good and they had acknowledged that things were not as bad as they thought they would be.

It was agreed that there was no longer a need for risk management to be a standing item on the agenda for this Committee. In future there would be an annual report.

11. FRAUD LOG BOOK

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

12. ANY OTHER BUSINESS

i) Bogus Claims

Mazars raised the issue of risks associated with bogus claims that creditors had changed their bank accounts and asking for payments to be made to a new bank account. Mr McCarthy asked if this would be picked up in an audit. In response RSM Tenon replied that in an audit on creditors the issue of authorisation control would be part of the audit. Mrs Blackburn advised Members that only one member of staff dealt with creditor payment details and that not all creditors were on BACS payments.

ii) Phasing out of Cheques

Mr McCarthy asked what the implications would be for the college if cheques were phased out. In response Mrs Blackburn replied that BACS would be used for creditor payments, but there would be a problem with cash collection. The college would need to look at automatic payments systems i.e. ParentPay and see if there was a cost for each transaction.

13. DATE OF NEXT MEETING

The next meeting of the committee to be held on Monday 7 November 2011 at 5.30pm, subject to the Calendar of Meetings being agreed by the Governing Body at its meeting on 28 June 2011.

Signed _____
Chair of the Audit Committee

Date: _____