

AQUINAS COLLEGE AUDIT COMMITTEE

Meeting: 26 January 2015

Time: 4.30pm

Venue: The College

GOVERNORS PRESENT

Mr L Byrne, Mr A Martin and Mr A McCarthy.

Mr A Martin in the Chair

IN ATTENDANCE

Mr G Palethorpe	Baker Tilly
Mr G Hitchmough	Mazars LLP
Mrs D Blackburn	Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

Before the meeting started Mr Palethorpe (Baker Tilly) advised members that he would be leaving Baker Tilly at the end of March 2015 to take up a post within the NHS. Louise Tweedie would assume the responsibilities for the college and Keith Rushton would still attend the Audit Committee meetings. Arrangement would be made for the changeover to be as smooth as possible.

The committee thanked Mr Palethorpe for his services to the college and wished him every success in the future.

1. APOLOGIES FOR ABSENCE

No apologies for absence had been received.

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 3 November 2014, 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) Statutory Accounts – Minute 5

Mrs Blackburn advised Governors that the Statutory Accounts had been submitted by 31 December 2014.

ii) Governor's Effectiveness – Minute 8

The Clerk to the Governing Body advised members that some key performance indicators had been received from Baker Tilly. An item would be included on the Agenda of the next meeting of the committee.

5. INTERNAL AUDIT PROGRESS REPORT

Baker Tilly reported that everything was on target to complete their work in accordance with the Audit Plan for 2014/2015. Two more reports would be submitted to the June 2015 meeting of the committee a) Academic Quality Management Systems and b) Student Records - Bursaries

RESOLVED: That the Internal Audit Progress Report be received.

6. INTERNAL AUDIT REPORT

A discussion took place on the internal audit report that had been prepared by Baker Tilly on:
Financial Systems – Procurement and Value for Money Substantial Assurance – Green
No recommendations

The object of the audit was to review the design and application of key controls in place in relation to the College’s Procurement and Value for Money. Control activities are put in place to ensure that risks to the achievement of the organisation’s objectives are managed effectively.

There were no recommendations but a suggestion in the report which was as follows:

In line with what we have seen elsewhere, management should investigate whether it is possible to run system generated report for review of new suppliers and supplier amendments on a routine basis, (we suggest monthly), in order to introduce additional control against the risk of fraud and/or error. Alternatively if this is not possible the College may wish to consider employing a process whereby all new supplier set ups and changes to existing supplier details are completed by one member of the Finance staff and checked by another.

The suggestion has been accepted by the College.

7. ACTION ON INTERNAL AUDIT REPORTS

Mrs Blackburn circulated a report that summarised the action taken on previous internal audit reports. New comments were shown in red on the report.

A discussion took place on Employee Performance Management and Mrs Blackburn advised members that the appraisal system for teaching staff was much better, the process is monitored closely. In response to a question from a member Mrs Blackburn replied that there were 275 staff at the college including part time staff.

8. BENCHMARKING REPORT 2013/2014

The report contained Benchmarking Data in respect of assurance levels provided by Baker Tilly internal audit service across all assurance audits for 2013/2014. The tables below show the College’s performance for 2012/2013 and 2013/2014, benchmarked against other sectors.

i) Assurance	Red %	Amber/Red %	Amber/Green %	Green %
Aquinas 2013/2014	0.00	20.00	0.00	80.00
Aquinas 2012/2013	0.00	0.00	0.00	100.00
				(Two reports)
Average across FE Client base in 2013/2014	1.90	10.46	29.21	58.43

General FE (England)	1.72	10.82	31.62	55.84
Sixth Form Colleges	4.30	9.68	18.28	67.74
Land based Colleges	0.00	26.67	26.67	46.66
Art and/or Technology Colleges	0.00	0.00	25.00	75.00
Colleges in Wales	0.00	7.14	14.29	78.57
ii) Recommendations	High	Medium	Low	Total
Aquinas 2013/2014	0.25	0.75	3.00	4.00
Aquinas 2012/2013	0.00	1.00	0.00	1.00
Average across FE	0.19	1.37	1.73	3.29
General FE England	0.20	1.38	1.68	3.26
Sixth Form Colleges	0.18	1.25	1.86	3.29
Land based Colleges	0.04	1.88	2.28	4.20
Art and/or Technology Colleges	0.03	1.03	1.54	2.60
Colleges in Wales	0.35	1.94	2.29	4.58

The Benchmarking data was noted.

9. INTERNAL AUDIT CHARTER

The Internal Audit Charter establishes the purpose, authority and responsibilities for the internal audit service for the college. The Charter has been prepared in order to support an effective internal audit service and to meet the requirements of the public Sector Internal Audit Standards (PSIAS) and Baker Tilly's Internal Audit Manual.

A copy of the Internal Audit Charter for the college had been circulated to all members of the committee prior to the meeting.

RESOLVED: That the Chairperson be authorised to sign the Charter on behalf of the college.

10. REVIEW OF COMMITTEE TERMS OF REFERENCE

A copy of the current Audit Committee Terms of Reference had been circulated to all members prior to the meeting. Mr Byrne had undertaken a tidying up exercise and the changes proposed were cosmetic. A discussion to place on i) which members of the college management should attend the meetings and ii) the inclusion of a sentence to cover the effectiveness of the committee.

It was agreed that the Clerk to the Governing Body would circulate a revised copy of the revised Committee Terms of Reference to all members for their agreement to the changes.

11. FEEDBACK ON RISK REGISTER AND MANAGEMENT ACTIONS

Mrs Blackburn circulated a report that gave Governors a brief overview on risk areas which are a focus for the beginning of the Spring term. The areas included the following:

- i) Reduction in funding from the EFA/SFA
- ii) Drop in SFA funding and rise in fee charges
- iii) High Level ALS
- iv) A Level Reform
- v) The college overspends its revenue
- vi) Recruitment of students
- vii) Student issues

Mr Byrne asked that for future meetings details all the risks to the college be identified. Mrs Blackburn would continue provide a report for Governors that will detail the areas that the Management Team of the College are currently looking at.

After a full discussion it was:

RESOLVED: That the report be received.

12. FRAUD LOG BOOK

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

The Auditor left the meeting at this point.

13. APPOINTMENT OF AUDITORS FOR 2014/2015

A discussion took place on whether or not it was worth going out to tender for the appointment of Internal and External Auditors. Mrs Blackburn expressed the view that there were not many firms interested in taking on the work associated with a small college.

Mr McCarthy was concerned that if the college was faced with an inspection there was no evidence that the college had tested the market and that the college was getting value for money. Mrs Blackburn advised members that an inspection would only be concerned with teaching and learning.

Mrs Blackburn undertook to contact Holy Cross, Salford, Priestly, Loreto, Xavarian and Winstanley Sixth Form Colleges to see who they have appointed as Internal and External Auditors. Once the information had been received it would be emailed to members to determine how to progress.

14. ANY OTHER BUSINESS

Mr Martin advised members that in autumn 2014 the DfE had issued supplementary advice to the "Keeping Children Safe" Statutory Guidance. This outlines the requirement for childcare disqualification checks to be carried out on relevant staff working in schools and academies. At the moment this was restricted to primary schools.

15. DATE OF NEXT MEETING

It was agreed that Mr D Pearson (Principal) be invited to attend the next meeting that would be held on 8 June 2015 at 4.30pm.

Signed _____

Date _____