

## AQUINAS COLLEGE AUDIT COMMITTEE

Time: 5.00pm  
Venue: The College  
Meeting: 11 February 2019

### GOVERNORS PRESENT

Mrs H Dove, Mr A Martin and Mr I Anwar.

Mr A Martin in the Chair

### IN ATTENDANCE

Ms L Tweedie	RSM
Mr G Hitchmough	Mazars LLP
Mrs C Lancaster	Mazars 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

Apologies for absence were received and accepted from Ms M Garratt and Mrs J Miller.

#### 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 5 November 2018, 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 that were not covered by the Agenda.

#### 6. INTERNAL AUDIT PROGRESS REPORT

RSM reported that everything was on target to complete their work in accordance with the Audit Plan for 2018/2019. Three more reports would be submitted to the June 2019 meeting of the committee a) Key Financial Controls, b) Learner Number Systems – Core 16-18 classroom based provision and c) Follow Up.

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) Human Resources – Recruitment and Selection

Substantial Assurance – Green  
One recommendation – Medium  
Two recommendations - Low

The object of the audit was to ensure that the college has appropriate and robust procedures in place for the recruitment and selection of employees. There were 3 recommendations in the report which were as follows:

i) It will be ensured that where a DBS disclosure certificate is not received prior to the successful candidate starting employment with the college a risk assessment will be undertaken and appropriate controls put in place. (Medium)

ii) Job Descriptions and Person Specifications will be in place for all employees of the college to ensure that roles and responsibilities commensurate with the post have been agreed as part of the recruitment and selection process. (Low)

iii) Evidence that a short-listing process has been applied will be held on file for all posts as part of the recruitment and selection process. (Low)

Mrs Blackburn advised members that in relation to point i) above it was in respect of Adult Education where it is necessary to find a replacement teacher quickly and that a risk assessment will be undertaken.

b) Framework for Compliance with Legal Requirements – Data Protection Post May 2018

Substantial Assurance – Green  
Four advisory management actions

The object of the audit was to ensure that the college has appropriate processes in place to provide a framework for compliance with GDPR. There were four advisory points in the report.

i) A GDPR compliant contract or agreement will be established and recorded within the college third party register for all third parties that the college transfers personal data to or receives personal data from.

ii) The Data Security and Retention Policy will be updated to include the job titles of data owners assigned to departments, data sets and systems identified.

iii) The current Data protection Policy, that references GDPR, will be made available on the college website and the out of date version will be removed.

iv) The college's Staff and Student Privacy Notices will be updated to remove reference to the Data Protection Act 1998, which has been superseded, and the Student Privacy Notice will be updated to reference or signpost the 2018/2019 Education and Skills Funding Agency Privacy Notice. Further, if the college deems it appropriate, the 2018/2019 ESFA Privacy Notice will be made available via the college's website.

Mrs Blackburn advised Members that Mr Moss was trying to get the agreements referred to in i) above in place as soon as possible. She added that agreements were in place for those with whom the college has significant dealings.

## 8. BENCHMARKING REPORT 2017/2018

The Benchmarking report from RSM had been circulated to members prior to the meeting. The report contained Benchmarking Data in respect of assurance levels provided by RSM internal audit service across all assurance audits for 2017/2018. The tables below show the College's performance for 2016/2017 and 2017/2018, benchmarked against other sectors.

i) Assurance	None	Partial	Reasonable	Substantial
	%	%	%	%
Aquinas 2017/2018	0.00	0.00	0.00	100.00
Aquinas 2016/2017	0.00	0.00	0.00	100.00
Average across FE Client base in 2017/2018	3.50	12.00	39.90	44.60.
General FE (England)	2.10	11.80	41.20	44.90
Sixth Form Colleges	8.00	8.00	20.00	64.00
Land based Colleges	7.40	25.90	44.50	22.20
Art and/or Technology Colleges	9.10	9.10	36.40	45.40
Colleges in Wales	0.00	0.00	75.00	25.00

### ii) Average Number of Recommendations

	High	Medium	Low	Total
Aquinas 2017/2018	0.00	1.00	1.20	2.20
Aquinas 2016/2017	0.00	0.40	0.00	0.40
Aquinas 2015/2016	0.00	0.50	1.00	1.50
Average across FE Client base 2017/2018	0.40	1.80	2.50	4.70
General FE England	0.40	1.80	2.40	4.60
Sixth Form Colleges	0.30	1.20	2.30	3.80
Land based Colleges	0.30	2.20	3.20	5.70
Art and/or Technology Colleges	0.40	2.50	0.40	3.30
Colleges in Wales	0.00	1.80	2.80	4.60

The Benchmarking data was noted.

## 9. 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 for 2017/2018 had been implemented.

## 10. 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 beginning of 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) Reduction in funding from the ESFA
- ii) Significant increase in teacher's pension employer contributions
- iii) Drop in SFA funding and rise in fee charges for Adult Centre
- iv) High Level ALS
- v) A Level and Btec Reform
- vi) The college overspends its revenue
- vii) Recruitment of students
- viii) Failure to maintain the reputation of the college
- viii) Failure to prepare adequately for GDPR

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

Mrs Blackburn advised members that i) funding for the employers contribution to the teacher's pension scheme would be funded until March 2020 and ii) funding for Adult Education will continue from the Greater Manchester Combined Authority.

After a full discussion it was:

RESOLVED: That the report be received.

A discussion took place regarding the equalising of pensions in Defined Benefits Schemes. Mazars referred to the judgement in the Lloyds Bank pension's case which stated that the scheme needed equalising but no one knew how to do it. With regards to the Greater Manchester Local Government Pension Scheme there is unlikely to be any backdated payments but there may be increased liabilities. The Treasury is saying that there is no issue, whilst actuaries are saying that there are issues to resolve.

## 11. FRAUD LOG BOOK

Mrs Blackburn advised members that there were no incidents of fraud or corruption to report. It was agreed that the Fraud Policy would be reviewed at the next meeting.

Mr G Hitchmough from Mazars advised members that to provide independent advice to the college they had a policy to change the lead audit member after a 10 year association with any one college. Therefore, the new lead audit member would be Mrs Charleen Lancaster. Mr G Hitchmough was not leaving Mazars and would be involved in the transition. He also confirmed that there would be a new Audit Manager for the college.

Mrs Blackburn and members of the Audit Committee thanked Mr G Hitchmough for his work with the college.

The Auditors left the meeting at this point.

## 12. APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS FOR 2019/2020

A discussion took place on the appointment of Internal and External Auditors for 2019/2020. It was agreed that 18 days of internal audit was required for the Committee to give full assurance to the Governing Body. A discussion took place on the broad areas that would be covered by internal audit.

### a) Internal Audit

The fee for 2019/2020 based on 18 days will be £9,040. The fee is inclusive of expenses but exclusive of VAT. This gives a daily rate for 2019/2020 of £502.

RESOLVED: That i) RSM be appointed as Internal Auditors for 2019/2020 and ii) That the fees for 2019 be agreed.

### b) External Audit

The fee for 2018 which is exclusive of VAT and expenses would be as follows:

- i) External Audit £10,000 an increase of £300.
- ii) Regularity assurance engagement £400 an increase of £25
- iii) TPA audit £1050 an increase of £50.

RESOLVED: i) That Mazars be appointed as External Auditors for 2019/2020 and ii) That the fees for 2019 be agreed.

## 13. ANY OTHER BUSINESS

a) Network Security Policy – Mrs Blackburn introduced the Network Security Policy that had been circulated to members prior to the meeting. A discussion took place and a number of points were identified that need to be clarified. Mrs Blackburn undertook to make the necessary amendments and to circulate a revised copy to members for their approval.

## 14. DATE OF NEXT MEETING

It was agreed that Mr D Pearson (Principal) be invited to attend the next meeting that would be held on 3 June 2019 at 5.00pm. Mrs H Dove indicated that she would be unable to attend the meeting.

Signed \_\_\_\_\_  
Chairperson

Date \_\_\_\_\_