

AQUINAS COLLEGE AUDIT COMMITTEE

Time: 5.00pm
Venue: The College
Meeting: 10 February 2020

GOVERNORS PRESENT

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

Mr A Martin in the Chair

IN ATTENDANCE

Ms L Tweedie	RSM
Mr D Watson	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 Ms L Tweedie for her late arrival.

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 4 November 2019, 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

i) Minute 7 – Draft Statutory Accounts

Mrs Blackburn advised members that the Statutory Accounts had been submitted to the ESFA by the deadline of 31 December 2019.

6. 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 2018/2019 had been implemented. As part of the follow up work RSM would report on the implementation of their recommendation for 2019/2020.

7. 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 ESFA 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) Loss of key staff

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

Mrs Blackburn advised members that i) funding per student would increase by 4.7% for 2020/2021, ii) funding for the increase in employers contribution to 23.68% for the teacher's pension scheme would be funded until March 2021 and iii) the college will need to submit a three year budget plan to the ESFA by the end of February 2020.

Mrs Miller asked if there were increased costs for students studying Maths and English. Mrs Blackburn replied that there were no increased costs and that the college had introduced Core Maths at AS level.

Mr Martin asked were there colleges in financial difficulties. Mrs Blackburn advised members that some colleges were in financial difficulties and reminded members of the letter that had been issued by the FE Commissioner recently requiring colleges to plan for the future.

After a full discussion it was:

RESOLVED: That the report be received.

8. 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.

Ms L Tweedie (RSM) arrived at this point in the meeting.

9. INTERNAL AUDIT PROGRESS REPORT

RSM reported that everything was on target to complete their work in accordance with the Audit Plan for 2019/2020. Three more reports would be submitted to the June 2020 meeting of the committee a) Key Financial Controls – Budgetary Control, b) Learner Number Systems – Core 16-19 classroom based provision and c) Follow Up.

Since the last meeting a briefing paper Internal Audit Code of Practice has been issued.

RESOLVED: That the Internal Audit Progress Report be received.

10. INTERNAL AUDIT REPORTS

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

a) Compliance with Legislation and Regulation – Health and Safety
Reasonable Assurance – Amber/Green
One recommendation – Medium
Five recommendations - Low

The object of the audit was to ensure that the college has effective systems in place to enable compliance with statutory guidance in respect of health and safety for learners, staff and visitors. There were 6 recommendations in the report which were as follows:

i) The Assistant Principal (Finance) will retain evidence to confirm that the Health and Safety Plan has been approved. (Low)

ii) The most up to date version of the Health and Safety Policy will be published on the college website and the old version will be removed accordingly. (Low)

iii) The risk assessment form will be changed to indicate who should sign the form. (Low)

iv) Management will revisit the structure of the process for completing health and safety development plans in order to clarify expectations for relevant departments. This will help to ensure that departments understand the process and that a consistent approach is adopted across the college for recording and monitoring actions resulting from the risk assessments. Timescales for the completion of the development plans will also be considered for inclusion in the Health and safety Policy. (Medium)

v) Staff will be informed of the importance of removing wooden door stops when they leave the room to ensure all fire safety doors remain closed when the rooms are not in use. Staff will also be reminded of the job reporting process. (Low)

vi) As a housekeeping exercise, management will consider introducing a matrix of job roles with appropriate health and safety training requirements so that specific individuals in those roles will have a record of training and renewal dates. This could then be monitored by the Health and Safety Officer on an ongoing basis. (Low)

Mrs Blackburn advised members that in relation to recommendation (iv) the college introduced development plans as an annual/biannual process on top of all the other processes that are undertaken. The college disagrees that it is a medium risk, it is felt that it is a housekeeping issue rather than a weakness in the processes. It was agreed that RSM would review the medium recommendation with the college.

Mr Martin asked if the college was breaking any Health and Safety legislation. Ms Tweedie replied only when the fire doors are wedged open. There was a discussion around this as it a pragmatic approach to enhance ventilation when rooms are occupied. They are to be removed when classes leave the room.

Mrs Miller asked if the college had moved to the ISO 45001 standard which was a risk based approach to Health and Safety. Mrs Blackburn replied that she did not know but would follow the matter up. Mr Anwar asked if the Health and Safety Policy was on the college portal and a check is made to ensure up to date copies are there. Mrs Blackburn replied that the policy was on the college website, all new policies are put on the website.

b) IT Security Framework

Reasonable Assurance – Amber/Green

Two recommendation – Medium

Three recommendations - Low

The object of the audit was to ensure that the college has appropriate oversight arrangements in relation to cyber security, user access controls, network security arrangements and malware protection controls. There were 5 recommendations in the report which were as follows:

i) IT policy documents will be up dated to include policy review dates/timeframes (for example, every two years) as part of full version controls. (Low)

ii) An IT and cyber security assessment will be established to record the risk assessment process for IT related risks and the associated mitigations. Where the college decides to accept the risk, this will also be documented in the assessment. Where the assessment process identifies the need for further actions, progress will be documented and monitored. (Medium)

iii) Student password setting will be reviewed with consideration given to increasing complexity. We suggest a password length of at least seven characters. (Low)

iv) The Remote Working Policy will be reviewed and approved by the relevant authority within the college. Once approved, management will ensure that the Policy is disseminated to the appropriate staff and made available in a central, accessible location (such as Google drive) for staff within the college. (Low)

v) The E-stream server which allows uploaded and downloaded will have Antivirus software installed. (Medium)

A discussion took place on the use USBs in the college by students. The college accept that there are some risks but there has been an assessment of the level of risk involved. The college agreed to review the use of USBs by students in college. Mrs Blackburn advised members that only one server had not been protected by antivirus but accepted that all should be protected. Mr Anwar asked what was covered by E-stream. Mrs Blackburn replied that it covered television and college news items that is displayed on screens around the college. It was agreed that Mr Moss be asked to review the use of USBs in college.

Mrs Blackburn advised members that she thought the audits were getting harsher in the sense that in previous years similar points had been raised but full assurance still given. Ms Tweedie replied that students are effective hackers into a system, therefore, there is a risk.

The Auditors left the meeting at this point.

11. APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS FOR 2020/2021

A discussion took place on the appointment of Internal and External Auditors for

a) No information had been received in respect of Internal Audit.

b) External Audit - i) £16,000 an increase of £5,600, it was not clear if this included the Regularity assurance. Mrs Blackburn undertook to get a breakdown of costs from Mazars. This does include all fees for Regularity.

ii) TPA audit £1,500 an increase of £450.

The above figures represent a 57% increase on the fees from last year. Mazars had written to the college outlining the reasons for the large increase in fees. The reasons included the following:

a) The audit profession is in unprecedented times, high profile collapses attributed to audit failure

b) Business, Energy and Industrial Strategy (BEIS) Parliamentary Select Committee review, report and recommendations, including the sufficiency of audit fees to promote and safeguard audit quality.

c) The FE sector has benefited from fees that are lower than "normal" commercial levels.

d) Mazars have not recovered their actual costs over the last few financial years.

Mrs Blackburn advised members that she was aware that other colleges were also facing an increase in costs for external audit. A colleague in another college had done some work on finding out what other colleges were being charged and also who was undertaking the audit. Mrs Blackburn agreed to circulate this to members. It was noted that Mazars had the majority of contracts in the sector.

No decision was made on how to progress until further information had been received from Mazars and the information from other colleges had been circulated to members

12. ANY OTHER BUSINESS

There was no any other business.

13. DATE OF NEXT MEETING

It was agreed that Mr D Pearson (Principal) be invited to attend the next meeting that would be held on 1 June 2020 at 5.00pm.

Signed _____
Chairperson

Date _____