

AQUINAS COLLEGE AUDIT COMMITTEE

Time: 5.00pm
Venue: The College
Meeting: 12 February 2018

GOVERNORS PRESENT

Ms C Calverley, Ms M Garratt, Mr A Martin, Mrs J Miller and Mr I Anwar.

Mr A Martin in the Chair

IN ATTENDANCE

Mr M Harding	RSM
Mr G Hitchmough	Mazars LLP
Mrs D Blackburn	Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. NEW CO-OPTED GOVERNOR

The Chairperson welcomed Ms M Garratt, to the meeting. For the benefit of Ms M Garratt everyone introduced themselves.

3. 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.

4. COMMITTEE MINUTES

RESOLVED – That the minutes of the meeting held on 6 November 2017, 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) Self Evaluation Tool – Minute 4 (I)

The Clerk to the Governing Body reported that no further returns had been received. It was agreed that the document be emailed to those members who had not submitted the document.

ii) Internal Audit Progress Report – Minute 7

Mrs Miller asked if audit reports had been brought forward. Mrs Blackburn replied that the 2 audit reports to be considered at this meeting had been brought forward from March 2018.

iii) Teachers Pension Scheme – Minute 9

Mr Hitchmough of Mazars LLP advised members that the Teachers Pension Scheme had been

signed off and that the college had a clean audit.

iii) Audit Committee Annual Report – Minute 12

The Clerk to the Committee advised Governors that after the last meeting RSM had advised the college of changes that had to be made to the Audit Committee's Annual Report in accordance with the Post 16 Audit Code of Practice published in March 2017. A copy of the amended report had been circulated to all Governors prior to the meeting.

RESOLVED: That the amended Audit Committee's Annual Report be received.

6. INTERNAL AUDIT PROGRESS REPORT

RSM reported that everything was on target to complete their work in accordance with the Audit Plan for 2017/2018. Three more reports would be submitted to the June 2018 meeting of the committee a) Learner Number Systems, b) IT Security and c) Follow Up.

RESOLVED: That the Internal Audit Progress Report be received.

7. THE ICARUS EFFECT: TACKLING CYBERCRIME COMPLACENCY

RSM introduced a Client Briefing paper - Icarus Effect: Tackling Cybercrime Complacency that had been circulated to all members prior to the meeting. Ms Calverley asked if the college used Cyber Essentials which was an IT standard check-list. Mrs Blackburn advised members that she would check with Andy Moss (IT Manager). Ms Calverley added that if further information was needed Andy Moss could contact her.

Members noted that at the next meeting of the committee RSM would produce a report following their audit on IT Security.

8. INTERNAL AUDIT REPORTS

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

a) Governance and Risk management Substantial Assurance – Green
Two recommendations - Both Low

The object of the audit was to ensure that there is a coherent and consistent governance, risk management and Board assurance framework in place that underpins the core operations of the college. There were 2 recommendations in the report which were as follows:

i) A skills evaluation should be undertaken at the earliest opportunity. (Low)ii) The college will review the good practice elements documented at Appendix A of the report and undertake a cost/benefit analysis as to whether to amend its Risk Register. (Low)

b) Financial Systems Substantial Assurance – Green
One recommendation - Low

The object of the audit was to ensure that the college maintains sound financial systems. There was one recommendation in the report.

i) Budget holders will retain all departmental order request forms for 18 months after the order date.

9. BENCHMARKING REPORT 2016/2017

The Benchmarking report from RSM was circulated to members. The report contained Benchmarking Data in respect of assurance levels provided by RSM internal audit service across all assurance audits for 2016/2017. The tables below show the College's performance for 2015/2016 and 2016/2017, benchmarked against other sectors.

i) Assurance	None	Partial	Reasonable	Substantial
	%	%	%	%
Aquinas 2016/2017	0.00	0.00	0.00	100.00
Aquinas 2015/2016	0.00	0.00	0.00	100.00
Average across FE Client base in 2016/2017	1.92	10.31	35.01	52.76
General FE (England)	2.05	9.90	37.88	50.17
Sixth Form Colleges	0.00	6.67	26.67	66.67
Land based Colleges	4.44	17.78	28.89	48.89
Art and/or Technology Colleges	0.00	15.79	38.84	47.37
Colleges in Wales	0.00	0.00	20.00	80.00

ii) Average Number of Recommendations

	High	Medium	Low	Total
Aquinas 2016/2017	0.00	0.40	0.00	0.40
Aquinas 2015/2016	0.00	0.50	1.00	1.50
Aquinas 2014/2015	0.00	0.00	0.75	0.75
Average across FE Client base 2016/2017	0.21	1.59	2.09	3.89
General FE England	0.24	1.63	2.11	3.98
Sixth Form Colleges	0.07	1.43	1.80	3.30
Land based Colleges	0.16	1.67	2.16	9.99
Art and/or Technology Colleges	0.24	1.84	2.60	4.68
Colleges in Wales	0.00	0.68	1.63	2.31

The Benchmarking data was noted.

10. ACTION ON INTERNAL AUDIT REPORTS

Mrs Blackburn advised members that the actions from previous internal audit reports for 2016/2017 had been implemented. She undertook to circulate to all members a report that confirmed the actions taken.

11. 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 Governors a brief overview on risk areas which are a focus for the beginning of the Spring term, with particular reference to General Data Protection Regulations (GDPR) which comes in to effect on 28 May 2018. Mrs Blackburn advised members that within college there is a Working Party dealing with the implications of GDPR and that a report will be taken to the next Governing Body meeting in March 2018. GDPR may also be included on the agenda for the Governors Training meeting on 16 May 2018. 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 EFA/SFA
- ii) Drop in SFA funding and rise in fee charges for Adult Centre
- iii) High Level ALS
- iv) A Level and Btec Reform
- v) The college overspends its revenue
- vi) Recruitment of students
- vii) 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 no agreement had been reached on the teacher's pay award. An offer of 1% had been made. With incremental drift and the appointment of new teachers the college should still have a reasonable cash surplus. As a result of devolution to the Greater Manchester Combined Authority the college is not sure what ESFA funding it will receive.

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 Auditors left the meeting at this point.

13. APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS FOR 2018/2019

A discussion took place on the appointment of Internal and External Auditors for 2018/2019. 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.

Mrs Blackburn was asked to contact both RSM and Mazars LLP to ascertain what their fees would be for 2018/2019 for the same level of audit that was undertaken in 2017/2018. In addition Mrs Blackburn was asked to contact RSM to see what areas they think should be covered in the 2018/2019 audit cycle.

Once the information had been collated the Clerk to the Governors would circulate it to the Committee members.

13. ANY OTHER BUSINESS

No other business was brought forward for member's consideration.

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 4 June 2018 at 5.00pm.

Signed _____
Chairperson

Date _____