

AQUINAS COLLEGE AUDIT COMMITTEE

Date: 8 February 2021
Time: 4.00pm
Venue: Virtual

GOVERNORS PRESENT

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

Mr A Martin in the Chair

IN ATTENDANCE

Ms L Tweedie	RSM
Mr C Martin	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

There were no apologies for absence.

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 9 November 2020, 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 2 – Introductions

Mr Martin advised members that he was an Audit Partner at Mazars.

ii) Compliance with Legislation and Regulation – Health and Safety ISO45001

Mrs Miller asked if the information detailing the reasons why the Standard had not been adopted had been sent to members. Mrs Blackburn replied that it had been sent soon after the last meeting but she would forward the information to Mrs Miller.

6. AUDIT COMMITTEE ASSURANCE

Mrs Blackburn introduced a report that had been circulated to members prior to the meeting that summarised the financial process and also gave a high level summary of the main controls and measures taken to ensure accurate and effective reports to the Senior Leadership Team and Governors. Mrs Blackburn added that she can produce similar reports for other areas in the college including IT, Health and Safety and Student Records.

Mr Martin asked if exchange of information with the ESFA is computerised. Mrs Blackburn replied that the college has its own software which produces reports for the ESFA. The income from the ESFA is fixed because it is based on lagged funding. Payments from the ESFA are monthly but they are not in equal instalments.

Mrs Miller thanked Mrs Blackburn for the report that she found to be very helpful. Mrs Miller asked if the college was receiving less cash due to pandemic and what was the impact on disadvantaged students. Mrs Blackburn replied that the college had introduced ParentPay for college trips and that income in the canteen is split 50/50 between cash and card but the college will still accept cash. The college also issues students with a PayPoint letter that enables the to pay at various outlets. There is very little cash received from Adult Education.

Mr Anwar asked if the report covered the areas that Internal Audit would have covered. Mrs Blackburn replied that Internal Audit would have covered most of the areas. The report concentrated on the budget, transactions and day to day issues including budget monitoring. Mr Anwar felt that the report should cover the areas that Internal Audit would have covered and that it would be helpful if there was a management comment after each area. Ms Tweedie advised members that Internal Audit would test the controls that are in operation at the college. She added that the report covered how the systems, processes and controls worked.

Mr Martin asked Mrs Blackburn if the college had a new post of Director of HR. Mrs Blackburn replied that it was just a change of title from HR Manager.

7. 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 had been implemented. She added that there had not been any internal audit reports this financial year. Mr Martin asked had the college now got a Central Electronic log for H&S training. Mrs Blackburn replied that was the case. Mrs Miller asked could it be accessed remotely. Mrs Blackburn replied that the college uses Google Classroom for resources and document management and these can be accessed by all pertinent staff.

8. 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 Spring Term. The full Risk Register and Policy are submitted to the Autumn Term Governing Body. The current key areas included the following:

- i) Covid Pandemic
- ii) Reduction in funding from the ESFA
- iii) Drop in ESFA funding, devolution to GMCA 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
- ix) Loss of key staff
- xx) Student issues – Student attendance, progression and drop out is not acceptable and fails to achieve targets set.
- xi) The college fails to maintain a high standing in national performance tables

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

Mrs Blackburn advised members that the college SLT were discussing on how to develop the report format. Covid was the biggest risk and the college receive daily updates. The report reflects all the work that is going on the college in the best interests of the students.

Mr Martin asked for clarification on the item in relation to the teacher’s pension grant and pay awards. Mrs Blackburn replied that the teacher’s pay grant from the DfE has been extended until 31 July 2022 and covers the additional costs from increasing the teacher’s pension employer’s contribution from 16.48% to 23.68% in September 2019. The teacher’s pay award is now confirmed at slightly higher than the budgeted amount and support staff are discussing whether to move to the teacher’s settlement.

RESOLVED: That the report be received.

9. FRAUD LOG BOOK/WHISTLE BLOWING

Mrs Blackburn advised members that there were no incidents of fraud, corruption or whistle blowing to report.

10. BENCHMARKING REPORT 2019/2020

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 2019/2020. The tables below show the College’s performance for 2017/2018, 2018/2019 and 2019/2020 benchmarked against other sectors.

i) Assurance	None %	Partial %	Reasonable %	Substantial %
Aquinas 2019/2020	0.00	0.00	0.00	100.00
Aquinas 2018/2019	0.00	0.00	0.00	100.00
Aquinas 2017/2018	0.00	0.00	0.00	100.00
Average across FE Client base in 2019/2020	4.00	10.50	39.50	46.00.
Sixth Form Colleges	0.00	6.60	46.70	46.70
Land based Colleges	13.00	8.70	21.80	56.50
Art and/or Technology Colleges	7.70	0.00	53.80	38.50
Colleges in Wales	0.00	0.00	66.60	33.40

ii) Average Number of Recommendations

	Low	Medium	High	Total
Aquinas 2017/2018	1.20	1.00	0.00	2.20
Aquinas 2018/2019	1.00	0.50	0.00	1.50
Aquinas 2019/2020	2.00	0.60	0.00	2.60
Average across FE Client base 2019/2020	2.00	2.40	0.10	4.50
Sixth Form Colleges	1.70	3.10	0.10	4.90
Land based Colleges	2.10	2.30	0.10	4.50
Art and/or Technology Colleges	2.20	2.10	0.10	4.40
Colleges in Wales	2.20	1.80	0.00	4.00

Ms Tweedie advised Members that in the data for the college for 2019/2020 there had been an increase in the number of low priority recommendations due to the college receiving two reports that gave reasonable assurance. This did not change the overall Green Assurance Opinion that the college received.

Ms Tweedie advised members that she hoped when the situation in relation to Covid improves RSM would be able to re-commence audits on site. Initially it could be either a blended approach or one person on site who would be on site for 12 days.

Members agreed that there was a lot of unknowns at this moment in time in relation to when the current restrictions would be eased.

The Benchmarking data was noted.

The Auditors left the meeting at this point.

11. APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS FOR 2021/2022

A discussion took place on the appointment of Internal and External Auditors for 2021/2022. Members noted that the college had not gone out to tender, the appointment is on an annual basis recommended to the Governing Body by this committee. Mrs Blackburn reminded Members that an internal audit service was not mandatory but the college had appointed internal auditors to give greater assurance to this committee so that an Annual Audit Opinion can be given to the Governing Body. No information had been received in respect of the fees for both Internal Audit and External Audit for 2021/2022.

RSM will not undertake on site visit at the moment but had indicated that once lockdown had ceased they may have one auditor on site for 12 days. Mrs Blackburn had some reservations on that approach. She added that last year RSM had provided two advisory reports.

Mrs Blackburn was asked to contact Mazars and ask them to provide a cost for external audit for 2021/2022. Members noted that the cost had risen sharply this year across the sector, but it was not anticipated that this would be the case next year.

Mrs Miller asked if there were other colleges that the college could work with. Mrs Blackburn replied that the college is part of a consortium with four other colleges but there would be a resource issue for all the colleges to undertake additional work. The committee felt that it could rely on Mrs Blackburn to provide a third party assurance for other areas of the college.

It was agreed that for the Summer Term meeting Mrs Blackburn would develop the report that had been submitted to this meeting. Mrs Blackburn replied that she was looking at Health and Safety along with Risk Management. In addition Mrs Blackburn, Mr Martin and Mr Conlon would meet to look at Governance and report back to the committee.

No decision was made on how to progress until further information had been received from Mazars.

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 7 June 2021 at 4.00pm.

Signed _____
Chairperson

Date _____