

AQUINAS COLLEGE

AUDIT COMMITTEE

Meeting: 6 November 2023

Time: 4.30pm

Venue: College

GOVERNORS PRESENT

Mr A Anwar, Mrs C H Dove, Ms M Garratt and Mr A Martin.

Mr A Martin in the Chair

IN ATTENDANCE

Murray Smith LLP

Wylie and Bissett

Mr T P McGee

Mrs D Blackburn

Mr T Conlon

Mr M Benson and Mrs N Tucker

Mr S McCready

Chair of Governors

Senior Assistant Principal (Finance)

Clerk to the Governing Body

1. OPENING PRAYER

The meeting began with a prayer led by Mr A Martin.

2. APOLOGIES FOR ABSENCE

An apology for absence was received and accepted from Mrs J Miller.

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 5 June 2023, copies of which had been circulated previously, were agreed as a correct record.

5. MATTERS ARISING FROM THE COMMITTEE MINUTES

There were no matters arising that were not covered by the agenda for the meeting.

6. DRAFT STATUTORY ACCOUNTS

Mrs Blackburn introduced the draft Statutory Accounts for 2022/2023 that had been circulated previously to members. It was noted that the Audit Committee has a corporate governance role in approving the Statutory Accounts. The Resources Committee would also consider the draft Statutory Accounts at its meeting on 7 November 2023.

Mrs Blackburn advised Governors that this year there were additional notes in the Statutory Accounts due to the reclassification of the college into the Public Sector. Reference was made to the DfE “Dear accounting officer” letter of 29 November 2022 and the ESFA’s bite size guides. In addition there had been an increase in the pension asset from £814,000 to £2,527,000. Mr Benson from Murray Smith added that the FRS102 pension valuation normally results in a liability, not an asset. There was a discussion about where this should be shown in the accounts, as there was no definitive answer from the ESFA. Mr McGee added that the GMPF distorts the accounts. Murray Smith are happy showing the asset but there is an inconsistent approach to this in the sector. Mr Benson added that is important to look at the net current asset performance to assess the college which excludes the pension effect.

Ms Garratt sought clarification on the term of office for those Foundation Governors whose term of office expired on 31 August 2022. The Clerk to the Governors replied that they had been re-appointed from 1 September 2022 to 31 August 2026.

In addition, all members were asked to check the draft Statutory Accounts for any mistakes or typing errors and to advise Mrs Blackburn accordingly.

The accounts remain draft until they are approved by the Governing Body and signed by the Chairperson, Principal and the auditors.

RESOLVED: That the draft Statutory Accounts for 2022/2023, subject to any governor amendments be recommended to the Governing Body for approval.

7. EXTERNAL AUDIT COMPLETION REPORT

Mrs Tucker of Murray Smith LLP advised members that the college had been well prepared for the audit and that she had been impressed by its organisation.

Mrs Tucker advised members that the Audit Summary covered the Financial Statements of the College for the year ended 31 July 2023. She added that the report was in a slightly different format from the previous year’s format so that it was clear to the ESFA what work the External Auditor’s had carried out. The reporting framework had included the FRS102 Financial Reporting Standard.

Mrs Tucker went through the Audit Completion Report and drew member's attention to the key points in the report. The report covered the following areas i) Executive Summary, ii) Audit Findings, iii) Financial highlights, iv) Other communication requirements, v) Internal controls, vi) Unadjusted misstatements, vii) Regularity, viii) Independence and ethics and ix) Communication of audit matters with those charged with governance.

A discussion took place on the draft Financial Statements Audit Summary that had been prepared by Murray Smith LLP for the year ended 31 July 2023. Copies of the report had been circulated to members prior to the meeting. Members’ attention was drawn to the Executive Summary section of the report and it was noted that there were no unresolved disagreement with management of the College regarding items that could be material to the accounts. The report indicated that subject to carrying out a post balance sheet events review there will be an unqualified opinion, without modification on both the Financial Statements and Regularity Audit for the year ended 31 July 2023.

Unadjusted misstatements – It was agreed that the over-accrual of £23,000 on utilities would be released into 2023/24.

Mr Martin commented that the report was very clear and informative. Mr Anwar felt that it was a good audit outcome and the college should be congratulated.

Mr Benson and Mrs Tucker of Murray Smith LLP thanked Mrs Blackburn and other college staff for their assistance in carrying out the audit.

RESOLVED: That the Audit Completion Report that had been prepared by Murray Smith LLP on the college for the year ended 31 July 2023 be received.

8. INTERNAL AUDIT ANNUAL REPORT

The report had been submitted to the June 2023 Committee meeting and there had not been any changes since.

9. **INTERNAL AUDIT STRATEGY 2023/2024**

Mr McCready of Wylie and Bissett advised members that the timetable for audits for 2023/2024 had been agreed with the college as detailed in the Internal Audit Plan for 2023/2024.

The Audit Plan for 2023/2024 would consist of 17 days with the addition of contingency days as necessary. The areas were as follows:

Capital Funding	3 Days	Report to June 2024 Audit Committee
Learner Numbers	3 Days	Report to June 2024 Audit Committee
Health and Safety	3 Days	Report to February 2024 Audit Committee
Freedom of Information	3 Days	Report to February 2024 Audit Committee
Follow Up Review	2 Days	Report to June 2024 Audit Committee
Audit Management	<u>3 Days</u>	
Total	<u>17 Days</u>	

RESOLVED: That the Audit Plan for 2023/2024 be agreed.

Wylie and Bissett also offered training sessions on a variety of topics.

As in recent years, reporting of progress made to implement previous Internal Audit recommendations will be included in a Progress Report to the Audit Committee.

11. **ACTION ON INTERNAL AUDIT REPORTS**

Mrs Blackburn informed Governors that there were no action points at this stage to report on.

12. **RISK MANAGEMENT ANNUAL REPORT/RISK MANAGEMENT POLICY**

The draft Annual Risk Management Report for 2022/2023 and the Risk Management Policy had been circulated to all members prior to the meeting. Mrs Blackburn advised members that the draft Annual Report summarised the following:

- a) The risk management approach during the year
- b) Summary of performance against the College's Risk Management Plan identifying:
 - i) Any issues in each of the significant risk areas and how these were addressed.
 - ii) Details of Key Performance Indicators
 - iii) Changes to the Scope of the Register
 - iv) Actions and Deadlines
 - v) An overall summary and conclusion on the adequacy of the process in discharging the Governing Body's duties.

It was noted that the risk management process is well established with regular reports to senior management and Governors. It is considered that the College is well managed and that there are few significant risks.

The main significant risk is due to external factors e.g. ESFA funding. The risk environment within College is considered well controlled. The College has had clean audit reports from the both Internal and External auditors. The risk management process is sufficient to provide adequate assurance of sound systems of internal control.

The updated Risk Management Policy would be circulated to Governors for approval at the Governing Body meeting on 29 November 2023. Changes were highlighted in red in the revised policy.

RESOLVED: i) That the draft Annual Risk Management Report for 2022/2023 and ii) the Risk Management Policy be recommended to the Governing Body for approval at the meeting on 28 November 2023.

13. **RISK REGISTER**

A copy of the updated Risk Register (October 2023) for the college had been circulated to all members of the Committee prior to the meeting. Changes to the Risk Register had been highlighted and Mrs Blackburn identified the high risk areas and updated the Committee on the latest position.

Mrs Blackburn advised Governors that Covid has been dropped from the Risk Register but a new risk has been added to reflect the new capital build. In addition, the reform of BTEC courses were highlighted, students can continue on these courses for the next academic year. Mrs Blackburn advised Governors that 40% of students are on at least one BTEC courses.

RESOLVED: That the updated Risk Register be noted.

14. **AUDIT COMMITTEE ANNUAL REPORT**

A discussion took place on the draft Audit Committee Annual Report that had been circulated to all members prior to the meeting. The report covered all work carried out in the 2022/2023

financial year including concluded work relating to 2021/2022. The Committee's Annual Report should advise the Governing Body when they are approving the College's Statutory Accounts and Financial Statements for the year ended 31 July 2023. It is also sent to the ESFA as part of the statutory account's submissions.

Mr Benson from Murray Smith suggested reference should be made to the fact that the college had been reclassified as being in the public sector. This point was accepted and would be included in the amended Annual Report that would be circulated to members.

RESOLVED: That the amended report be submitted to the Governing Body for approval at the meeting on 28 November 2023.

15. COMMITTEE TERMS OF REFERENCE

A copy of the current Audit Committee Terms of Reference had been circulated prior to the meeting. Mr Benson from Murray Smith suggested that a note be included to show the college's compliance with Managing Public Money. This point was accepted and would be included in the amended Committee Terms of Reference.

16. FRAUD LOG BOOK/WHISTLE BLOWING

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

17. ANY OTHER BUSINESS

There was no Any Other Business.

19. DATE OF NEXT MEETING

12 February 2024 at 4.30pm.

Signed _____
Chair of the Audit Committee

Date _____