

# AQUINAS COLLEGE AUDIT COMMITTEE

Meeting: 4 November 2024

Time: 4.30pm

Venue: College

## **GOVERNORS PRESENT**

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

Mr A Martin in the Chair

## **IN ATTENDANCE**

Murray Smith LLP	Mr M Benson and Mrs N Tucker
Wbg Audit Ltd	Mr N Clark
Mr T P McGee	Chair of Governors
Mr R Peacock	External Reviewer
Mrs D Blackburn	Senior Assistant Principal (Finance)
Mr T Conlon	Clerk to the Governing Body

## **1. INTRODUCTIONS**

Mr Peacock outlined his career background and advised members that he was undertaking an external review of Governance at the college. The purpose of the review was to determine how effective the Governing Body and its committee are, it is not an audit of Governance. For the benefit of Mr Peacock everyone introduced themselves.

## **2. OPENING PRAYER**

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

## **3. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **4. 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.

## **5. COMMITTEE MINUTES**

RESOLVED – That the minutes of the meeting held on 3 June 2024, copies of which had been circulated previously, were agreed as a correct record.

## **6. MATTERS ARISING FROM THE COMMITTEE MINUTES**

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

## **7. DRAFT STATUTORY ACCOUNTS**

Mrs Blackburn introduced the draft Statutory Accounts for 2023/2024 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 5 November 2024.

Mrs Blackburn advised Governors that DfE and ESFA introduced new controls for the college on 29 November 2022. The ESFA also indicated that there were plans to introduce a college financial handbook effective from August 2024. The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Mrs Blackburn advised Governors that there had been changes in the pension assets of the Greater Manchester Local Government Pension Fund of £2,527,000 to £0.00. The valuation is actuarially reviewed every year. This "asset" has been increasing over the last few years and as the asset will never actually be realised by college, the college had to request a ceiling asset report this year. This report has returned an asset value of £0 and so the cumulative assets of £3.3m has had to be written off in the statutory accounts. The Statement of Comprehensive income (profit and loss account) on page 28 of draft Statutory Accounts for 2023/2024 shows the net impact of this change, moving an operating surplus of £1.25m in the management accounts to an accounting loss of £1.27m. Mr McGee added that the GMPF distorts the accounts and are simply accounting adjustments. Mr Benson of Murray Smith LLP informed Governors that the Institute of Chartered Accountants in England and Wales (ICAEW) nor the ESFA had not made a decision on whether or not the asset should be recorded in the accounts. The college has however taken this prudent approach to show a pension asset of £0 in the statutory accounts.

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 2023/2024, subject to any governor amendments be recommended to the Governing Body for approval.

## **8. 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 2024. She added that the report was in a 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 2024. 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 2024.

It was agreed that the unadjusted misstatements identified during the audit were immaterial. It included purchase invoices dated pre year end but relating to 2024/2025.

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 2024 be received.

## **9. INTERNAL AUDIT STRATEGY 2024/2025**

Mr Clark of Wbg Audit Ltd advised members that the timetable for audits for 2024/2025 had been agreed with the college as detailed in the Internal Audit Plan for 2024/2025, which covers the end of their three year appointment.

The Audit Plan for 2024/2025 would consist of 18 days with the addition of contingency days as necessary. The areas were as follows:

Staff Recruitment and Retention	3 Days	Report to February 2025 Audit Committee
Cyber Security	4 Days	Report to February 2025 Audit Committee
Budgetary and Financial Reporting	3 Days	Report to June 2025 Audit Committee
Learner Numbers	3 Days	Report to June 2025 Audit Committee
Follow Up Review	2 Days	Report to June 2025 Audit Committee
Audit Management	<b>3 Days</b>	
<b>Total</b>	<b>18 Days</b>	

Mr McGee advised Governors that staff recruitment was an issue nationally and that discussions had taken place at the SFCA. He also asked if the audit would include benchmarking. Mr Clark confirmed that benchmarking would be included.

Mrs Blackburn advised Governors that college needs to obtain a cyber security certificate from Cyber Essentials. The certificate sets out the five basic security controls that can protect organisation against common cyber attacks.

RESOLVED: That the Audit Plan for 2024/2025 be agreed.

Wbg Audit Ltd 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.

Mrs Blackburn advised Governors that the college had also had an ESFA, ILR audit. The outcome was that there were no issues regarding funding. The main point raised was in respect of students signing their enrolment forms accepting their study programmes on a timely basis. Previous auditors had suggested leaving it until closer to the 6 weeks census date. The college will now ask students to sign the form on both dates.

## **10. RISK MANAGEMENT ANNUAL REPORT/RISK MANAGEMENT POLICY**

The draft Annual Risk Management Report for 2023/2024 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 Risk Management Policy had not changed from last year and would be circulated to Governors for approval at the Governing Body meeting on 26 November 2024.

Ms Garratt asked if the year end would change from 31 July to 31 March. Mrs Blackburn replied that the exercise of providing data for both dates was ongoing and that the Treasury were in favour of the change. Mr Benson from Murray Smith LLP felt that the year end would remain at 31 July. Mr McGee added that the increase in the number of high needs students at the college and their associated costs need to be carefully monitored.

Mrs Blackburn felt that the college manages risks well.

RESOLVED: i) That the draft Annual Risk Management Report for 2023/2024 and ii) the Risk Management Policy be recommended to the Governing Body for approval at the meeting on 26 November 2024.

## **11. RISK REGISTER**

A copy of the updated Risk Register (October 2025) 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. Changes were highlighted in red in the revised Risk Register.

Mrs Blackburn advised Governors that the new capital build had been added to the register. In addition, the reform of BTEC courses were highlighted. The Government has indicated that a review will be completed by the end of the calendar year. It is anticipated that some courses will cease.

RESOLVED: That the updated Risk Register be noted.

## **12. 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 2023/2024 financial year including concluding work relating to 2022/2023. 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 2024. It is also sent to the ESFA as part of the statutory accounts submissions.

RESOLVED: That the report be submitted to the Governing Body for approval at the meeting on 26 November 2024.

## **13. 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 the requirement to adhere to the new DfE financial handbook. This point was accepted and would be included in the amended Committee Terms of Reference.

## **14. FRAUD LOG BOOK/WHISTLE BLOWING**

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

## **15. ANY OTHER BUSINESS**

There was no Any Other Business.

**16. DATE OF NEXT MEETING**

10 February 2025 at 4.30pm.

Signed \_\_\_\_\_  
Chair of the Audit Committee

Date \_\_\_\_\_