



**Audit Committee  
Annual Report to Governing Body  
Academic Year 2023-24**

1. This report covers the work of the Audit Committee for the academic year, 1<sup>st</sup> August 2023 to 31<sup>st</sup> July 2024.
2. The membership of the committee and attendance at scheduled meetings was:

|  |            |      |
|--|------------|------|
| Somayina Ebele, Foundation Governor,<br>(Chair until March 2024)       | 2 meetings | 100% |
| Dave Navarro, Foundation Governor                                      | 2 meetings | 100% |
| Chukwuweta Uraih, Foundation Governor                                  | 1 meeting  | 33%  |
| Daniel James Proffitt, Student Governor                                | 1 meeting  | 50%  |
| Gabrielle Williams Hamer, Foundation Governor<br>(Chair from May 2024) | 1 meeting  | 100% |

The Principal, Graham Thompson and Margaret Searle, the Director of Finance and Resources, attended each meeting at the standing request of the committee. The Internal Audit Service (IAS) attended the meeting on 7th May 2024. Meetings were clerked by Clare Baskott

3. Each agenda included a standing item for the committee to have confidential time in camera with the Auditors. The committee was unanimously in agreement that this was not required.

Members have been willing to make robust challenge of auditors and management as required. Meetings have continued to be held remotely and have continued to be effective. Therefore, decision making and providing assurance to the Governing Body on internal control, risk management, audit arrangements and governance processes was robust. Meetings had been scheduled and agendas ordered to meet the cycle of business and deliver effective and timely reporting to the Governing Body.

Whilst the committee benefits from reporting in person by invitation to the Principal and the Director of Finance and Resources, it discharges its responsibilities independently with access to the Clerk and auditors for advice.

Three meetings were held in the year, one per term.

- 13<sup>th</sup> November 2023– partly in joint session with the Finance and Resources Committee
- 26<sup>th</sup> February 2024
- 7<sup>th</sup> May 2024

Draft minutes of each meeting were included in the report for the termly meetings of the Full Governing Body to support the oral report given to the Board by the Chair of the Committee. Draft minutes, once agreed with the Chair were posted on the 'Minutes and Agendas' tab of the Governing Body section of the college website.

4. The Committee's terms of reference underwent a routine review in July 2024. The next scheduled review will be in July 2026.
5. **Training and Development:**  
Members had access to Webinar training provide by the Sixth Form Colleges Association and the Association of Colleges including specialist training in Audit, Finance & Funding.
6. **Internal Audit Services (IAS):** The Internal Audit Service was provided by Scrutton Bland. During the year 23/24 Scrutton Bland carried out two assignments which were Funding Assurance & Key Financial Controls with the total cost being £5,950 exc VAT. Future audits for consideration were discussed at the Audit Committee meeting on 7<sup>th</sup> May 2024 and included Learner Recruitment and Funding Assurance.

**6.1 Financial Statements & Regularity Auditors:** The External (financial statements and regularity assurance) Auditors are Buzzacott LLP who were first appointed in May 2004, formally re-engaged in May 2009 and July 2014 and have been appointed annually since, following satisfactory performance review. The committee has attended to the requirement, introduced through the 2021 ACoP, to have a re-tender policy of at least every five years in place and undertook, with the support of the Director of Finance and Resources, a formal re-tending process for external audit service in the spring of 2022. Buzzacott were successful in their bid and were duly re-engaged by unanimous decision of the committee. The contract would be re-tendered within five years (no later than spring 2027) subject to annual review of performance and the new contract will include a new Audit Manager, in order to reduce the risk of familiarity.

**6.2** The most recent letter of engagement between the College and Buzzacott was signed by Gabrielle Willams Hamer, as Chair of the Audit Committee on 12<sup>th</sup> November 2024.

6.3 The External Audit Strategy plan setting out the arrangements and services to be provided for the Regularity, Financial Statements and Teachers Pension Scheme audits of the year ending 31<sup>st</sup> July 2024 had been accepted by the committee for a total indicative fee of £20,240 exc VAT (excluding VAT) for audit and reporting. Included in that fee was the audit and report of the Trading Subsidiary's accounts.

## 7. Internal Audit

Since the mandatory requirement for internal audit and submission of the FMCE was lifted in 2012, the Audit Committee had kept the extent of continued engagement with an independent Internal Audit Service (IAS) under risk-based review. The Audit Committee continues to advise the Governing Body that this approach to scoping "agreed upon procedures" audit assignments, against the risk register, Board Assurance Framework (BAF) and strategic aims of the college delivers a level of independent review that provides a value-for-money assurance. The committee continues to advise the Governing Body that this does not provide a formal annual audit opinion from the IAS that would accord with International Professional Practices Framework (IPPF).

The Internal Audit Strategy and Plan for 2023-24 commissioned by the committee reflected the context of the College's strategic objectives and risk management systems including the Board Assurance Framework (BAF) and considered recommendations from college managers. The committee is of the opinion that the resources and expertise of the audit firm field work and reports provided an independent assurance for management and governors that risk management and internal control arrangements are effectively and efficiently designed and operated.

The Internal Audit Service provided by Scrutton Bland undertook two audits. The first was of the College's Key Financial Controls. The findings were discussed and accepted by the committee on 7th May 2024 and were supported by a written report which was shared with the Governing Body on 4<sup>th</sup> July 2024. A key recommendation of the audit was the Financial Regulations should be updated to identify those goods/services that are considered to be exceptional items that do not require quotations to be obtained. This would be a short list of purchase types that would likely include items such as examinations, utilities, trips and maintenance/replacement costs that relate to an original tendered purchase. The second audit focused on Funding Assurance and a key recommendation was that in line with current plans, the checks completed on the IRL should be expanded to include checks of transfer dates to ensure these were correct in all instances.

The committee tracks and monitors responses and actions via a written internal audit action report presented to them by college managers at each meeting.

The Audit Committee exercises oversight of the Board Assurance Framework (BAF). The BAF is mapped to the risk register and matches the College's strategic objectives and risk management framework to all strands of assurance that are currently operating – both internal and independent. This assurance framework is formally reviewed for effectiveness by the Audit Committee at its spring term meeting each

year and, at the direction of the committee, includes dates and details about/evidence of the assurances being given. The engagement of all governors in the identification, ranking and mitigation of risks is generated by a standing question on the agenda for the F&R and CSQ committees. Feedback flows to the Audit Committee where assurance is lacking, or key new risks are identified. The Committee members receive and value publications by Scrutton Bland.

The Committee undertook a formal review of Scrutton Bland in February 2024, which confirmed overall satisfaction with all aspects of their work.

#### **8. Financial Statements “External Audit”**

The committee received, directly from the external auditors, the audited Report and Financial Statements and the findings of the audit set out in a Post-audit Management Report for the year ended 31<sup>st</sup> July 2024 (including SFX Corporate Services Limited) on 12<sup>th</sup> November 2024 at a meeting of the Full Governing Body attended by the Accounting Officer (the Principal) and the Director of Finance and Resources, which incorporated a joint session with the Finance and Resources Committee.

The Regularity assurance final opinion for the same period had been incorporated in the Post-audit Management Report. The reports were clean.

The Committee had reviewed, the ESFA Regularity Self-Assessment Questionnaire which was signed by the Chair of Governors and the Accounting Officer. The committee had reflected on the BAF (summer 2024) when reviewing the external audit reports. A Financial Management Control Evaluation questionnaire completed by college managers was included in the papers for the meeting of the Full Governing Body to provide additional assurance.

The committee considered the accuracy of the wording, the presentation and the recommendations set out in the management report presented by the External Audit Engagement Partner. The Audit Committee (in conjunction with the Finance and Resources Committee) was satisfied that the required processes had been diligently completed in the audit of the accounts.

The Audit Committee will, with due regard to the scrutiny of the financial position of the college by the Finance and Resources Committee, make a formal recommendation that the Financial Statements in their final agreed version are signed and the associated post-audit Management Report accepted by the Full Governing Body at its meeting on 10<sup>th</sup> December 2024.

The Audit committee assessed the work of the Financial Statements (“External”) Auditors in their meeting on February 2024 in respect of their audit work for the financial year ended 31<sup>st</sup> July 2023 using the Performance Indicators Questionnaire. The review confirmed overall satisfaction with the work of the firm. The committee is aware of additional costs to the college in regard to auditing of the trading subsidiary’s accounts as noted in 6.2 above.

Sophie Clayton, Engagement Manager, Buzzacott LLP, attended the meeting of the Full Governing Body on 12<sup>th</sup> November 2024 (to comply with the requirements in para 60 of the Audit Code of Practice) to present the findings of the financial and regularity audit reports. In preparation, Catherine Briscoe, the Engagement Partner had briefed the committee in May 2024 by presenting the audit strategy for the financial year ending July 2024. The committee is alert to the need to regularly commission work to provide assurance over the funds earned by the college.

#### **9. Risk Management**

The Audit Committee monitors the risk management process. The full risk register was overhauled for, and scrutinised at, each meeting as a standing agenda item. It was streamlined in 2021-22 to focus more effectively on the top ten risks. The committee's understanding of the register and ranking of risks was informed by a detailed oral report on the top ten key active risks given the Principal. The Risk Management Policy is reviewed with each revision of the register. The committee has a governor member with relevant experience in the field of risk management and assurance.

#### **10. Counter-Fraud**


The committee is committed to fostering an anti-fraud culture in the college and monitors the effectiveness of anti-fraud and whistle-blowing policies and procedures in place through the risk register and reporting by the Principal and the Director and Finance and Resources. A "Fraud Champion" who is a staff member is in place to help raise awareness and accessibility. There has been an improvement in supporting staff to feel confident and well-informed about college procedures so that they understand what course to follow should they spot fraudulent activity or behaviour.

The committee reviewed the Anti-Fraud, Corruption, Bribery and Malpractice Policy at their meeting on 28<sup>th</sup> February 2023. The policy was subsequently approved by the Full Governing Body on 21<sup>st</sup> March 2023, following the committee's recommendation.

The Whistleblowing Policy was scrutinised by the committee at their meeting on 28<sup>th</sup> February 2023 and subsequently approved by the Full Governing Body at their meeting on 4<sup>th</sup> July 2023.

#### **11. Conclusion:**

No matters have been drawn to the Audit Committee's attention during the period covered by this report which indicated that the Governing Body of St Francis Xavier Catholic Sixth Form College is unable to rely on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes, counter-fraud and securing value for money. The committee is therefore unaware of any reason why the governing body's responsibilities, included in the annual financial statements have not been satisfactorily discharged in all material respects.

Signed:  Date: 10/12/2024

Gabrielle Hamer Williams  
Chair of the Audit Committee