



REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE MEETING

**Minutes of the meeting held on 30 November 2023 at 11am
Committee Room**

Present: Gary Crowe (independent, Chair) GC
Peter Green (independent) PG
Evelyn Davies-Jones (independent) EDJ
Mike Gorton (independent) MG
Fran Johnson (external, co-opted) FJ

In attendance: Lousie Tweedie (RSM) LT
David Hoose (Mazars LLP) DH
Marcus Clinton (principal) MC
Graeme Lavery (vice principal finance and resources)
Charlotte Clifford Taylor (head of finance) CCT
Jackie Schillinger (head of governance)
Malcolm Burns (independent) MB (*item 1*)
Elizabeth Harrison (independent, chair) EH (*item 1*)
David Pearson (independent) DP (*item 1*)
Angela Potter (independent) AP (*item 1*)
Liz Watts (staff) LW (*item 1*)
Paul Weston (independent) PW (*item 1*)

PART A unless stated

| item | Content |
|-----------|--|
| 1. | Core Function: Exercising effective control to ensure that funds and assets are protected, your organisation remains solvent and legal obligations are met. |
| 1.1 | Audit Completion Report – External auditor DH of Mazars LLP presented his findings, providing strong assurance on a clean audit and a clean bill of health for the financial statements audit. He went through the detail of several points for clarification so that members could fully understand the technical points and the minor adjustments noted in the report. He noted that there had been some new audit hurdles this year due to the public sector reclassification and the application of managing public money requirements and it was very pleasing that the college had passed all these regularity requirements with no problems. He added that the management accounts that governors see in year are robust and assurance can be taken that the quality of the financial reporting supports effective strategic decision-making. The committee welcomed the strong assurance provided by the audit report and thanked GL and CCT and the team for all their work and DH for a smooth external audit process. |
| 1.2 | Bridge Report Management Accounts to Statutory Accounts: received for strong assurance on robust management accounts reporting evidenced by the bridge report comparing management accounts to statutory accounts. |
| 1.3 | Draft Annual Statutory Financial Statements: The committee had reviewed the statements in advance of the meeting and requested and received clarification on several aspects. In terms of presentation, members considered it to be an improvement on last year and welcomed the excellent overview provided in the narrative in the annual statements. The committee considered the visibility of this as important as the detailed scrutiny. |

| | |
|-----|---|
| 1.4 | Draft ESFA financial record: the statutory accounts information provided in ESFA required format. The committee queried the curriculum planning process information and noted that it is not required but it is an area that the college will work on to be able to complete it when it is up to full resource in the team as it is a key part of current business planning, and it would be helpful to include it in the finance record going forwards. |
| 1.5 | Annual Review Financial Objectives: GL reported that in 2022-23 the college had met all except one by a very small margin, which was the current ratio, reasons were given, and the committee was assured that it was not a concern. The committee supported the proposed financial objectives for 2023-24 presented for approval. The committee noted the waiver for potential breach of covenant in year, but now with the funding increase, this is not expected, but is in place. |
| 1.6 | RESOLVED: Audit Completion Report provides strong assurance that the draft Financial Statements for 2022-23 financial year can be recommended to the Board. |
| 1.7 | RESOLVED: The ESFA Finance Record is received. |
| 1.8 | RESOLVED: The Financial Objectives report provides good assurance on robust financial management. |
| 2. | Standing items |
| 2.1 | RESOLVED: Professor Gary Crowe is appointed as chair of the committee and Karol Bailey as vice chair of the committee for the 2023-24 academic year. |
| 2.2 | Apologies were received and accepted from Karol Bailey. The meeting was quorate and remained quorate throughout. |
| 2.3 | RESOLVED: The minutes of the meeting held on 26 June 2023 were approved as a correct record. |
| 2.4 | RSM Briefing Sector Update: Briefing reports had been provided to the committee in advance of the meeting for information. These included the emerging risk radar report, FE emerging risk briefing, higher education sector briefing and a focus on fraud briefing. |
| 3.1 | Internal Audit Service Reporting The following reports and outcomes were reported to the committee for assurance: -Audit Plan Progress Report: On track -Annual Report and Opinion: Positive and in line with similar organisations, a good outcome. -Higher Education Data Quality Framework: Advisory -Counter Fraud Governance and Risk Management Process: Reasonable assurance -Framework for Efficiency – Curriculum Planning: Substantial assurance |
| 3.2 | RESOLVED: The internal audit service reporting is received with no concerns to escalate on the control framework. |
| 3.3 | Internal Control Framework Reporting: The following reports were reported to the committee: -Audit Recommendations Tracking: recommendations accepted by the committee -Legal/Regulatory Assurance Sources: agreed addition of an indication of level of assurance in the executive summary such as ‘no issues arose’ and to report any issues by exception. -Value for Money: assurance taken. -Data Protection Officer Report: a significant piece of work and a good overview to set out what needs to be done to comply with the ISO standard, with assurance that there is capacity to complete this. -Teachers’ Pension Contribution Certificate: assurance taken. |
| 3.4 | RESOLVED: The internal control reporting is received for assurance and the audit recommendation action proposed timescales approved. Satisfactory assurance is received on the Data Protection Officer report, as a developmental piece of work with an update on the DPO work at the next meeting with an insight into the active controls in place. |
| 4.1 | Strategic Risk Report: The committee received risk reporting from the board committees held this term and the committee considered that this had increased the level for assurance with which the Audit Committee can report on risk to the Board in its annual report. It agreed that board level reporting of safeguarding and health and safety related risk should remain the remit of the Board and that the Audit Committee’s remit for compliance risk is appropriate and is covered within the internal audit and control framework reporting in agenda item 3. |

| | |
|-----|---|
| 4.2 | RESOLVED: With some additions on the committee effectiveness review, the Audit Committee Annual Report is recommended for submission to the Board at its meeting on 14 December. |
| 5. | Closing items |
| 5.1 | There was no further business reported to the meeting. |
| 5.2 | RESOLVED: The date of the next meeting was confirmed as Thursday 21 March 2024 at 10am |

The meeting closed at 1.30pm

Approved as a correct record: 21 March 2024

Chair: Prof Gary Crowe