



REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE MEETING

Minutes of the meeting held on 11 July 2025 9am – 11am
Committee Room Reaseheath Hall and MS TEAMS

Present: Gary Crowe (independent), chair
 Ashley Austin (independent)
 Jan Chillery (independent) (*item 1.3 onwards*)
 Peter Green (independent)
 Mike Gorton (independent)

In attendance: Marcus Clinton (principal)
 Graeme Lavery (VP finance and resources)
 Alex Hire (RSM) (*items 1-3 only*)
 Louise Tweedie (RSM) (*items 1-3 only*)
 David Hoose (Forvis Mazars) (*items 1-3 only*)
 Jackie Schillinger (company secretary and head of governance)

The start of the meeting provided an opportunity for the Committee to discuss any matters with the College Auditors without the presence of senior management.

PART A unless stated

item	Content
1.	Standing Items
1.1	Apologies were received and accepted from Fran Johnson due to the change of date of the meeting. The meeting was quorate and remained quorate throughout.
1.2	RESOLVED: The minutes of the meeting held on 20 March 2025 were approved as a correct record.
1.3	RSM sector update briefing provided an update on best practice Managing Public Money (MPM) Board responsibilities, replacement of post 16 audit code of practice, sector issues including some instances in the sector of college's needing emergency support and the importance of monitoring cash position to prevent this, the Ofsted consultation, counter-fraud issues and the need to address the governance and impact of AI in colleges.
1.4	RESOLVED: An assurance mapping report be made to the committee on the responsibilities of the Board under the Managing Public Money best practice guidance against current practice to provide assurance and address any gaps.
	Corporation Core Function Accountabilities
2.	Exercising effective control to ensure that funds and assets are protected, your organisation remains solvent and legal obligations are met.
2.1	External audit draft strategy memorandum: David Hoose presented the draft strategy memorandum and highlighted the following areas: <ul style="list-style-type: none"> • New member of the audit team for the audit this year • Timeline has been agreed and planning on track

	<ul style="list-style-type: none"> • Risks considered and judgements made in the audit, including the usual pensions accounting matters • Changes this year include the materiality approach by the Department for Education to focus on any breach of delegated authorities which would then lead to a modified audit, with consequences to the college of regulatory intervention. • Another change is the level of significant fraud that must be reported to the Department for Education is reduced to £5,000 in value. • There will be some changes to UK accounting standards from the 2027 accounting year, regarding revenue recognition and lease accounting. In response to a question from the committee, it was confirmed the lease accounting changes do not cause a risk to the college currently.
2.2	RESOLVED: On consideration and review by the committee, the external audit strategy memorandum is recommended for approval
2.3	<p>College regularity self-assessment questionnaire: The vice principal finance and resources presented the self-assessment for consideration. The committee highlighted several minor corrections needed and challenged several areas including:</p> <ul style="list-style-type: none"> • Fraud and Whistleblowing nil return reporting visibility in the questionnaire and in the termly risk reporting to the committee is important and ensure that whistleblowing is specifically addressed within the irregularity nil return. • Internal audit planning – review of recruitment processes may be due an audit, so consider this in planning for next year’s audit. • Use of the college credit card, as a form of payment only, and checking on its use. Challenge on whether this needed oversight from outside the finance department. Agreed the executive would consider this challenge and consider the process with internal audit partners, based on sector good practice.
2.4	RESOLVED: Following review and clarification on changes in this year’s self-assessment, the regularity self-assessment questionnaire is recommended for approval and signing by the principal and the chair.
2.5	Internal audit plan progress report completed plan: Internal auditors confirmed completion of the plan and noted the example of the golden theme, for example ‘oversight’ which the committee has asked for an example of. In each report there would be a summary of the oversight/governance structure for that area being audited. The committee welcomed this approach as very helpful. An error was noted and the reported would be corrected and republished to the college and committee.
2.6	RESOLVED: The internal audit plan progress report is received for substantial assurance that the plan has been completed in 2024-25.
2.7	<p>Student records compliance testing – apprenticeships: Following presentation of the findings of four medium priority actions and three low priority actions, the committee discussed context and actions needed by the college:</p> <ul style="list-style-type: none"> • The cluster of actions relate to ‘off the job’ evidence recording. The complexity in this area is something the sector in general sees, and the specific issue is that it is the apprentice and employer who need to record the detail of this, but often they do not necessarily do this in accordance with the detailed rules. This does not mean it is not happening, but it is harder to evidence. The apprenticeship team chase it up and there is often a need to go back to confirm evidence for the funding. It is a complex funding issue.

	<ul style="list-style-type: none"> The issue for the college to address now is that the team need to check this more and make sure they review and check that it is written properly. The college is working to improve this process and systems, there is a barrier with the software, but the college will raise this to see if this can be improved.
2.8	RESOLVED: The student records compliance testing – apprenticeships audit was a helpful and challenging audit alerting the college to the need for more rigour on checking apprentice and employer recording of their evidence of ‘off the job’ activity, which will be revisited in the annual follow up audit. There is a continued need for further improvement in systems and whilst this is difficult, the college should continue to highlight these issues to the systems provider.
2.9	<p>Health and safety arrangements audit report: This advisory audit confirmed that the college’s action plan reporting reflected the evidence found and presented an accurate picture of progress. In discussion the following key points were made:</p> <ul style="list-style-type: none"> The committee challenged the college to increase the pace of action plan implementation and sought a realistic timescale for completion. The lead governor report on the recent health and safety committee meeting raised several areas where more work was needed, including the recording of student competency. The principal assured the committee that the executive team were committed to keeping up momentum going into next year and acknowledged there is still work to do, but he gave assurance that student competency, staff training and risk assessments in the classroom/practical sessions were now embedded into the learning walk/observation process so this should provide assurance data from September onwards. A committee member who had recently undertaken a link visit to the Equine department commented that she had seen clear evidence of risk assessments being carried out and the high profile of a health and safety culture in the department. Following discussion on further steps to achieve assurance it was agreed that the governor task and finish group would seek assurance on the delivery of the action plan based on an independent external audit, which may be via the internal audit service plan for the year or an independent third party, that this be in addition to the peer review arrangements envisaged with employer partners. It was agreed that the timeframe for this be considered as it needed to be when the college considered actions complete, but the pace of completion needs to be driven. A new health and safety manager is being recruited to take over from the incumbent who is retiring in the new year, but this post is being recruited to now to create additional capacity and to ensure there is no gap in activity.
2.10	RESOLVED: The health and safety task group would seek assurance on the delivery of the action plan via reporting to it in the autumn term. Assurance needs to include independent audit activity at the appropriate time to provide assurance on compliance in addition to the arrangements planned already for peer support from employer partners.
2.11	RESOLVED: The internal audit follow up report was received, and the committee noted the reasonable progress reported and would monitor the satisfactory completion of the outstanding four actions ongoing.
2.12	RESOLVED: The 4Action internal audit tracking report was received for assurance on progress on the college implementing audit actions in a clear format with resolution of the outstanding item.

3.	Setting and Communicating the College Strategy and Goals – Strategic Risks
3.1	<p>Risk and irregularities report: The committee considered the reporting including each committee’s assurance reporting on risk within its remit. The committee considered legal and regulatory risk (SR10 directly) and noted no irregularities were reported. The committee noted that the board considers safeguarding and health and safety reports directly and therefore information on these risk areas was provided for information only and would be considered by the board. In discussion the following points were highlighted:</p> <ul style="list-style-type: none"> • SR 1 (financial targets and budget), SR3 (FE quality and student outcomes) and SR9 (health and safety) were outside risk appetite tolerance therefore requiring mitigation actions to bring back to at or inside tolerance. • Progress and actions on these areas was discussed, informed by the assurance level reporting from committees in relation to SR1 and 3. • Positive movement on risk score and assurance level was reported by Quality and Standards Committee on SR 3 based on the positive impact being seen in performance data this year and more accurate understanding of the quality of teaching and learning. • Whilst the financial outturn this year would be behind budget, mitigation in year had reduced the impact and the Finance and General Purposes Committee had increased assurance from partial to reasonable. • SR9 would be considered by the board but the committee had discussed the assurance required on completion of the action plan before this could be reduced back to tolerance. • The addition of a target date for risks outside tolerance and therefore needing mitigation action was recommended for the net iteration of the strategic risk report.
3.2	<p>Risk management annual report: The committee received the risk management annual report, noting the risk movement over the year, the framework in place and the risk management policy. A recommendation was made to review the strategic risk categories against the Orange Book categories to ensure all relevant risk areas are covered sufficiently in the framework. The committee were content to recommend the annual report to the board, noting the emerging risk radar and audit themes, which supported a review of emerging risk that could be fed into the internal audit planning for next year.</p>
3.3	<p>RESOLVED: The risk management annual report and risk management policy 2025-26 was recommended to the board for approval.</p>
4.	Closing items - Committee only items
4.1	<p>Part B - Audit Tender: The committee considered the response to the audit tender and the evaluation of the responses received in accordance with the evaluation criteria. The committee considered and was satisfied that auditor independence was maintained by partner rotation in line with regulatory requirements and good practice. The committee was able to make a recommendation to the board for approval. It requested a meeting to discuss the internal audit plan for 2025-26, which would then be recommended via written resolution.</p>
4.2	<p>RESOLVED: Following the tender process, the committee recommended the appointment of RSM as the college’s internal auditors and Forvis Mazars LLP as the college’s external auditors for the academic year periods 1 August 2025 – 31 July 2030, with annual re-appointment based on satisfactory performance. The committee would make a recommendation on the internal audit plan via written resolution once this has been considered.</p>
4.3	<p>Committee self-assessment and terms of reference review: The committee reviewed its work over the year and against its terms of reference, as well as considering the updated terms of</p>

	<p>reference aligned to the 4Es of the strategic plan. In terms of its work, the committee highlighted:</p> <ul style="list-style-type: none"> • Progress made on use of risk appetite and strategic risk framework over the year • Cross committee work valuable and this continues to build, with the note that safeguarding/health and safety reports directly to board, with clarification from the board sought on how it wishes to receive assurance. • Achieved more from the internal audit service in terms of added value • Stronger committee over the last year with new members • Existing external co-opted accountancy role in place, but useful for search and governance committee to consider in terms of additional member or rotation of this role • Work on MPM for assurance an ongoing action • Aim to ensure face to face meetings, with joining online by exception.
4.4	RESOLVED: The committee recommended its terms of reference for approval.
4.5	There was no other business reported to the meeting.
4.6	RESOLVED: The date of next meeting was agreed as Friday 5 December, with the internal audit plan 2025-26 to be approved by written resolution following the planning meeting to be arranged.

The meeting closed at 11.20am

Confirmed as a correct record 5 December 2025

Gary Crowe, Chair