REASEHEATH COLLEGE BOARD AUDIT COMMITTEE MEETING
Minutes of the meeting held on 5 December 2025 12.15pm
(Joint meeting with Finance and General Purposes Committee 12.15pm – 1.15pm)
Committee Room, Reaseheath College

Present:	Jan Chillery (independent)
	Peter Green (independent)
	Mike Gorton (independent) via Teams
In attendance:	Marcus Clinton (principal)
	Graeme Lavery (VP finance and resources)
	Louise Tweedie (RSM)
	David Hoose (Forvis Mazars) (*item 1*)
	Jackie Schillinger (company secretary and head of governance)
	Jane Cowell (independent) (*item 1*)
	Jared Erskine (independent) (*item 1*)
	Elizabeth Harrison (independent) (*item 1*)
	Paul Weston (independent, chair of FGP) (*item 1*)
	Charlotte Riley (head of finance) (*item 1*)

Part A unless stated

item	Content
1.	**TOR 1. Provide an opinion on assurance arrangements, framework of governance and control processes**
1.1	To receive Financial Statements Audit Completion Report: External auditor David Hoose of Forvis Mazars presented his findings, providing substantial assurance on a clean audit. The regularity report was received, with the reporting confirming that the auditor had found nothing during the audit work that suggested any non-conformance or irregularity. The committee welcomed the assurance provided by the audit report and thanked the team for their work to ensure a smooth external audit process. Several points of clarification were made: • Assurance on release of provision in the year, noncash and not impacting on cash position, also not period 13 adjustments these had been in the numbers all along. • Some recommendations which will be tracked through the audit committee • Impact of failure to prevent fraud legislation no change just an additional dimension to existing risk, with the counter fraud framework reported on regularly. • No issues arising out of the Weston college report, with the regularity audit picking all these aspects up with no concerns to report. • Next big change will be the accounting standard. All leases going on balance sheet. Impact – already talked to management about this, how and when recognise revenue, not a big issue for the sector. A headline paper so that the committee understands any impacts at the appropriate time. ACTION
1.2	Bridge Report Management Accounts to Statutory Accounts: received for information on the impact of FRS102 on management accounts to statutory accounts at year end.

1.3	Audited annual financial statements and finance record and recommend for approval to the Board: The vice principal finance and resources presented the annual financial statements for any questions or comment. Several points of formatting and typographical nature were made.
1.4	To review performance against financial objectives 2024-25 and review financial objectives for 2025-26: The committee reviewed the performance reporting and the recommendation that financial objectives remain the same for the 2025-26 year. Key points made were: • Bank Covenants: All bank covenants have been met successfully. • FE Commissioner Debt Service Cover: Our calculation differs from the FE Commissioner's methodology. We align with the banks' approach, which places us slightly below the FE Commissioner's measure because we used our own funds to support capital investment in student resources. We released provisions that are non-cash bearing and not a concern. • 2025-26 objectives: We expect to achieve all bank covenants again. FE Commissioner's debt service cover may be slightly below target, but we will be compliant in the following year. • Pay Costs and Benchmarking: Current pay costs: 59% (FE Commissioner benchmark: 65% for sixth form). Our ratio will always be lower because we are land-based. Outsourcing can impact this figure, so we remain cautious about benchmarks.
1.5	RESOLVED: The Audit Committee received the audit completion report, the annual financial statements, finance record and financial objectives 2025-26 for assurance in the context of its opinion in its annual reporting to the Board.
2.	**Audit Committee Opening items**
2.1	RESOLVED: In the absence of the committee chair, Peter Green appointed as chair of the meeting. Mike Gorton was confirmed as a continuing member of the committee for the 2025-26 year until a new member or members were appointed with thanks to Mike for agreeing to continue in role.
2.2	Apologies for absence were received and accepted from Gary Crowe and Ashley Austin. The meeting was quorate and remained quorate throughout.
2.3	There were no declarations of interest made in relation to the agenda items.
2.4	RESOLVED: The minutes of meeting held on 11 July 2025 were approved as a correct record.
2.5	Matters arising and action log: Actions complete or otherwise agreed as below: • Assurance mapping report on Managing Public Money best practice guidance cycle of business for the March meeting. • Challenge on use of credit card processes had been considered by executive and confirmed that existing process in accordance with sector good practice, confirmed by internal audit provider
2.6	RESOLVED: The committee cycle of business for 2025-26 was confirmed, with the correction of the date for the spring term meeting to 19 March 2026.
3.	**TOR 5 Internal, External Audit and other Assurance Work**
3.1	To receive and approve Internal Audit Plan: Louise Tweedie of RSM presented the internal audit plan for 2025-26 for formal approval. The plan had been agreed in October following the audit planning meeting, with a member of the committee attending. The plan was now presented for formal recommendation to the Board for approval.
3.2	RESOLVED: The internal audit strategy and internal audit plan for 2025-26 is recommended to the Board for approval.
4.	**TOR 6 Audit Reports and Recommendations**
4.1	To receive and approve Annual Internal Audit Service Report: The report was received as a positive opinion for assurance in line with similar organisations and with the full sector benchmarking

	report to be considered in the March meeting, and the overall opinion as 'the organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.'
4.2	To receive the Audit Recommendations Tracking Report: The Audit Committee took assurance that although there were seven overdue actions, 4316 – 4322, these were due to operational changes that have now taken place, and the seven actions were now being worked on with a realistic timeline to complete the actions. With the work that has been carried out thus far, there have been no funding or data implications.
4.3	RESOLVED: The audit action No 4319 – 4322 be granted an extension to 31 March 2026.
5.	**TOR 3 Risk Management**
5.1	To receive Strategic Risk Monitoring Report, with assurance reporting on Safeguarding and Prevent; Health and Safety. The committee considered the reports from other committees on assurance levels for risk within committee remit. The committee considered assurance reporting on health and safety, safeguarding and legal and regulatory risk.
5.2	RESOLVED: The committee reports to the Board on assurance levels across the strategic risks as: • SR1: Financial Management and Targets: Reasonable Assurance: within risk appetite tolerance • SR2: Financial Sustainability: Reasonable Assurance: within risk appetite tolerance • SR3: Quality and Student Outcomes: Substantial Assurance: HE and Apprenticeships within risk appetite. Reasonable Assurance: FE within risk appetite tolerance • SR4: Strategy and Leadership: Substantial Assurance: within risk appetite tolerance • SR5: Curriculum Skills and Stakeholders: Reasonable Assurance: within risk appetite tolerance • SR6: Infrastructure and Resources: Reasonable Assurance: within risk appetite tolerance • SR7: People: Reasonable Assurance: within risk appetite tolerance • SR 8 Safeguarding and Wellbeing: Reasonable Assurance: within risk appetite tolerance • SR 9 Health and Safety: Partial Assurance: Reduced but still outside risk appetite tolerance, to be reviewed in March 2026 to confirm assurance level and that risk exposure reduced to within risk tolerance. • SR 10 Legal and Regulatory: Substantial Assurance: within risk appetite tolerance
6.	**TOR 2 Annual Report**
6.1	RESOLVED: The Value for Money statement and reporting was received and the Audit Committee Annual Report approved for reporting to the Board before approval of the annual financial statements
7.	**Closing items**
7.1	There was no other business reported to the meeting.
7.2	The date of the next meeting was confirmed as Thursday 19 March 2026 at 10am Committee Room

The meeting closed at 1.50pm

Confirmed as a correct record 19 March 2026 Peter Green, Meeting Chair