



## Minutes of the Audit Committee Meeting held on Tuesday 19 November 2024 at 7.30am via Teams

- Present:** Mark Dawson (*Parent Governor*)  
Sue Jarvis (*Co-opted Governor*)  
Andrew Jones – Chair (*Co-opted Governor*)  
Graeme Slater (*Foundation Governor*)  
Amelia Southward (*Co-opted Governor*)
- In attendance:** Neil Clark (*WBG – Internal Auditor*)  
Mike Benson (*Murray Smith – External Auditor*)  
Nicola Tucker (*Murray Smith – External Auditor*)  
Michelle Williams (*Vice Principal, Finance, Resources & Systems*)  
Lenore Burgess (*Finance Manager*)  
Ruth Potter (*Clerk*)

*The Chair invited Vice Chair, Sue Jarvis, to Chair the meeting. The Vice Chair opened the meeting in prayer and welcomed new member, Amelia Southward, to her first meeting.*

*Prior to the commencement of business, Committee members took the opportunity to have a closed session with the External and Internal Auditors. Following this session, the Vice Principal and Finance Manager joined the meeting.*

### PART 1

#### **1. ROUTINE AND STANDING ITEMS**

##### **1.1 Declarations of interest**

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter that formed part of the agenda for this meeting or was likely to be discussed at this meeting. There were no declarations of interest made.

##### **1.2 Apologies for absence**

All members were present and the meeting was declared quorate.

##### **1.3 Items to be included under urgent business**

There were no items submitted for inclusion under urgent business.

##### **1.4 Minutes of the Audit Committee meeting held on 24 September 2024 (previously circulated)**

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

##### **1.5 Matters arising from the minutes (previously circulated)**

Committee members considered the action log prepared by the Clerk.

## **2. RISK MANAGEMENT**

### **2.1 Risk Management Register and Action Plan *(previously circulated)***

The Vice Principal presented the College's risk register and action plan and explained that this was based on the approved Strategic Plan and had been fully updated to take account of the strategic priorities identified for 2024-25.

The Vice Principal confirmed that the Senior Leadership Team (SLT) had given careful consideration to the full risk register and identified one significant risk and six contingent risks. The significant risk was associated with the uncertainty relating to the impending Level 3 curriculum reform and the potential impact on the offer for students enrolling for September 2026.

Two contingent risks related to the admissions process and the implementation of a new applicant admissions system. The Vice Principal reported that the new system was working well so far. The remaining contingent risks related to: leadership, T Levels, staff recruitment and retention, and development of new reporting systems.

Discussion ensued with regard to the contingent risk on staff recruitment and retention and the Vice Principal updated governors on the potential implications of the Department for Education's (DfE) decision not to include sixth-form college corporations in its additional funding for pay awards. It was noted that the Sixth Form College Association (SFCA) had sent a letter before action to the DfE regarding this decision and a number of colleges had balloted for strike action. Updates would be provided to governors when available.

Governors' comments and questions were invited.

**Q** – T Levels: any implications arising from failure to run a viable programme again this year? Potential for recoupment of capital funding?

**A** – College continues to market these courses, however there is a wider, national issue with student recruitment onto T Level programmes of study. Therefore, do not anticipate recoupment of capital funding.

**Q** – Were key risks reported as part of the College SAR process?

**A** – Each department must identify improvement actions when preparing its SAR and quality improvement plan (QIP). These are based on the key risks and mitigations identified for their subject/department.

**Resolved:**

- **That the Risk Register and Action Plan be noted and recommended to the Governing Body for approval.**

**ACTION – FGB agenda item**

### **2.2 Risk Management Policy *(previously circulated)***

The Vice Principal presented the Risk Management Policy for annual review and highlighted the sections on 'Risk appetite' and 'Role of the Governing Body'. No significant amendments had been proposed. She confirmed that in line with the policy review cycle approved by the Governing Body on 1 October 2024, in future this policy would be subject to biennial review.

**Resolved:**

- **That the Risk Management Policy be recommended to the Governing Body for approval.**

**ACTION – FGB agenda item**

**3. EXTERNAL AUDIT**

**3.1 Audit Completion Report arising from the audit of the Financial Statements for the year ended 31 July 2024 (previously circulated)**

Nicola Tucker, Murray Smith LLP, guided the Committee through the Audit Completion Report arising from the audit of the financial statements.

She highlighted the following points:

- Section 1 – Executive Summary – unqualified audit opinion, without modification, on the financial statements.
- Section 2 – Audit findings – key risks reviewed during the audit; no significant issues were identified.
- Section 3 – Financial highlights:
  - total income increased to £13.7m, largely due to increase in HE income
  - surplus of £98k before actuarial gains on the Local Government Pension Scheme (LGPS)
  - balance sheet – fixed asset decrease; net current assets £1,009k; pension asset this year of £948k on LGPS
  - cashflow – cash generated by College £529k.
- Section 4 – Other communication requirements – no fraud or regulatory issues identified.
- Section 5 – Internal controls – no significant issues identified.
- Section 6 – Unadjusted misstatements – no unadjusted misstatements identified above triviality.
- Section 7 – Regularity – Work undertaken to support the regularity audit in accordance with the regularity assurance framework set out in the Post 16 Audit Code of Practice had resulted in no significant findings.
- Audit opinion – It was the auditor's intention to issue an unqualified opinion on the financial statements and regularity.

The Clerk reported that since the preparation of the financial statements there had been two updates to the Governing Body membership list. The document would be updated accordingly before presentation to the full Governing Body for approval on 9 December 2024.

The Chair acknowledged the strong assurance provided by the External Auditor and thanked Nicola Tucker for her comprehensive and detailed report. Governors acknowledged the positive financial position and thanked the Vice Principal and her team for their work throughout the year.

**Resolved:**

- **That the Financial Statements for the year ended 31 July 2024 be recommended to the Governing Body for approval.**

**ACTION – FGB agenda**

### 3.2 **Regularity report 2023-24** *(previously circulated)*

The Vice Principal referred the Committee to its consideration of the draft completed Regularity Self-Assessment Questionnaire at the last meeting and advised that no further amendments had been made. The document had subsequently been signed and shared with the External Auditor.

It was confirmed that the External Auditor had not identified any significant findings from their assurance work and expected to issue an unqualified regularity opinion within the financial statements.

## 4. **INTERNAL AUDIT**

### 4.1 **College management update report on previous recommendations and actions taken** *(previously circulated)*

The Vice Principal provided a progress report on all the recommendations made by the Internal Auditors. One recommendation had been brought forward from the Student Recruitment report (May 2024). It was confirmed that surveys were issued after key events such as open evenings in order to secure feedback from visitors.

The internal audit schedule for 2024-25 would commence in December 2025 in accordance with the approved internal audit plan.

The Vice Chair thanked the Vice Principal for her report.

#### **Resolved:**

- **That the College management update report on previous internal audit recommendations be received and noted.**

## 5. **COMPLIANCE**

### 5.1 **Provider Financial Assurance Audit – management letter** *(previously circulated)*

The Vice Principal confirmed that this funding assurance review had been completed by RSM UK Risk Assurance Services LLP on behalf of the Education and Skills Funding Agency (ESFA) for the funding year 2023-24. The auditor's final report, dated 29 October 2024, confirmed a satisfactory conclusion on the use of funds and stated that the College had substantially met contractual requirements in complying with the relevant funding documentation set out in the ESFA's funding rules and returned materially accurate data. Some minor errors were identified and associated observations and recommendations were contained within the report.

The Chair thanked the Vice Principal and the College's MIS team for their work throughout the year which had resulted in a positive report. He reported back on his recent role as critical friend on the MIS SAR panel and reflected on the team's collaborative approach across College.

#### **Resolved:**

- **That the funding assurance review report be received and noted.**

## **6. ANNUAL REPORTS**

### **6.1 Value for Money Annual Report 2023-24** *(previously circulated)*

The Vice Principal presented this annual report which had been prepared by the Finance Manager. She highlighted the following points:

- LED lighting procurement – LED lighting now in place across the whole College estate leading to improved value for money on electricity costs.
- Reduction in gas costs
- Hire of College facilities
- Marketing and liaison cost savings
- Use of consortia arrangements and procurement frameworks
- Education and Skills Funding Agency (ESFA) benchmarking – the College's performance had been compared against the non-pay benchmarking outcomes drawn from college finance record submissions for 2022-23.

The Vice Chair reflected on the wide range of savings achieved across the year which was testament to the College's approach to value for money.

#### **Resolved:**

- **That the Value for Money Annual Report received and noted.**

## **7. OTHER MATTERS**

### **7.1 Sector Update**

The External Auditor provided a sector update briefing to the Committee, highlighting the following areas:

#### College Financial Handbook

Following the reclassification of colleges as central government, the ESFA's College Financial Handbook was now in place. Some colleges had encountered difficulties with the requirements surrounding special/severance payments. Should any special payments be proposed, the College was advised to review the requirements with care and seek advice from the External Auditor.

#### Delegation of purchase authorisation

Some clients had encountered issues with following an appropriate authorisation process in line with their scheme of delegation. This had not been picked up as an issue with Carmel, however it was an area to be aware of in terms of ongoing compliance.

The Vice Chair thanked Mike Benson for his update and invited any further comments or questions from Committee members.

### **7.2 Future Agenda Items**

The Chair requested an update on the JISC action plan at the next meeting.

#### **ACTION – JISC action plan update on next Audit Committee agenda**

### **7.3 Governor Training**

No training was reported.

### **7.4 Urgent Business**

None

7.5 **Date of Next Meeting**

Tuesday 11 March 2025 at 8.20am via Microsoft Teams.

The Vice Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 8.10am.

Signed by the Chair: \_\_\_\_\_

A handwritten signature in black ink, appearing to read 'Adam Jones', is written over a horizontal line.

On this day: \_\_\_\_\_ 11 March 2025 \_\_\_\_\_