



Minutes of the Audit Committee Meeting held on Tuesday 18 November 2025 at 8am via Teams

Present: Sue Jarvis (*Co-opted Governor*)
Andrew Jones – Chair (*Co-opted Governor*)
Graeme Slater (*Foundation Governor*)

In attendance: Nicola Tucker (*Murray Smith – External Auditor*)
Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Lenore Burgess (*Finance Manager*)
Jackie Hazelden (*Finance Manager*)
Ruth Potter (*Clerk*)

Prior to the commencement of business, Committee members took the opportunity to have a closed session with the External Auditor. Following this session, the Vice Principal and Finance Managers 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

Apologies were received and accepted from Amelia Southward. 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 25 September 2025

(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. It was noted that the training session on Artificial Intelligence would be deferred to the Spring Term meeting.

2. RISK MANAGEMENT

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

The Vice Principal referred governors to the new risk register and action plan which had been approved by the Governing Body in October. The document was

based upon the new three-year Strategic Plan 2025-28. Updated actions were highlighted in the document and the Vice Principal confirmed that the key risks remained the same.

The only significant risk was associated with the uncertainty surrounding academisation. The College was still awaiting publication of the Archdiocese of Liverpool's academisation strategy; this was not expected before Christmas.

Three contingent risks were highlighted as follows:

- Curriculum impact of Post-16 Education and Skills White Paper and potential introduction of new V Level qualification.
- Impact of careers education, information, advice and guidance on students enrolling on an appropriate programme of study to enable their positive future progression – open evenings and guidance interviews were underway to ensure accurate information was available at all stages.
- Impact of teaching, learning and assessment on student outcomes – quality assurance cycle was in full flow with Self-Assessment Review (SAR) panels taking place throughout November, many with governors present as critical friends. The resulting Whole College SAR document would be presented to the Governing Body for approval in December.

The Chair thanked the Vice Principal for her report and invited governors' comments.

Resolved:

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

ACTION – FGB agenda item

2.2 **Business Continuity Exercise Report** *(previously circulated)*

The Vice Principal reported back on a recent business continuity exercise that had taken place in October 2025 as part of the assurance process linked to the College's insurance. The exercise had been facilitated by an external consultant and the resultant report provided positive feedback on the College's response to the scenario.

Resolved:

- **That the business continuity exercise report be received and noted.**

3. **EXTERNAL AUDIT**

3.1 **Audit Completion Report arising from the audit of the Financial Statements for the year ended 31 July 2025** *(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 just under £15m, largely due to increase in funded student numbers and HE income
- surplus of £180k before actuarial gains on the Local Government Pension Scheme (LGPS)
- balance sheet – fixed asset decrease; cash at bank decrease; net assets just over £12m; pension net asset this year of £3,897k on LGPS
- 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 College Accounts Direction 2024-25 and the Framework and Guide for External Auditors and Reporting Accountants of Colleges 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 an update to the Governing Body membership list. The document would be updated accordingly before presentation to the full Governing Body for approval on 9 December 2025.

The Chair acknowledged the strong assurance provided by the External Auditor and thanked Nicola Tucker for her comprehensive and detailed report.

Resolved:

- **That the Financial Statements for the year ended 31 July 2025 be recommended to the Governing Body for approval.**

ACTION – FGB agenda

3.2 Regularity report 2024-25 (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. Three recommendations had been brought forward from the following reports:

- Budgetary and financial reporting
- Staff recruitment and retention
- Funding review.

Of these, it was confirmed that the actions had been completed in relation to the staff recruitment and funding review recommendations. An update was provided on progress made to address the outstanding action in relation to budget holder training. This recommendation would be carried forward until the online training resources had been fully developed and launched on the College's VLE.

The 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. ANNUAL REPORTS

5.1 Value for Money Annual Report 2024-25 (previously circulated)

The Vice Principal presented this annual report which had been prepared by the Finance Manager. The report provided an overview of the various activities undertaken throughout the year to achieve value for money across College. The following points were highlighted:

- Impact of LED lighting and change in energy provider
- Hire of College facilities
- IT procurement cost savings
- Use of procurement frameworks
- DfE benchmark data – the College's performance had been compared against the non-pay benchmarking outcomes drawn from college finance record submissions for 2023-24.

Discussion ensued on the potential for central procurement exercises to drive further value for money. It was confirmed that the College already made use standard procurement frameworks such as those provided by the Crown Commercial Service. In future, academisation may lead to further consideration of a central procurement function.

Resolved:

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

6. POLICIES

6.1 Cyber Security Policy (previously circulated)

The Vice Principal referred the Committee to this new draft policy which had been developed to ensure compliance with Joint Council for Qualifications (JCQ) requirements and wider government guidance. She confirmed that related policies – such as the IT and Social Media Acceptable Use Policy – would be updated as required in line with the usual policy review cycle. It was noted that staff training would be required to aid understanding and implementation of the new policy.

The Chair thanked the Vice Principal for preparing the new policy and invited governors' comments and questions.

Q – Were any specific cyber security risks associated with the growing use of AI across College?

A – Not specifically. Staff training had taken place on cyber security and AI following the recent implementation of the AI Policy.

Resolved:

- **That the Cyber Security Policy be recommended to the Governing Body for approval.**

ACTION – FGB agenda

7. OTHER MATTERS

7.1 Sector Update

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

- Updated College Financial Handbook – setting out updated requirements in relation to senior pay thresholds, severance payments, cyber essentials accreditation.
- DfE updated guidance document on novel, contentious and repercussive transactions and the new Framework and guide for auditors and reporting accountants.
- New FE/HE Statement of Recommended Practice (SORP) due to be released next year, effective for reporting periods starting from January 2026.

The Clerk also updated the Committee on the recently updated Charity Governance Code which had been released in November. Work to review the College's compliance with the updated Code would commence in the Spring Term with a view to providing a full self-assessment report to the Committee in September 2026 in line with the usual cycle of business.

The Chair thanked Nicola Tucker for her update and invited any further comments or questions from Committee members.

Resolved:

- **That the sector update be received and noted.**

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

AI training would be arranged to take place prior to the next Committee meeting.

7.4 Urgent Business

None

7.5 Date of Next Meeting

It was agreed to bring forward the time of the next meeting to 8am in order to accommodate the AI training.

Tuesday 3 March 2025 at 8am via Microsoft Teams.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 8.40am.

Signed by the Chair: _____  _____

On this day: _____ 3 March 2026 _____