

Audit Committee

Minutes of the Meeting held on Monday 22nd June 2026 at 4:30 PM

Location: Riverside College Halton, Kingsway, Widnes, Cheshire

Present: Karen Banks External Governor, Chair
Louise Frost External Governor
Andrew MacManus External Governor

In Attendance: Leeann Bellfield Vice Principal (Head of Centre, Cronton)
Vici Cadwallader-Webb Head of Internal Audit, ICCA
Ged Hanley Assistant Principal, (Systems Development & Funding)
Jasper Ho External Auditor, Menzies**
Julie Holland Deputy Principal (Finance & Resources)
Sue Hutchinson Audit Partner, Menzies
Scott Winter Director, ICCA
Catherine Shaw Head of Governance

***Remote attendance, via Microsoft Teams*

1. APOLOGIES FOR ABSENCE

Resolved: The Committee received and accepted apologies for absence from Paul Leatherbarrow (External Governor).

2. DECLARATIONS OF INTEREST

None declared.

3. MINUTES OF THE PREVIOUS MEETING

3.1 Approval of the Minutes *(previously circulated)*

Resolved: The minutes from the previous meeting held on 9th March 2026 were approved as an accurate record.

3.2 Matters Arising *(previously circulated)*

Resolved: The Committee noted that that there were no matters outstanding on the action log, nor any matters arising from the minutes.

4. INTERNAL AUDIT REPORTS

4.1 Risk Management and Board Assurance Framework *(previously circulated)*

The Committee received an advisory report on the Board Assurance Framework, considering the alignment between risk appetite, risk scoring and the distinction between strategic and operational risks. It was noted that, whilst a risk appetite statement is in place, it was not currently applied consistently when assessing and prioritising risks. The Committee considered how reporting could be refined to focus more clearly on those risks exceeding the agreed appetite, supported by greater alignment of scoring methodologies. Governors emphasised the importance of ensuring any revised approach remains proportionate and practical, and highlighted the need for a clearer link between strategic risks and their underlying operational drivers. Clarification was provided that detailed reviews of key risks are presented periodically by senior management to support Committee scrutiny. The Committee supported the proposed review and agreed that a revised approach be developed, including facilitating a Board-level discussion on risk appetite.

Resolved: The Committee

- Noted the contents of the report
- Agreed that a revised approach be developed, including facilitating a Board - level discussion on risk appetite with support from the Internal Auditors

4.2 Adult Funding Strategy *(previously circulated)*

The Committee considered the internal audit report on Adult Skills Fund delivery and noted the under-utilisation of allocation. The discussion recognised the strategic decision facing the College in determining whether to maintain the current delivery model or invest further in community-based and short-course provision to increase delivery. Governors questioned the assumptions underpinning funding projections and explored how compliance risks, including potential clawback were being managed. The challenges associated with this funding stream were acknowledged, including volatility in learner demand, difficulties in deploying discretionary support funds, and the resource implications of expanding provision.

Governors sought assurance that local and regional skills needs were appropriately reflected in curriculum planning and that effective partnership arrangements were in place. It was confirmed that local needs were well understood through employer engagement and 'duty to review' activity relating to the Accountability Agreement, and that curriculum planning has been aligned to improve delivery. The Committee recognised the inherent complexity of the funding model and was satisfied that the position was being actively managed.

Resolved: The Committee noted the contents of the report.

4.3 Follow Up on Previous Recommendations *(previously circulated)*

The Committee reviewed progress against previous internal audit recommendations and noted that all actions had been completed, with the exception of one recommendation and this was expected to be completed within the academic year. The Committee was assured that appropriate processes were in place to monitor and complete outstanding actions.

Resolved: The Committee noted the report.

4.4 Progress Report Internal Audit Plan 2025/26 *(previously circulated)*

The Committee received an update on delivery of the internal audit plan and noted that the majority of planned reviews had been completed, with one audit deferred due to national

developments in qualification reform. It was confirmed that this work was to be undertaken once the reforms were fully implemented. The Committee was satisfied that sufficient work has been completed to support the annual internal audit opinion.

Resolved: The Committee noted the report.

4.5 Internal Audit Plan 2026/2027 and Strategy to 2027/2028 *(previously circulated)*

The proposed internal audit plan was presented, demonstrating alignment with key risks and strategic priorities. Planned areas of focus included financial planning and capital controls, safeguarding and Prevent, the use of artificial intelligence, people strategy and succession planning, and stakeholder engagement. The inclusion of artificial intelligence was welcomed, with recognition of both risks and opportunities associated with its use. Assurance was provided that the review was to consider operational efficiencies alongside risk mitigation. In response to a question raised, it was also confirmed that subcontractor activity was reviewed through funding audits and the three-yearly audit in connection with sub-contracting standards. The Committee considered the plan to be comprehensive and appropriately risk-based and approved the proposed programme of work.

Resolved: The Committee recommended approval of the Internal Audit Plan 2026/27 to the Board.

4.6 Emerging Issues in the FE Sector

The Committee noted an update on key developments within the sector, including changes to Department for Education (DfE) financial reporting requirements, amendments to apprenticeship funding rules and increased funding audit activity. The implications of additional in-year reporting requirements were considered, and the Committee was assured that Management is preparing for these changes and maintaining oversight of emerging regulatory requirements.

Resolved: The Committee noted the updates.

5. FINANCIAL STATEMENTS & REGULARITY AUDIT

5.1 To approve the Audit Plan for year ending 31st July 2026 *(previously circulated)*

The Committee considered the external audit plan, noting the proposed audit approach and areas of focus, including income recognition, pensions and capital investment. The increase in materiality threshold was raised and discussed, with assurance provided that this reflected a sustained low-risk environment and strong historic audit outcomes. The Committee received assurance that the plan reflected an appropriate level of scrutiny. A minor amendment was requested to reflect the role of the Audit Committee in reviewing the risk register. Subject to this amendment, the Committee approved the audit plan.

Resolved: The Committee recommended approval of the Financial Statements and Regularity Audit Plan for year ending 31st July 2026 to the Board.

5.2 Letter of Engagement *(previously circulated)*

The Committee reviewed the external auditor's letter of engagement and noted that it reflected standard terms with no significant changes. The Committee approved the engagement.

Resolved: The Committee recommended approval of the Letter of Engagement to the Board.

6. RISK MANAGEMENT

To receive a report on risk management activities since March 2026 to date *(previously circulated)*

The Committee received the regular risk management update and noted that there had been no significant changes in risk scores since the previous report. Key risks continued to include cyber security, major projects and the external operating environment. The Committee considered the relationship between operational and strategic risks and noted ongoing work to strengthen alignment as part of the wider framework review, as discussed earlier in the meeting at agenda item 4.1. The increasing use of laptops across the College and the associated cyber security risks were discussed, with assurance provided regarding monitoring and control arrangements. The discussion provided assurance that risk management processes remain effective and subject to continuous review. Governors welcomed the planned enhancements to the framework and were satisfied that the Committee continues to receive clear oversight of the College's principal risks and mitigating actions.

Resolved: The Committee noted the report.

7. ANNUAL WHISTLEBLOWING AND ANTI-FRAUD REPORTS

7.1 Whistleblowing Reports 2025-2026 *(previously circulated)*

The Committee received the annual whistleblowing report. It confirmed that appropriate arrangements were in place and operated effectively. In the 2025/26 academic year to date, no whistleblowing reports had been received.

Resolved: The Committee noted the report.

7.2 Anti-Fraud Reports 2025-2026 *(previously circulated)*

The Committee received the annual anti-fraud report. It confirmed that in the 2025/26 academic year to date, no reports of either actual or suspected fraud had been reported. The Committee was satisfied that appropriate financial control and monitoring arrangements were in place to mitigate fraud risk and support effective stewardship of College funds.

Resolved: The Committee noted the report.

8. POLICIES

8.1 Anti-Bribery Policy *(previously circulated)*

It was noted that the Anti-Bribery Policy remained a mandatory policy and that the Board retained overall responsibility for ensuring effective systems were in place to mitigate the risk of bribery. The proposed changes were discussed.

Resolved: The Committee recommended approval of the Anti-Bribery Policy to the Board.

8.2 Anti-Fraud and Corruption Policy *(previously circulated)*

The Committee was satisfied that amendments to the Anti-Fraud and Corruption Policy reflected updated requirements within the College Financial Handbook.

Resolved: The Committee recommended approval of the Anti-Bribery Policy to the Board.

8.3 **Anti-Money Laundering Policy** *(previously circulated)*

Minor updates to the Anti-Money Laundering Policy were noted, with clarification that associated risks were captured within the broader compliance framework.

Resolved: The Committee recommended approval of the Anti-Money Laundering Policy to the Board.

8.4 **Whistleblowing Policy** *(previously circulated)*

The Whistleblowing Policy has been updated using a sector-recognised legal template.

Resolved: The Committee recommended approval of the Whistleblowing Policy to the Board.

9. **GOVERNANCE MATTERS**

9.1 **Audit Committee Terms of Reference** *(previously circulated)*

The Committee considered the updated Terms of Reference and noted that changes were primarily presentational, enhancing clarity without altering the Committee's remit. The Committee approved the Terms of Reference for recommendation to the Board.

Resolved: The Committee recommended approval of the Audit Committee Terms of Reference to the Board.

9.2 **FEHE Statement of Recommended Practice (SORP)** *(previously circulated)*

The Committee noted the update on developments in the SORP and the implications for future financial reporting to ensure compliance requirements were met.

Resolved: The Committee noted the report.

10. **ANY OTHER BUSINESS**

Resolved: Governors and Senior Managers recorded their thanks to the outgoing Chair, recognising her significant contribution and leadership over a number of years.

11. **ITEMS TO BE REPORTED TO THE BOARD**

Resolved: The Committee agreed for the following reports to be reported to the Board at its next meeting:

- Internal Audit Plan 2026/2027
 - External Audit Plan for year ending 31st July 2026 and Letter of Engagement
 - Revised Audit Committee Terms of Reference
 - All policies
-

12. **DATE OF NEXT MEETINGS**

Resolved: The Committee noted the following scheduled meetings

- Board – 6th July 2026 at 4:30pm
- Audit Committee – 21st September 2026 at 4:00pm

Signed...Office copy signed by Andrew MacManus

..... **Committee Chair**

Date.....21st September 2026.....