

## Audit Committee

### Minutes of the Meeting held on Monday 1 December 2025 at 4:30 PM

**Location:** Riverside College Halton, Kingsway, Widnes, Cheshire

<b>Present:</b>	Karen Banks	External Governor, Chair
	Louise Frost	External Governor
	Paul Leatherbarrow	External Governor**
	Andrew MacManus	External Governor

<b>In Attendance:</b>	Leeann Bellfield	Vice Principal (Head of Centre, Cronton)**
	Emma Carroll	Senior Manager, Menzies
	Vici Cadwallader-Webb	Head of Internal Audit, ICCA
	Julie Holland	Deputy Principal (Finance & Resources)
	Catherine Shaw	Head of Governance

*\*\*Remote attendance, via Microsoft Teams*

The Committee met with the Auditors in the absence of the College's senior managers to ascertain whether there were any matters to raise. The Auditors advised they had no issues of concern.

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#### 1. APOLOGIES FOR ABSENCE

None received, as all governors were present. It was noted that there was no longer a requirement for the Assistant Principal, Marketing & Liaison to attend future Audit Committee meetings.

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#### 2. DECLARATIONS OF INTEREST

The Head of Governance advised of a potential conflict of interest for Menzies (External Auditors) in respect of agenda item 8.1 and this was noted.

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#### 3. MINUTES OF THE PREVIOUS MEETING

##### 3.1 Approval of the Minutes (*previously circulated*)

**Resolved:** The minutes of the meeting held on 22 September 2025 were approved as an accurate record.

### 3.2 Matters Arising

**Resolved:** The Committee noted the action log and approved the Engagement Letter issued by Menzies (External Auditors), as a result of the recent merger between Beever & Struthers and Menzies.

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## 4. FINANCIAL STATEMENTS 2024/2025

### 4.1 Draft Management Letter

The External Auditor presented the draft Management Letter issued by Menzies. This summarised the audit findings and included key audit areas such as:

- Fraud risk
- Revenue recognition
- Management override of controls
- Pension scheme evaluation
- Capital investment

The Committee was advised that no significant errors or deficiencies had been identified. Two audit adjustments were reported, neither had impacted on the reported surplus. Four recommendations were made with the aim to improve processes; none of which were of a high-level nature. In conclusion, the Auditor expected to provide an unqualified opinion on both the financial statements audit and regularity audit. The former was subject to final reconciliations from the Department for Education (DfE) and Liverpool City Region Strategic Authority (LCRSA).

A Governor referred to the recommendation made in respect of the 16-19 study programmes and apprenticeships and queried the sample size used for auditing purposes. The External Auditor clarified that the sample size was based on the value of funding as opposed to the number of students.

**Resolved:** The Committee noted the contents of the Management Letter.

### 4.2 Financial Statements 2024/2025

The Deputy Principal (F&R) presented the draft Financial Statements and a discussion took place. The Committee noted:

- A strong financial position
- High cash balances
- An outstanding DfE financial health rating

Governors received assurance that the Financial Statements reconciled with management accounts presented throughout the year. A relatively minor difference to the management accounts presented throughout the year was fully explained and this was noted to be a favourable variance. Several questions were asked and responded to. During the discussion, the Deputy Principal confirmed that there would be a clawback of funds relating to the Adult Skills Fund, as the College had not achieved the funding target. This had been accounted for in the Financial Statements and no adverse impact was anticipated as a result. In response to a question raised querying the significant increase in administrative costs and general education expenses, the

Deputy Principal advised that this had occurred as a result of growth in student numbers which impacted on (i) increased transport requirements and (ii) higher examination costs, particularly with the introduction of the new apprenticeship framework.

A Governor requested further information as to the composition of “other income generating activities” in the Financial Statements and this was provided. It was confirmed that high needs funding made up a significant part of this accounting line.

**Resolved:** The Committee recommended approval of the Financial Statements to the Board, subject to final audit confirmation.

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## **5. INTERNAL AUDIT REPORTS**

### **5.1 Annual Report 2024/2025** *(previously circulated)*

The Internal Auditor highlighted the amendment to this report, as agreed at the previous meeting.

**Resolved:** The Committee noted the report.

### **5.2 Internal Audit Plan Progress Report 2025/2026** *(previously circulated)*

The Internal Auditor advised that audits had recently been undertaken in respect of (i) the apprenticeship delivery model and, (ii) additional learning support audits. The Committee was advised both received substantial assurance ratings and reports were being finalised for presentation at the next Audit committee meeting.

**Resolved:** The Committee noted the report.

### **5.3 FE Sector Update** *(previously circulated)*

The Committee received updates from the Internal Auditor on sector changes, including apprenticeship levy rules, devolved skills budgets, fraud definitions, Ofsted inspection frameworks, and funding rule changes.

**Resolved:** The Committee noted the report.

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## **6. AUDIT COMMITTEE ANNUAL REPORT 2024/2025** *(previously circulated)*

The draft annual report was reviewed, with minor updates to be made following discussions at today’s meeting.

**Resolved:** The Committee approved the draft annual report, subject to the inclusion of outcomes from today’s meeting in relation to agenda items 4.1 and 7.2 to further support the Audit Committee’s opinion to be presented to the Board.

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## **7. RISK MANAGEMENT** *(previously circulated)*

### **7.1 To receive a report on risk management activities since September 2025 to date**

The Committee reviewed the Strategic Risk Register, noting that key risks (cyber security, disruption to estate, AI) had been reduced from a red RAG-rating to amber. In response to a

question raised by a Governor, the Deputy Principal advised that the risk reduction in these areas was mainly due to a lower likelihood of occurrence, as effective mitigation actions had been implemented. Whilst the impact remained high, the likelihood was reassessed as being lower.

**Resolved:** The Committee noted the contents of the report.

## 7.2 **Value for Money Annual report 2024/2025** *(previously circulated)*

The Committee reviewed the report which presented a holistic view that encompassed both financial indicators and ways in which the Board added value through its strategic decision-making. There was a consensus that the report demonstrated a strong value for money culture at the College and this was supported with positive benchmarking data.

**Resolved:** The Committee noted the Value for Money Annual Report.

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## 8. **GOVERNANCE MATTERS**

### 8.1 **Tender Processes** *(previously circulated)*

The Committee discussed the upcoming tender process for external audit provision and agreed with the preparatory work to be undertaken.

**Resolved:** The Committee noted the report.

### 8.2 **AoC Finance & Audit Network Meeting** *(previously circulated)*

Andrew MacManus advised that he had recently attended this on-line session and he provided a summary of sector updates and potential implications in respect of college finances.

**Resolved:** The Committee noted the report.

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## 9. **ANY OTHER BUSINESS**

There were no matters of an urgent nature submitted.

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## 10. **ITEMS TO BE REPORTED TO THE BOARD**

**Resolved:** The Committee approved that the following items be reported to the next Board meeting:

- Financial Statements 2024/2025
  - Audit Committee Annual Report
  - Value for Money Annual Report
  - Tender process for external audit provision
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## 11. **DATE OF NEXT MEETING**

This was **noted** as follows:

- Audit Committee – 9<sup>th</sup> March 2026 at 4:30pm

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Signed.....Office copy signed by Karen Banks.....**Committee Chair**

Date.....9<sup>th</sup> March 2026.....