

Minutes of the meeting of the Audit Committee held via MS Teams on Thursday 1st May 2025 at 17:00

MEMBERS Neil McDonald, Chair
PRESENT: Alison Griffiths
Nick Butler

ALSO IN ATTENDANCE: Jon Fearon, Finance Director
Lee Glover, Validera – internal auditor
Roopa Patel-Harji, Validera – internal auditor
Eloise Hopkinson, Head of Governance
Louise Knott, Vice Principal: Communications, Engagement and Student Experience

		ACTION by whom	DATE by when
1	<u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> Apologies were received from David Hoose (Mazars – external auditor), Andrew Cropley, and Theresa Hodgkinson.		
2	<u>DECLARATIONS OF INTEREST</u> The chair reminded everyone present to declare any interests that they may have on agenda items to be discussed. Standing declarations were noted.		
3	<u>MINUTES OF THE MEETING HELD ON 4TH FEBRUARY 2025</u> The minutes were reviewed and it was agreed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 4 th February 2025. There were no matters arising.		
4	<u>ACTION PROGRESS REPORT</u> The committee members were happy to note the content of the update provided.		
5	<u>COMPOSITE COLLEGE RECOMMENDATIONS REPORT</u> The finance director presented this paper. It was noted that all 2024/25 internal audits have been allocated a start date and a deadline for		

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presentation to the Audit Committee. However, as none of the audit reports had been finalised and shared prior to the meeting, there were no new actions or recommendations to present.

The finance director confirmed that the existing actions within the document are being verified as part of the ongoing audits.

AGREED: to note the content of the update provided.

6 **WEBSITE UPDATE**

The vice principal: communications, engagement and student experience attended to provide an update in respect of the college website.

The college is going to have an entirely new website, rather than simply fixing the accessibility within the current one. To organise this, the college worked with a consultancy to put together a technical tender specification, which was then sent to five companies. Four companies responded to this, three of which were invited in to conduct a 'beauty parade'. From this, Qlue was the frontrunner for a number of reasons, not least in that the company has previously worked with multiple Further Education colleges and understands the sector. The company also has a ready-built API which links into the main college MIS systems. Qlue also has its own internally-built applications system – for the college, part of the risk of building a new website was the possible impact on applications, but this will mean that the new system will be ready to go. Feedback from other colleges about their experience with Qlue has been universally positive; furthermore, the college has been included in a cross-FE support group, which is assuring. The cost of the contract is £40k, which falls under the scope of requiring special authorisation.

The intention is to launch the new website around mid-October, which will coincide with the start of the next student recruitment cycle. The project plan is tight, but there is confidence that it is currently on track and will meet the deadline.

Staff and managers from the Marketing and MIS teams are meeting with Qlue weekly to ensure that seamless links are in place. The head and manager of the Marketing team recently attended the Executive team meeting to present an update, and Executive team members provided feedback in relation to other colleges' websites which they particularly liked. The vice principal indicated that she hoped some designs would be available for sign-off within the next couple of weeks.

A detailed piece of work will commence to review and reduce the existing webpages. The team will then start to put together the site map for the new website, showing the main navigation and links.

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It was agreed that this was a much more positive position than when the committee last received an update. The vice principal indicated that Qlue's having the readymade products for the FE sector has enabled a faster pace, and there is also confidence in terms of internal staff resources. The vice principal assured governors that she would also meet the director: IT, estates and learning resources to discuss allocating his team members' time to carry out the back-end links with the college's systems. Consequently, although the related risk cannot yet be removed altogether, it has been possible to reduce the risk score and RAG-rate it green.

The vice principal indicated that the website should not lose much functionality in the process, so the user experience in relation to the new website will be very similar to what it is currently.

In response to a question from the chair, the finance director explained that there are some operational costs within this, but this will be written off over five to ten years. There will be some ongoing licensing fees but, overall, the cost is still much lower than anticipated. The chair agreed that this looks like an articulate solution to something that was starting to look like it could cause a problem. Governors agreed that this is a really positive piece of work, and the linked compliance with accessibility by October is a huge benefit.

AGREED: to note the content of the update provided.

(The vice principal: communications, engagement and student experience left the meeting at 17:10.)

7

RISK REPORT

The head of governance presented the risk report. She informed the committee that two notable changes were made at the update which fell due after the upload deadline:

- Firstly, the risk in relation to the ground contamination at Chesterfield Road was to be removed from the risk register. It had been ascertained that the contamination within both the ground and the water was not sufficient to require any remedial works. The report had been received and forwarded to the planners.
- Secondly, the risk relating to failure to resource specialist apprenticeships (S8) was to be merged with the general staffing risk within the quality and standards tab (S1) as the only outstanding roles at the time were in air conditioning and refrigeration.

Key matters were then particularly highlighted from the covering report:

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- The residual risk score had been reduced in respect of the new adult skills fund, causing the risk to become amber as opposed to red.
- The risk in respect of the website has been downgraded from amber to green, linking to the vice principal's update from earlier in the meeting.
- The risk relating to the withdrawal of one-year Level 3 programmes had also been downgraded from amber to green following the review of curriculum reform.
- The risk relating to the inability to spend grant money by set deadlines had increased slightly and so had been upgraded from green to amber.
- The risk register had had three new red RAG-rated risks and four amber risks added since the previous committee meeting.
- Following the removal of the contamination risk, there were nine red RAG-rated risks remaining. Close monitoring and review remained in place for these risks, which were a mix of longstanding risks and new risks for academic year 2024/25.

In response to a question from the chair in respect of the funding for delivery in Lincolnshire, the finance director indicated that he had met with the skills team from Lincolnshire and was able to obtain further clarity. In this meeting, it was discussed that the college would be unlikely to seek to go through a procurement process with the Lincolnshire authority as it would probably not be successful due to the scale of delivery. Instead, negotiation has been opened to enable the authority to contract with the college outside of the procurement process if it is felt that WNC could offer something worthwhile for their area. The skills team were open to this, and they acknowledged that WNC offers some unique delivery which would benefit Lincolnshire. The skills team were going to speak to their procurement colleagues and feed back to the finance director. Overall, they were pleased with the college's offer, and the finance director indicated that this good, early communication provided some assurance.

The finance director indicated that Lincolnshire's authority will have access to funding to manage its own adult skills delivery in the same way as EMCCA.

The chair asked when the 16-18 demand was expected to peak. The finance director indicated that should plateau around 2029 and then only show slight increases until around 2031, as long as housing development does not create a population increase in the area. He explained that growth is currently coming from the lower level rather than higher, and the college is taking in a slightly larger market share. He also explained that some growth is potentially due to elongated lengths of stay within the college's provision. Factors impacting the latter include a decrease in job vacancies reducing access to employment, and more students are

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now having to re-sit English and maths. Furthermore, a high level of 16-25-year-olds are NEET, and the college is being given access to extra funding through EMCCA via the Department for Work and Pensions to reach this market. The benefits system is changing and some of these young people will no longer be able to access benefits, which may drive them into education.

The finance director informed the committee that the college had just received confirmation of its adult skills allocation from EMCCA, which was marginally higher than first discussed. The adult skills allocation from the DfE had also been confirmed, and this was suggesting growth of 4-5%. The committee agreed that both of these updates were very positive, particularly when considering the fact that there have been cuts nationally.

AGREED: to note the content of the update provided.

8 CASHFLOW PLANNING RISKS

The finance director presented a verbal update, informing the committee of the following points of note:

- The management accounts continue to show that the college is not going to breach its banking covenant. The key risk would be in relation to maintaining a £2m cashflow. There is an element of risk that the college could spend too much of its cashflow on assets, but the bank currently has no desire to take action in relation to this issue.

AGREED: to note the content of the update provided.

9 FRAUD, IRREGULARITY AND WHISTLEBLOWING

The finance director and head of governance informed the committee that there were no disclosures or issues to report within this portion of the meeting, but a confidential whistleblowing matter would be reported further along the agenda.

AGREED: to note the content of the update provided.

10 CHANGES TO COLLEGE ACCOUNTS DIRECTION AND REGULARITY SELF-ASSESSMENT QUESTIONNAIRE

The head of governance presented an update following the release of updated documents for 2024/25. The documents were attached in full, but the report provided a summary of changes made.

Key points for the committee to note were as follows:

- The Post-16 Audit Code of Practice has been replaced by the 'Framework and guide for external auditors and reporting accountants of colleges'. The new document incorporates pre-existing requirements and guidance of the Post-16 ACOP.

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- The requirement within the college accounts direction for the chair to sign the Statement of Regularity, Propriety and Compliance has been removed, but the Statement of Responsibilities of Corporation Members now explicitly stipulates that the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer (Annex C).
- The threshold within the Regularity Self-Assessment Questionnaire for notifying the Department for Education of significant matters has been reduced to £5,000 (or less if the matters are unusual, novel, complex, or may be of public interest).
- As well as reading through the updated documents, committee members were recommended to remind themselves of the good practice guide in respect of novel, contentious and repercussive transactions.

It was recommended that all board members should read the updated documents, but it was especially important for Audit Committee members to be familiar with the content and requirements. Therefore, it was agreed that the committee members would email the head of governance to confirm when they had read the updated documents so that this compliance could be recorded.

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members

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The chair observed that, the more the college deals with property redevelopment and repurposing, the greater the need to consider whether any expenditure could be considered novel, contentious or repercussive. He indicated that some developments, while perhaps not novel to the wider FE sector, could still be considered novel to West Nottinghamshire College as an organisation. He indicated that the director: IT, estates and learning resources should also be asked to keep this in mind.

FD / Dir:
ITELR /
Head of
Gov.

Ongoing

AGREED: to note the content of the update provided.

11

2024/25 INTERNAL AUDIT REPORTS

The internal auditor presented the progress report, highlighting the following key matters:

- Everything is in hand, but the Easter break has caused some delay. However, all audit work and meetings have been planned, and it the auditor was hopeful that everything will be finalised to enable feedback at June's committee meeting.
- The progress report shows no amendments to the audit plan so far.
- Governors and the finance director were encouraged to follow Validera's LinkedIn page, which is often provides clients with important sector updates.

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- The auditor indicated that client satisfaction would be reported upon once the final reports had been issued.
- The auditor was awaiting management response in relation to the income and debtors review.
- Feedback meetings had been held for governance and the counter-fraud health check, and the reports were going through the internal quality assurance process.
- The auditor was waiting to arrange the feedback meeting with management in respect of the health and safety audit.
- Evidence had been provided for the quality management audit following the Easter break, and fieldwork was underway.
- For the remaining three audits – student records, safeguarding and HR recruitment service – the initial meetings had taken place.
- The follow-up was going through the internal quality assurance process.

The finance asked the auditor to organise a meeting with him via his personal assistant so that he could coordinate the management response for the income and debtors review. He explained that the team member who would usually handle this was currently absent and, although someone was covering the role, this individual would need support from the finance director in respect of audit matters.

AGREED: to note the content of the update provided.

12 **ANY OTHER BUSINESS**

The chair referenced his departure from the college's board in summer 2025, and he indicated that the committee would require a new chair. He explained that Charles Heaton had been invited to join the committee. As he is a qualified accountant, this appointment ensures that WNC is compliant with the recommendations issued to Weston College by the FE Commissioner. In addition, the proposal was put forward that Charles should take over the role of committee chair upon the current chair's departure from the board and committee. He explained that Charles's background and wealth of experience would be extremely beneficial, particularly enabling him to triangulate several areas of college business.

The proposal was seconded, and committee members were asked to vote to appoint Charles Heaton as the chair of the committee. The vote was in favour of this appointment.

AGREED: to appoint Charles Heaton as chair of the Audit Committee from 1st August 2025.

13 **DATE AND TIME OF THE NEXT MEETING**

Signed: _____  _____ Chair

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This was confirmed to have been scheduled for 17:00 on Monday 30th June 2025 via Microsoft Teams.

It was agreed that confidential items would be recorded separately.

The internal auditors left the meeting at 17:40.

The meeting closed at 17:50.

Signed: _____  _____ Chair

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