



## Minutes of the meeting of the Audit Committee held on Tuesday 10 June 2025 at 4pm

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**Present:** George Graham (Chair to item 9 & Governor)  
Emma Dawson (Co-opted member)  
Donavan Hutchinson (Governor) (via Teams)  
Matt Mills (Chair from Item 10 & Governor)  
Ethan Sumner (Co-opted member)  
Leon Etherington (Governor)

**In attendance:** Heather Jackson (Clerk) (by Teams)  
Jason Barnard (Director of MIS)  
Tony Johnson (Vice Principal Corporate Services)  
Laila Lawton (Vice Principal Finance)  
Sue Slassor (Vice Principal Quality)  
Lisa Smith (RSM) (by Teams)  
Sue Hutchinson (Beever & Struthers)  
Annalee Hurley (Beever & Struthers) (by Teams)

### **PART I – For Publication**

Minute	
<b>PROCEDURAL MATTERS</b>	
A25/021	<b>Agenda Item No. 1: Quorum</b>  The meeting was quorate.
A25/022	<b>Agenda Item No. 2: Apologies for Absence</b>  Apologies were received from Carly Speechley, Jo Mallows and Gavin Batty
A25/023	<b>Agenda Item No. 3: Declarations of Interest</b>  There were no declarations of interest.
A25/024	<b>Agenda Item No 4: Register of Interests</b>

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	<p>Ethan Sumner and Donavan Hutchinson notified the Clerk of updates to their records, which will be amended accordingly.</p> <p>It was <b>RESOLVED</b> to note the register of interests.</p>
A25/025	<p><b>Agenda Item No. 5: Minutes of the meeting held on 4 March 2025.</b></p> <p>The minutes of the meeting held on 4 March 2025 were approved.</p>
A25/026	<p><b>Agenda Item No. 6: Matters arising.</b></p> <p>There were no matters arising.</p>
A25/027	<p><b>Agenda Item No. 7: Rolling Action List</b></p> <p>It was <b>RESOLVED</b> to note the Rolling Action List.</p>
A25/028	<p><b>Agenda Item No. 8: Appointment of new members</b></p> <p>It was noted that the terms of reference only permitted two co-optees and it was agreed that these would be amended.</p> <p>It was <b>RESOLVED</b> to approve the appointment off Stacey Ledger as a co-optee and Leon Etherington as a governor member.</p> <p>It was <b>RESOLVED</b> to approve the amendment of the terms of reference to permit three co-optees.</p>
A25/029	<p><b>Agenda Item No 9: Election of Chair</b></p> <p>It was <b>RESOLVED</b> to approve the election of Matt Mills as Chair of the Audit &amp; Risk Committee.</p> <p>The committee thanked George Graham for his work as Chair and committee member over the last 3 years.</p>
A25/030	<p><b>Agenda Item No. 7: Notification of items of any other business</b></p> <p>The Clerk noted that there was an update on the ITE Audit which would be taken as part of any other business.</p>

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A25/031	<p><b>Agenda Item No. 11.1: Progress Report</b></p> <p>Lisa Smith presented the Progress Report. It was noted that since the last committee two reports had been issued as final. All fieldwork will be completed by the end of the academic year.</p> <p>It was <b>RESOLVED</b> to note the Progress Report.</p>
A25/032	<p><b>Agenda Item No. 11.2: ESFA Funding Rule Compliance</b></p> <p>Lisa Smith presented the ESFA Funding Rule Compliance report.</p> <p>The review involved sampling learner files to confirm that the College can demonstrate compliance with the relevant funding rules.</p> <p>The audit identified a number of exceptions resulting in one low and one medium management action.</p> <p>The committee discussed the findings and noted that the results were increasingly robust. It was noted that the issue with national insurance numbers was being followed up with the provider.</p> <p>It was <b>RESOLVED</b> to note ESFA Funding Rule compliance report.</p>
A25/033	<p><b>Agenda Item No. 11.3: Key Financial Controls</b></p> <p>Lisa Smith presented the Key Financial Controls report. The audit had reviewed the new finance system 'Implicit' and confirmed that the controls in place were designed effectively and were operating in practice. Two minor areas for improvement were noted and two low priority management actions agreed.</p> <p>The committee discussed the sales invoice action noted in the report and previous issues identified in ITS. It was noted that the suspense accounts and journal were all working appropriately. The committee queried the goods receipting and noted that this had been due to timing issues.</p> <p>It was <b>RESOLVED</b> to note the Key Financial Controls Report.</p>
A25/034	<p><b>Agenda Item No. 12: Internal Audit Plan and Strategy for 2025-26</b></p> <p>Lisa Smith presented the proposed Internal Audit Plan for 2025-26. The committee noted that the plan had been developed following discussions</p>

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	<p>with the Deputy Chief Executive and Chief Financial Officer, alongside a review of the Board Assurance Framework (BAF) and sector-wide insights.</p> <p>The committee reviewed the areas identified for audit and considered whether additional areas should be included. This included a discussion on cyber security, with clarification that it would be considered if appropriate through the upcoming digital transformation audit, and on sustainability and green energy, which would be considered within curriculum planning.</p> <p>The committee also discussed the emerging risk associated with the introduction of artificial intelligence (AI) within the College. It was noted that an AI strategy was currently under development and would be finalised following the publication of the updated Keeping Children Safe in Education (KCSIE) guidance.</p> <p>The committee agreed that the audit plan should remain flexible to accommodate any changes in the risk landscape. It was further agreed that the plan effectively addressed the most significant risks identified in the BAF.</p> <p>It was <b>RESOLVED</b> to approve the Internal Audit Plan and recommend its approval to the Board.</p>
A25/035	<p><b>Agenda Item No. 13: External Audit Strategy</b></p> <p>Sue Hutchinson and Annalee Hurley from Beever and Struthers presented the External Audit Strategy, outlining the audit approach, key risks, materiality thresholds, communication protocols, auditor independence, timetable, and associated fees.</p> <p>It was noted that Beever and Struthers are also providing taxation support for iTrust, which will be conducted by a separate, independent team to maintain auditor independence.</p> <p>The audit fieldwork is scheduled to commence in October.</p> <p>The committee noted that the auditors had rebutted the presumption of fraud and management override, particularly in relation to income. Additionally, it was confirmed that the audit would incorporate recommendations from the Weston College report, with increased emphasis on senior postholder remuneration.</p> <p>It was <b>RESOLVED</b> to note the external audit strategy and recommend its approval to the Board.</p>

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A25/036	<p><b>Agenda Item No. 14: Financial Regulations</b></p> <p>The Chief Financial Officer presented the updated Financial Regulations to the committee.</p> <p>The committee noted that the most significant change was a comprehensive rewrite of the Procurement Policy to ensure compliance with the Procurement Act 2023. Key updates included:</p> <ul style="list-style-type: none"> <li>• Introduction of the Most Advantageous Price (MAP) concept.</li> <li>• Enhanced requirements for retaining procurement evidence.</li> <li>• Implementation of a light-touch regime for certain procurement activities.</li> <li>• </li> </ul> <p>In addition to the procurement updates, minor amendments were made to reflect current roles and updated terminology. The Gifts and Hospitality Policy was also formally incorporated into the Financial Regulations.</p> <p>The committee noted that the level of authorisation required by the Board had been considered as part of the review. It was noted that the existing level of £100k was standard for Colleges of Barnsley's size and no change was recommended.</p> <p>A discussion was held regarding exam fees and the potential for a local purchasing consortium among colleges. It was noted that previous attempts to establish such a consortium had been made, but with limited success.</p> <p>It was <b>RESOLVED</b> to recommend the financial regulations for approval by the Board.</p>
A25/037	<p><b>Agenda Item No. 15: New Risk</b></p> <p>The committee discussed the potential inclusion of emerging risks, such as artificial intelligence (AI), on the Board Assurance Framework (BAF).</p> <p>It was agreed that further work was required to clearly define and codify where such risks may arise across the College. The committee acknowledged that AI represents a rapidly evolving and complex area, making it challenging to mitigate effectively at this stage.</p> <p>It was agreed that this matter would be brought to the Board for further discussion once the College's strategy had been finalised.</p> <p>It was <b>RESOLVED</b> to note the new risks.</p>

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A25/038	<p><b>Agenda Item No 16: Weston College</b></p> <p>The Clerk presented a review of the College's actions in response to the recent FE Commissioner's report on Weston College.</p> <p>The committee noted that amendments were planned to the Remuneration Committee report and the terms and conditions, aimed at strengthening the College's procedures. It was acknowledged that the College already fully complied with all the recommendations outlined in the report; however, there was recognition that continuous improvement was both possible and encouraged.</p> <p>It was <b>RESOLVED</b> to note the report and recommend it to the Board for information.</p>
A25/039	<p><b>Agenda Item No. 17: Clerks Monitoring of Audit Recommendations</b></p> <p>The Clerk presented the Monitoring of Audit Recommendations report.</p> <p>It was noted that progress had been made across all of the recommendations made in recent audits. Those remaining were not yet due.</p> <p>It was <b>RESOLVED</b> to note the Clerks Monitoring of Audit Recommendations report.</p>
A25/040	<p><b>Agenda Item No. 18: Terms of Reference</b></p> <p>The committee noted that the terms of reference had been reviewed against the college accounts direction, the College Financial handbook and the FE Commissioners report on Weston College. Changes were being recommended to the terms of reference for the Remuneration Committee and its annual report both of which are approved by the Board.</p> <p>As noted previously in the meeting the number of co-optees would be amended.</p> <p>It was <b>RESOLVED</b> to note the changes and recommend them to the Board for approval.</p>
A25/041	<p><b>Agenda Item No. 21: Updates</b></p> <p>It was <b>RESOLVED</b> to note the updates.</p>



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A25/042	<p><b>Agenda Item No. 20: Any other business</b></p> <p>The Chief Financial Officer presented the Independent Accountants Report of Annex G for Academic Year 2023/24. The report was provided for information as it was an audit and the committee noted that the annex had been prepared in accordance with the DfE's Grant Funding Agreement.</p> <p>It was <b>RESOLVED</b> to note the report.</p> <p>Donovan Hutchinson left the meeting at 16:59</p> <p>The Executive Team left the meeting at 17:03</p>

A25/043	<p><b>PART II – Meeting with the Auditors without Executive present</b></p> <p>Lisa Smith reported that she maintained a positive, open, and honest working relationship with both the Deputy Chief Executive and the Chief Financial Officer. She highlighted the regular updates and candid discussions regarding individual reviews, noting that the relationship was transparent and that no information was withheld. She also confirmed that everything she was sharing with the committee was information she would be equally comfortable sharing with the Executive Team.</p> <p>Sue Hutchinson and Annalee Hurley expressed their appreciation for the open and transparent approach taken thus far, particularly in relation to the processes involving the subsidiaries. The committee acknowledged the challenges associated with the previous external audit and noted that the Chief Financial Officer had provided a clear account of the historical context.</p> <p>The committee inquired whether the College currently had sufficient technical expertise within the finance department. It was noted that it was too early to make a definitive assessment.</p> <p>It was <b>RESOLVED</b> to note the discussion and the assurance that it provided.</p>
A25/044	<p><b>Agenda Item No. 22: Date and time of next meeting</b></p> <p><b>Tuesday 16 September 2025</b></p>

The meeting ended at 17:14