

# Minutes

## AUDIT MEETING

Date:	18 November 2024	Time:	4PM
Chairperson:	Russell Shackleton (RS)	Location:	Newbury College, The Hart Room

Present	Name	Role
<b>Membership</b>	Chris Wilson (CW)	External Member – Vice Chair
	Javid Iqbal (JI)	External Member
	Stuart Compton (SC)	External Member
	Tim Major (TM)	External Member (On Teams)
	Russell Shackleton (RS)	External Member – Chair (On Teams)
<b>In Attendance</b>	Jamie Morton (JMo)	Director of Finance (DF) (On Teams)
	Jo Houghton (JH)	Vice Principal – HE & Skills (VPHEs)
	Iain Wolloff (IW)	Principal and Chief Executive (PCE)
	Cathy Wright (CW)	Vice Principal – Central Services (VPCS)
	Chris Rising (CR)	Internal Auditor – MHA (On Teams)
	Nathan Hall (NH)	Director of Estates and Facilities (DEF)
	Heather Large (HL)	Governance Professional (GP)
	Chris Mantel (CM)	External Auditor - Alliotts
	Jatinder Matharu (JMa)	Director of Safeguarding and Support (DSS)
	Lee Probert (LP)	Senior Leadership Team
	Lee Hunt (LH)	Deputy Principal & Vice Principal – FE & Curriculum (VPFEC)
<b>Apologies</b>		
<b>Quorum</b>	Three members required	Meeting quorate, five members present

### AGENDA ITEMS

Item No.		Reports
	<b>PRE-MEET OF EXTERNAL MEMBERS ONLY</b> There were no matters of concern	Verbal
	<b>PRE-MEET WITH SLT WITHOUT AUDITORS</b> There were no matters of concern and relationships with both internal and external auditors were good.	Verbal
1.	<b>APOLOGIES FOR ABSENCE &amp; DECLARATIONS OF INTEREST</b> There were no apologies for absence or any declarations of interest made.	Verbal
2.	<b>NOTIFICATION OF ANY URGENT BUSINESS TO BE DISCUSSED</b> The Chair thanked PCE for his hard work and input into the papers and expressed the Committee's appreciation of the challenges.	Verbal

3.	<p><b>ELECTION OF CHAIR AND VICE CHAIR OF AUDIT COMMITTEE</b></p> <p>Russell Shackleton was duly nominated and elected as Chair of Audit Committee. Chris Wilson was duly nominated and elected as Vice Chair of Audit Committee</p>	
4.	<p><b>MINUTES OF THE PREVIOUS MEETING</b></p> <p>The Minutes of the Audit Committee held on the 17 June 2024 were duly agreed, accepted, and will be signed off by the Audit Committee Chair.</p> <p><b>The Committee accepted the minutes as an accurate record.</b></p> <p>The Chair referred to 7.1 of the Minutes on the Financial Controls Audit that was performed in May of this year in which ‘Substantial Assurance’ was given. Subsequent to that, the Finance Committee were reviewing the Financial Plan for the next 5 years. One of the things that was discovered was that there were sub-ledgers (where information was being brought from) which did not agree to the totals in the budget. Whilst it is understood that these were budget numbers rather than actuals it did raise the questions over how both of these statements could be equally correct. Was this due to the scope of the audit, the process followed during the audit or the communication of the results? – and whether there is any need for concern over how accurate are sub-ledgers and the question was asked should they not reconcile to those in the financial statements. It was noted that this particular audit had been scheduled before current DF took up his position.</p> <p>Chris Rising explained that the focus of the audit was a narrow one on the transition of one finance system to a newer one. Advice was given that Committee should plan and discuss what focus areas or subjects they wish to be covered in any future audits. This will ensure clarity in the scope of what internal auditors should do and it be clearly written so specific assurances can be given to the Corporation. In retrospect perhaps the title of the audit should be changed to ‘Financial Controls in Financial System Migration’ in order to make the scope clearer.</p> <p>The Chair referred to Agenda Item 13 concerning agreed audits and suggested that in future and especially this year when the PCE will change that there be some flexibility with the subject of the final audit of the years plan – the audit committee would still ensure that sufficient notice is given to the Internal Auditor to ensure that the audit can be adequately resourced. The External Auditor confirmed that this approach would be acceptable to them.</p> <p><b>The Committee duly approved this approach and the advice that the Audit Committee should confirm agreement of audit scope before the internal audit work begins on each audit.</b></p>	Paper – (3)
5.	<p><b>MATTERS ARISING FROM THE MINUTES</b></p> <p>There were no actions. The Chair asked why Item 4 had been closed down which was PCE to report back to the Committee on employer training provision and what is offered and if there are opportunities for any further funding in this area. PCE advised he was mildly confused as to what the Audit Committee would want to hear. The Chair asked if there were funding opportunities, the VPHEs confirmed there are there all the time but it is quiet at the moment as money is moving in different LSIF and employer fund cost centres. Chair asked if this should be included in the risk register but PCE confirmed it is not a risk the College were worried about.</p> <p><b>ACTION: The Chair requested that the ‘Audit Committee Action Tracker’ be amended to include columns for status of action: ‘PCE/SMT Recommendation’, ‘Audit Committee Decision’, and that all actions closed in future should identify the nature of the decision (verbal or a reference to the relevant document) to aid future tracking.</b></p>	Paper (8)

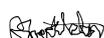
6.	<p><b>DATA PROTECTION REPORT</b></p> <p>The Committee were informed that for this academic year, the College has:</p> <ul style="list-style-type: none"> <li>• Begun its review of how we process information, using the recommended '5Ws' format, this will be complete by the end of Autumn term.</li> <li>• Reviewed the process and ownership of requests for information</li> <li>• Refreshed managers on basic GDPR requirements.</li> <li>• Identified DPO training at a cost of £2.5k</li> <li>• There were 2 personal data breaches during 2023-24, both email errors. Re-training has been provided</li> <li>• No Freedom of information requests were logged.</li> <li>• There were no Subject Access Requests logged.</li> <li>• The policy was updated during the year.</li> <li>• GDPR training remains part of induction training.</li> </ul> <p>The Committee confirmed:</p> <ul style="list-style-type: none"> <li>• Its support for GDPR training and that cost should not be a factor.</li> <li>• Questioned if the re-training for the individuals who had breached data has specific training on the subject matter. This was confirmed and is conducted online.</li> </ul>	Paper (9)
7.	<p><b>RISK REGISTER &amp; RISK MANAGEMENT REPORT</b></p> <p>The Committee were informed that:</p> <ul style="list-style-type: none"> <li>• DF has volunteered to lead on fundamental overhaul of the risk register. Audit Committee Chair to provide oversight and insights into this process.</li> <li>• Updates made to Safeguarding, Quality, Income, Competition, Health and Safety Recording and H &amp; S Manager.</li> </ul> <p>The Committee questioned:</p> <ul style="list-style-type: none"> <li>• What were the changes in the People Section. This was confirmed as the recruitment agency and the new HR Manager</li> </ul> <p><b>Action: Revised risk register requirements and changes to process to be provided to next meeting PCE/Audit Committee Chair.</b></p>	Paper (10)
8.	<p><b>HEALTH AND SAFETY</b></p> <p><b>To receive an updated Health and Safety Report</b></p> <p>The Committee were informed that the report had been presented to the Health and Safety Committee first and some minor changes have been made to reflect the position of the College. Subjects discussed were:</p> <ul style="list-style-type: none"> <li>• Training of staff responsible for risk assessments. There are currently two outstanding.</li> <li>• Flu Vaccinations</li> <li>• Health and Safety incident recording</li> <li>• RIDDOR Report on accident involving a staff member in the Summer and actions taken</li> <li>• First Aid and training</li> <li>• Emergency evacuation exercise</li> <li>• COSHH training</li> <li>• Compliance management training – 100% achieved</li> </ul> <p>The Committee confirmed:</p> <ul style="list-style-type: none"> <li>• Attendance at the Health and Safety Committee of Chris Wilson</li> </ul>	Paper (13)

	<ul style="list-style-type: none"> <li>• One Governor attended College to find water had been spilled on the floor and it remained on the floor for three hours</li> </ul> <p>The Committee questioned:</p> <ul style="list-style-type: none"> <li>• Health and Safety process for SEMH or academically challenged students involving sharp knives. It was confirmed subject areas would be Art, Catering and there are processes to count knives in and out.</li> <li>• What College are doing to raise safeguarding awareness amongst students. Committee were informed that this is always ongoing and it can be a struggle especially where students will purchase their own tool box for engineering or mechanics. All college knives are securely locked but there have been incidents where students took knives to McDonalds and where an agency staff member did not count up the art knives correctly and a knife was missing for two days.</li> <li>• Does College provide appropriate connectivity between students going through social, emotional and mental health issues and ensuring the risk is managed. Committee were informed the safeguarding and behaviour teams have done a lot of work on trauma induced behaviour. However, there are concerns around the culture involving staff in this area, examples stated were ensuring students are wearing their workshop safety boots and staff reporting/recording and do not allow students to “opt” out of things.</li> </ul> <p>Committee emphasised the need to raise the bar in this area, and DEF agreed this should be a priority.</p> <p><b>Action: DEF to raise and promote more Health and Safety awareness within the culture of the College.</b></p>	
9.	<p><b>SIGNIFICANT INCIDENT REPORT</b>  <b>There were no significant incidents since the last meeting.</b></p>	Verbal
10.	<p><b>FINANCIAL STATEMENTS AUDIT</b>  To consider and review reports</p>	Paper (18)
10.1	<p><b>AUDIT MANAGEMENT REPORT 2023-24</b>  The Committee were informed of the following significant matters:</p> <ul style="list-style-type: none"> <li>• Cashflow and potential deficit</li> <li>• Land Sales</li> <li>• ESFA Funding</li> <li>• Authorisation of credit card expenses</li> </ul> <p>The Committee were informed that the report:</p> <ul style="list-style-type: none"> <li>• Included two finance statements as a regularity statement is contained within the final report</li> </ul> <p>The Committee questioned:</p> <ul style="list-style-type: none"> <li>• Why the land sale tranche payments are still being discussed when nothing has actually changed. Auditor advised that with the passage of time the expectation is they have to record the likelihood of receiving funds and receipts likely in the next 12 months</li> <li>• If the land sale payments are recorded at the right level of risk in the report. The Auditor stated the judicial review would be concluded within the year. PCE contradicted this advising that may not necessarily be the case. The Auditor reiterated the recording of those funds is dependent on when they are coming, there is no dispute they will be received, but more a question of when.</li> </ul> <p><b>Audit Committee recommended the Audit Management Report for Board approval.</b></p>	Paper (19)

10.2	<p><b>ANNUAL REPORT AND FINANCIAL STATEMENTS 2023-24</b></p> <p>The DF informed the Committee there was some information still to be finalised such as self-assessment reports, but this annual report was broadly complete.</p> <p><b>The Committee had no questions and recommended the Annual Report and Financial Statements 2023-24 for FRC approval. The Chair asked to see a further version of the report once the remaining details had been finalised.</b></p>	Paper (41)
10.3	<p><b>LETTERS OF REPRESENTATION</b></p> <p>The Committee were informed this is standard wording and auditors can put in specific representations if necessary.</p> <p>The Committee noted:</p> <ul style="list-style-type: none"> <li>• Dates Under Item 1 needed amending</li> <li>• Page 55 Principal is not spelled correctly</li> </ul>	Paper (113)
10.4	<p><b>REGULARITY SELF-ASSESSMENT QUESTIONNAIRE</b></p> <p>The Committee were informed these are standard questions for the ESFA assurances. The Committee had no questions.</p>	Paper (117)
11.	<p><b>ANNUAL REPORT OF THE WORK OF THE AUDIT COMMITTEE 2023-24</b></p> <p>The Committee reviewed the Governance Professional’s report on the work of the Audit Committee for the Corporation, summarising the Committee’s activities relating to the financial year under review.</p> <p>The Committee noted:</p> <ul style="list-style-type: none"> <li>• a summary of the work undertaken by the committee during the year</li> <li>• the number of the meetings held in the year, and attendance records for each audit committee member</li> <li>• any significant issues arising up to the date of preparation of the report</li> <li>• any significant matters of internal control included in the reports of audit and assurance providers</li> <li>• details of the date of appointment of the external auditors and the remaining term of the contract</li> <li>• the committee’s view of its own effectiveness and how it has fulfilled its terms of reference</li> <li>• the committee’s opinion on the adequacy and effectiveness of the corporation’s assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets</li> </ul> <p><b>The Committee recommended the annual report to the corporation to be submitted to the corporation before the statement of corporate governance and internal control in the annual accounts is signed.</b></p> <p><b>It is to be noted that Tim Major left the meeting at 18.00 hours.</b></p>	Paper (141)

<p><b>12.</b></p>	<p><b>AI WITHIN AUDIT COMMITTEE</b>  The Committee were informed:</p> <ul style="list-style-type: none"> <li>• AI is highlighted in policies</li> <li>• Standards are high in risk and evidencing this</li> <li>• AI Group been in existence for 18 months a representative group across the College that feed into governor conversations on how AI is being used for the good and the risks it presents</li> <li>• No AI Leader in College, there is no capacity for this</li> <li>• AI Terms of Reference are on the website</li> </ul> <p>The Committee asked:</p> <ul style="list-style-type: none"> <li>• For a report at the next meeting where AI is being used within the Audit arrangements at the College outlining if there is a need to look differently at current processes or review their effectiveness.</li> <li>• Update the Risk Register with actions being undertaken with regard to AI</li> </ul> <p><b>Action: VPHEs to provide AI Report for next meeting</b>  <b>Action: PCE to update risk register with AI actions undertaken</b></p>	<p>Verbal</p>
<p><b>13.</b></p>	<p><b>INSPECTION READY</b>  The Committee were informed on issues around:</p> <ul style="list-style-type: none"> <li>• Ofsted Inspection</li> <li>• Safeguarding Audit</li> </ul> <p><b>ACTION: PCE to provide the committee with a list of all potential inspections that would be within the scope of the Audit Committee for next meeting.</b></p>	<p>Verbal</p>
<p><b>14.</b></p>	<p><b>ANY OTHER BUSINESS</b>  There was none.</p> <p><b>It is to be noted that all bar Internal Auditor, External Auditor and external members left the meeting at 18.19 hours.</b></p> <p><b>Date of Next Meeting: Monday 3 February 2025 at 4pm</b></p>	<p>Verbal</p>
	<p><b>EXTERNAL MEMBERS MET WITH INTERNAL AND EXTERNAL AUDITORS WITHOUT SLT PRESENT</b>  <b>Subject to a Confidential Minute.</b></p> <p><b>The Auditors left at 18.23 hours.</b></p>	
	<p><b>POST MEET OF EXTERNAL MEMBERS</b>  <b>Subject to a Confidential Minute.</b></p> <p><b>Meeting Closed at 18:36 hours</b></p>	

Signed:



(Chair) Date:

03 Mar 2025

Russell Shackleton (Mon, 3rd Mar 2025  
19:47:39 GMT)



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**Parties involved with this document**

Document processed	Party + Fingerprint
Mon, 3rd Mar 2025 19:47:39 GMT	Russell Shackleton - Signer (987707b9d936909a98502571b6502837)

**Audit history log**

Date	Action
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Mon, 3rd Mar 2025 19:47:39 GMT	Russell Shackleton signed the envelope (86.20.10.239)
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Mon, 3rd Mar 2025 19:13:56 GMT	Document emailed to russell@shackletoncd.com (35.177.17.109)
Mon, 3rd Mar 2025 19:13:55 GMT	Sent the envelope to Russell Shackleton (russell@shackletoncd.com) for signing (212.219.143.107)
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