



# Audit Committee

# Annual Report

2023 - 2024

**RUNSHAW COLLEGE**

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The College has a longstanding mission, which is reviewed and endorsed annually. This is underpinned by the College's vision and values.

# Mission

We believe exceptional **education changes lives**, so we **put teaching and learning** and the needs of our students **first**.

# Vision



A GREAT PLACE  
TO STUDY

A GREAT PLACE  
TO WORK

A GREAT PLACE  
FOR PARTNERSHIPS

# Values



EXCELLENCE



FULFILMENT



DEDICATION



RESPECT



## 1. Introduction

- 1.1 In accordance with the requirements of the Post 16 Code of Practice, the Audit Committee submits this Annual Report covering the financial year 2023/2024 to the Board and to the Principal, as Chief Accounting Officer, and to the relevant funding body (ESFA).
- 1.2 The purpose of the report is to advise the Board on the effectiveness of the College's systems of internal control before the Board approves the College's final accounts for the year and before the Statement of Corporate Governance and Internal Control in the accounts is signed.

## 2. Audit Committee Membership

- 2.1 Members of the Audit Committee during the period were as follows:
  - Michael Lowe (Chair)
  - Martina Jay [Spring & Summer Terms only]
  - Martyn Lylyk
  - Alison Watson Bird [Autumn Term only]
  - Stephen Dunstan – Co-opted member
  - Mark Kerfoot - Co-opted member [Autumn Term only]

The Clerk to the Committee for the period was Denise Williamson.

### 3. Meetings and Attendance

3.1 Meetings of the Committee were held on 9th November 2023, 7th March 2024 and 13th June 2024.

- All meetings were quorate
- The average attendance at meetings during the year was 77%
- The average length of a committee meeting was 2 hours
- Individual member attendance at meetings was:
  - o Michael Lowe – 100%
  - o Martina Jay – 100%
  - o Martyn Lylyk – 100%
  - o Alison Watson Bird – 100%
  - o Stephen Dunstan – 33%
  - o Mark Kerfoot – 0% [Autumn Term meeting only]
- Attendance of auditors at meetings was:
  - o Annalee Hurley & Helen Knowles (Beever & Struthers) (External Audit) – November meeting
  - o Sue Hutchinson (Beever & Struthers) (External Audit) – March and June meetings
  - o Jasper Ho (Beever & Struthers) (External Audit) – June meeting
  - o Vici Cadwallader-Webb (ICCA) (Internal Audit) – November, March and June meetings
- Attendance of College management at meetings was:
  - o Clare Russell (Principal & CEO) – November, March and June meetings
  - o Janet Ivill (Vice Principal Finance & Facilities) – November, March and June meetings
  - o Darren Watkins (Head of Finance) – November, March and June meetings

## 4. Meeting Evaluation

- 4.1 A governance impact statement was also completed at the end of each meeting to demonstrate the impact of the Committee's discussions and decisions on learners and key stakeholders.

## 5. Terms of Reference

- 5.1 The Committee's terms of reference are compliant with the Post 16 Audit Code of Practice 2023-24 and are reviewed annually as part of the Committee's self-assessment exercise so that they remain up to date and 'fit for purpose'. The objectives of the committee are set out below:

The Committee shall:

- ensure that the internal control and risk management systems of the Corporation and any of its subsidiaries are adequate and monitored actively, independently and objectively in order to improve the effectiveness of internal controls and risk management arrangements.
- reinforce the independence and effectiveness of the internal, financial statements, regularity and (where appointed) funding audit functions.
- provide a sounding board for College management on issues of concern in connection with the college's internal control and risk management systems.
- advise on the reliability of the College's information systems.
- increase public confidence in the objectivity and fairness of the Corporation's financial reports and in the quality of corporate governance.
- provide a medium of communication from the Corporation's auditors which is not controlled by College management.

## 6. Auditors

6.1 The College's auditors during 2023/2024 were:

| Audit                                     | Provider           | Fees      |           |
|---|--------------------|-----------|-----------|
|   |                    | 2023/2024 | 2022/2023 |
| Internal Audit Service                    | ICCA               | £25,000   | £19,000   |
| Financial Statements and Regularity Audit | Beever & Struthers | £28,000   | £26,000   |

6.2 In accordance with the Post 16 Audit Code of Practice, performance indicators for internal and external audit were in place throughout the year. There have been no major issues of concern identified.

## 7. Internal Audit Service

7.1 The 2023/2024 IAS Plan provided for 32 days of internal audit coverage. Both auditors and audit committee were satisfied that the plan allowed sufficient internal audit work to be undertaken so as to allow a reasonable conclusion on the adequacy and effectiveness of the College's arrangements to be made.

The following internal audits were conducted:

- Sector and Legal Compliance – Substantial assurance
- Mock Funding Audit – Substantial assurance
- Learner Attendance and Retention – Substantial assurance
- ESG Responsibilities Review – Substantial assurance
- Quality of Education Process Review – Substantial assurance
- IT Data Security, Infrastructure & Disaster Recovery – Reasonable assurance

- 72 There were no audit recommendations that did not receive management attention. All recommendations and responses were reviewed by the Committee and discussed with management if necessary, before being considered appropriate. The Committee have robustly challenged College management on the audit areas where anything less than substantial assurance has been given and have rigorously monitored the issues identified to ensure that progress is made to address them.
- 73 The Internal Audit Annual Report from ICCA confirmed that management had taken or had planned appropriate and timely action to implement the recommendations made.
- 74 Based on the audit work, it is the opinion of the internal audit service that the framework of governance, risk management, and control is “Moderate” in its overall adequacy and effectiveness.

## 8. Financial Audit Statements

- 8.1 There are no significant issues with the College’s accounting and financial control systems that the auditors wish to bring to the attention of the Board.
- 8.2 The Financial Statements Auditors will be giving an unmodified opinion on the financial statements of the Corporation for the year ended 31 July 2024.

## 9. Regularity Audit

- 9.1 Under the Post 16 Audit Code of Practice, a regularity audit is undertaken as part of the financial statements audit. The purpose of the regularity audit is to provide an opinion on whether College expenditure and income have been applied to the purposes intended by Parliament.
- 9.2 The Financial Statements Auditors will be issuing an unmodified regularity opinion with no matters to bring to the attention of the Board.



## 10. Risk Management

- 10.1 The Committee is aware of its responsibility to ensure the effectiveness of the Risk Management process. There is a well-established process for risk management, including regular monitoring and review of the Risk Register. The Risk Register includes details of recent trigger events, risk rating trends and direction of movement. The Audit Committee has oversight of the full risk register and recommends the “key risks” for monitoring by the Board.
- 10.2 The Audit Committee monitor risks in relation to Cyber Security. In 2023/24, the committee received a number of reports in this regard, including a Penetration Test and Vulnerability Report and Cyber Security Assessment Report.

## 11. Governance

- 11.1 The Committee is required to report on the effectiveness of the College’s governance processes and, for this purpose, the internal auditor specifically reviews aspects of Governance and Risk Management each year.
- 11.2 The Committee considers that the College’s governance processes are effective and that there are adequate governance arrangements in place to ensure that the College’s objectives will be met in the future.

## 12. Audit Committee Performance

- 12.1 The College was subject to an External Review of Governance in 2023/24 which included scrutiny of the work of the Audit Committee. The overall conclusion on Board effectiveness was that “there is evidence that the Board is proficient and consistently impacts positively on college strategy, effectiveness and outcomes. The Audit Committee reflects regularly on its performance and is confident that it continues to fulfil the criteria in the Post 16 Audit Code of Practice checklist, and functions effectively in accordance with its terms of reference.



## 13. Audit Committee Opinion

### 13.1 AUDIT COMMITTEE OPINION

Based on the internal audit annual report and the financial statements and regularity audit management reports, the Audit Committee is able to conclude that there are no fundamental recommendations that would require immediate action and expose the College to high risks. The College continues to be financially sustainable and has achieved a financial health rating of “Good”.

132 It is the view of the Audit Committee that recommendations made following audit do receive management attention.

133 It is the opinion of the Audit Committee that there are effective internal and external audit arrangements in place and that there is an effective framework of governance, risk management and control to secure economy, efficiency and effectiveness and that these have operated as such throughout all of the financial year ended 31 July 2024 and to the date of this report.

Signed

*Michael Lowe*

Michael Lowe  
Chair of the Audit Committee, Runshaw College Corporation  
November 2024

# RUNSHAW COLLEGE

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