**CALDERDALE COLLEGE**
**JOINT AUDIT & FINANCE AND RESOURCES COMMITTEE MEETING**

**Minutes of the Meeting held on 1 December 2025, 17.00**
**Remote via MS Teams**

**Present:**

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| Suzanne Dunkley | External Governor (F&R) |
| Safia Kauser | External Governor (A) |
| Richard Laycock | External Governor (A) |
| David Malone | Principal & Chief Executive (F&R) |
| Suzan McGladdery | Chair of the Corporation & External Governor (F&R) |
| Becky McIntyre | External Governor (A) |
| Greg Scully | External Governor (A) |
| Martyn Stone | External Governor & Chair of Audit Committee (A) (Chair of the meeting) |
| John-Paul Yates | External Governor & Chair of Finance & Resources Committee (F&R) |

**In Attendance:**

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| Andrew Harrison | Vice Principal – Corporate Services |
| David Malone | Principal & Chief Executive |
| Naz Mukhtar | External Governor – observer |
| Graham Gillespie | WBG |
| Ryan Falls | Cooper Parry |
| Jane Taylor-Holmes | Clerk |

*Agenda: There were no changes to the agenda.*

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| 1 | **FRA/25/101 - Apologies for absence**<br><br>No apologies were received, all members were present. | |
| 2<br><br>3<br><br>4 | **FRA/25/102 – Confirmation of eligibility, quorum and declarations of interest**<br><br>No notice had been received of any member becoming ineligible to hold office.<br><br>The meeting was quorate.<br><br>There were no declarations of interest in agenda items. | |
| 5 | **FRA/25/103 – Financial Statements 2024/25**<br><br>Mr Harrison presented the draft financial statements and accompanying notes for the year ended 31 July 2025. The | |

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| | final position would be presented to the Board in December 2025. He confirmed that the College had out-turned broadly as expected, reporting an operating surplus of £720,000, compared with the provisional July management accounts surplus of £717,000. Income totalled £30.8m against expenditure of £29.9m, reflecting a year-on-year increase in income of approximately £3m alongside associated cost growth. | |
| 6 | Key points highlighted included:<br>Balance Sheet: Fixed assets increased by £1.2m due to capital investment. Cash reduced from £6.9m to £5.2m, remaining within comfortable levels. Reserves rose from £12m to £12.7m. | |
| 7 | Cash Flow: Operating cash inflow of £1.967m, offset by £3.2m capital investment and £420k debt servicing, explaining the reduction in cash holdings. | |
| 8 | Pension Fund: The West Yorkshire Pension Fund reported a notional asset of £12.2m. In line with sector practice, this was shown at nil value as it could not be separately identified. | |
| 9 | Mr M Stone, External Governor & Chair of Audit Committee Queried the reduction in cash days from 98 to 68 and whether sufficient headroom remained. Mr Harrison confirmed that cash flow forecasts showed no position below 45 days, exceeding the FE Commissioner's recommended 40 days, and therefore remained healthy. | |
| 10 | Mr R Laycock, External Governor noted the large pension surplus not recognised in the accounts. Mr Harrison explained that most colleges adopt this approach. Mr R Falls, Cooper Parry clarified that accounting standards required recognition only if the College's share of assets could be separately identified, which was not possible in this case. Mr Harrison added that falling interest rates may reduce the surplus in future. | |
| 11 | Committee members were referred to the corporate governance reporting requirement in the first half of the annual report. It was noted that a significant portion of the accounts are notes to accompany the figures contained within the report. | |
| 12 | Mr Harrison confirmed that the Finance and Resources Committee would receive some benchmarking data from the DfE in relation to the cash days. | |
| 13 | Mr R Falls, Cooper Parry presented the Audit Findings report. | |

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| 14 | Mr Falls referred to section 1 – Executive Summary and section 1.3 and confirmed an unqualified audit opinion, stating that the financial statements present a true and fair view. | |
| 15 | Section 2 of the report, referred to the audit scope. | |
| 16 | Misstatements: Two uncorrected adjustments were identified (totalling £108k), which would have increased the surplus but were immaterial. It was noted that, as part of the public sector, the College followed Managing Public Money guidance. | |
| 17 | Significant Risks (section 3): Revenue recognition and management override of controls were tested extensively, with no issues noted. | |
| 18 | Going Concern: No concerns were identified, although a recommendation was made for more detailed sensitivity analysis around student number variations due to the impact on cash. Management accepted this recommendation. | |
| 19 | Regularity: No irregular expenditure or errors were identified. | |
| 20 | Mr Falls referred to Appendix 1 and the standard letter of Regularity. | |
| 21 | Mr Falls expressed thanks to the Finance Team for their cooperation in the audit process. | |
| 22 | Mr Falls referred to the recommendation identified, confirming that this was rated as priority 2, with assurance to be delivered through sensitivity testing. | |
| 23 | Further discussion noted the importance of modelling cashflow scenarios, particularly given the lagged funding model and wider sector challenges (e.g. apprenticeships) noting that the current budgeted surplus represented around 2% of income. Mr Harrison confirmed that the recommendation had been accepted and sensitivity testing would be undertaken to provide a degree of assurance around the recommendation. | |
| 24 | Mr Harrison reiterated that the accounts remained draft and any amendments would be reported to the Board. He confirmed that the ESFA (DfE) payment would be released in January 2026. | |
| 25 | Thanks were expressed to Cooper Parry for their conduct of the process. | |

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| 26 | Committee members reviewed the Draft Financial Statements for the year-ended 31 July 2025. | |
| 27 | **Resolved –** Committee members recommended to the Board for approval;<br>1. The Financial Statements for the year-ended 31 July 2025<br>2. The Audit Findings for the year-ended 31 July 2025. | |
| | **Audit Code of Practice – the Self-Assessment Regularity Questionnaire 2024/25** | |
| 28 | Mr Harrison presented the Self-Assessment Regularity Questionnaire (page 89), evidencing compliance with accountability requirements. The document would be signed by the Chair of the Corporation and Mr Malone as Accounting Officer. | |
| 29 | Mr Falls confirmed that the questionnaire had been reviewed as part of the regularity assessment. | |
| 30 | **Resolution:** The Committee approved the Audit Code of Practice – Self-Assessment Regularity Questionnaire 2024/25 for recommendation to the Board. | |
| 31 | The Committee recorded thanks to the Finance Team and external auditors for their work in preparing the papers and conducting the audit. | |
| | **FRA/25/104 – Audit Committee Annual Report 2024/25** | |
| 32 | Mrs J Taylor-Holmes, Clerk to the Corporation presented the Audit Committee Annual Report 2024/25. | |
| 33 | It was noted that this had been presented to the Audit Committee meeting on 9 October 2025. | |
| 34 | It was noted that the sections in red (in the draft report) had now been updated and completed and had been confirmed by Mr Falls following the completion of the Annual Financial Statements. | |
| 35 | It was noted that assurance around governance had not been included in the internal audit annual report and therefore section 7 had been expanded to reference the progress made in relation to the Governance Improvement Plan. | |
| 36 | It was noted that WBG included an element of governance review in all internal audits and therefore there would be an assessment of governance in their Annual Internal Audit report for 2025/26. | |

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| 37 | **Resolved:** The Committee approved the Audit Committee Annual report 2024/25 for recommendation to the Board. | |
| 38<br><br><br><br><br><br>39 | **FRA/25/105 - Audit Committee Terms of Reference**<br><br>Mrs Taylor-Holmes explained that there had been minor amendments suggested to the Terms of Reference in relation to the removal of the ESFA and replacement with DfE and the removal of the Post-16 Audit Code of Practice which had been replaced by the Framework for auditors and reporting accountants of colleges and the Financial Handbook.<br><br>**Resolved:** Committee members approved the Terms of Reference and recommended the Terms of Reference to the Corporation. | |
| 40 | **FCA/25/106 – Items to be reported to the Board**<br><br>Action for the Board to take -<br>Items recommended to the Board for approval;<br>• The Financial Statements for the year-ended 31 July 2025<br>• The Audit Findings for the year-ended 31 July 2025<br>• The completed Audit Code of Practice Self-Assessment Regularity questionnaire<br>• Audit Committee Annual Report 2024/25<br>• Audit Committee Terms of Reference | |
| 41 | **FCA/25/107 – Date of Future Meeting**<br><br>Joint Finance & Resources and Audit Committee – November 2026 – TBC | |

Approved as a true and accurate record at the Audit Committee meeting held on 26 March 2026