



Meeting of the Audit Committee

Tuesday 3 June 2025 – 4pm to 6pm - Main Minutes

Boardroom

Governors	Type	Initials	Attendance	Apologies
Maria Craig	Chair - Independent Governor	MC	X	
Eamonn Toland	Independent Governor	ET	X	
Aneela Ali	Independent Governor	AA	X^	
Jennifer Boyle	Co-opted Governor	JB	X	
Clerk				
Nicola Taylor	Director of Governance & Compliance	NT	X	
Attendees				
David Alexander	CEO and Principal	DA	X	
Sarah Judson	Deputy Principal: Finance and Resources	SJ	X	
David Keetley	Financial Controller	DK	X^	
Audrey Cowan	Wbg – Internal Auditor (Outgoing)	AC	X*^	
Steve Harper	HaysMac – External Auditor (Incoming)	SH	X*^	
Tom Beswick	HaysMac – External Auditor (Incoming)	TB	X*^	
Lee Glover	Validera – Internal Auditor (Incoming)	LG	X*^	

*Attended via Teams / ^Attended for part of the meeting.

A/920 1. Chair's welcome, apologies, conflicts of interest

The Chair welcomed the attendees. There were no apologies to report, and it was **confirmed** the meeting was quorate.

It was noted that SJ had been invited to provide her first reflections and that all remaining attendees would be invited into the meeting following this.

1.2 Additional Item - Interim Deputy Principal Finance and Resources – First Reflections

Covered under a confidential minute.

SJ confirmed that wbg would carry out a follow up exercise in September 2025 to validate progress made on the internal audit actions relating to the College's financial controls, and then a further review would take place by Validera when the testing of controls could take place.

DK, LG, AC, TB, SH joined the meeting.

The Chair welcomed the attendees and introductions took place.

All attendees were invited to declare any relevant interests, other than those previously noted. There were no declarations made.

A/921 2. Minutes of the Last Meeting – 4 March 2025

- A) The Committee **reviewed** the main minutes from the previous meeting and **agreed** they were a true and accurate account of the meeting.
- B) The Committee **reviewed** the confidential minutes from the previous meeting and **agreed** they were a true and accurate account of the meeting.

The minutes were approved.

A/922 3. Matters Arising / Action Log

A) Action Log

NT presented the report and provided the following updates:

- SJ was planned to undertake whistleblowing investigation training. This would remain an ongoing action until completed.
- Actions relating to the development of the Internal Audit plan (for the next 3-year cycle) remained ongoing. This would be developed with the incoming auditors, Validera. The planning exercise would take cognisance of the College's Strategic Risk Register and assurance map. This was planned to be ready ahead of Board approval being sought in July 2025. This would include initially suggested areas such as Financial Controls follow up, Safeguarding, Business Continuity, GDPR, Cyber, and Sustainability. This would remain an ongoing action until completed.
- A review of the College Strategic Risk Register was planned to take place over the summer period, and the suggestion of risks relating to the College's strategic priority of Partnership would be explored further. This would remain an ongoing action until completed.
- The Chair of the Committee was to discuss the upside / downside of risk with the Chair of the Board. This would remain an ongoing action until completed.
- Relating to the action of assurance from internal health and safety audits, an update had been provided from the Director of People and OD to note that the hazard risks identified had been wrongly calculated as high risk and therefore the control measures in place were adequate. Retraining had been given to those concerned on how to calculate risk level. The Health

and Safety Manager was working with the Learning and Development Partner to develop a Health and Safety training matrix to include risk assessment training. This update would be added to the log and the action marked as closed.

- All other actions had been closed or completed.

The timeline for the Internal Audit plan for 2025/2026 was queried and it was noted that this was to be signed off by the Board in July 2025. Validera noted the initial phase of reviewing relevant documentation had taken place and a meeting was planned with the Principal and Chair of the Committee.

The Committee **noted** the need to ensure breadth and depth of internal audit reviews within the future IA plan. This was recognised and agreed by Validera.

The report was noted

B) Notifications and Disclosures

There were no notifications or disclosures to report.

A/923 4. Rolling Audit Recommendations Tracker

SJ presented the report, highlighting the following:

- The report was in a slightly revised format to improve the presentation of information.
- One action remained partially complete, and this was due to a short-term solution to the action being implemented however this was not the long-term solution and therefore this action would remain as partially complete until finalised.
- The recommendations largely related to the internal audit into the College's financial controls and progress was being made, with the hope to have these completed by the end of July 2025. The validation of these recommendations would be carried out under a two phased approach; stage 1 being a follow up review from wbg in September 2025, and stage 2 being a test of effectiveness to be completed by Validera at an appropriate point in 2025/2026.
- Advisory actions had been included however as a form of guidance, SJ asked the Committee if they wanted to see this level of action included going forward.

The Committee **agreed** that advisory actions did not need to be included in the tracker going forward.

- An Internal Audit report on Learner Support Funds was in the process of being finalised and would be circulated electronically.
- Two grant audits had been undertaken. SJ noted her thanks to wbg for completing this ahead of the tight deadline.
- Foris Mazars was presently concluding the end of year Teachers' Pensions Scheme audit. HaysMac would be asked to carry this out going forward. HaysMac confirmed that this had been built into their proposed fees and formed a part of their usual cycle of business.

The Committee **discussed and queried** the following:

- Assurance of the effectiveness of the controls being implemented following the internal audit of the College's financial controls – it was suggested that this

should be done through the two-phase approach with wbg and Validera both reviewing the actions taken at different points during 2025/26, alongside external audit also considering internal financial controls in undertaking the 2024/25 annual accounts review.

The Committee **asked** wbg if their follow up review would ensure that implemented actions would cover all concerns raised. Wbg suggested that they were unable to confirm at this time as this would be covered as part of the review, however the actions agreed to be taken forward were believed to cover all concerns raised.

The Committee **challenged** if the College would be aware if there were any further concerns / omissions / control issues without the need for external validation. It was suggested that the work SJ was doing as part of the implementation of actions and work with the wider Finance Team would highlight any concerns and so there was a level of confidence this would be the case. It was reiterated that SJ had only been in post a number of weeks and was still in a diagnosis phase across the area of finance.

- Risks of deadlines not being achieved – it was confirmed that planning was in place to achieve all action deadlines however some were reliant on external factors such as third-party system improvements.
- The inclusion of actions following wider audit reviews – it was confirmed any actions from wider audit reviews would be included in the tracker however there were none to include for this meeting.

The Chair **sought assurance** from auditors that the Internal Audit into the College's financial controls was a key area of discussion of the transition between auditors and this was confirmed.

The report was noted.

A/924 5. Internal Audit Report

Wbg provided a verbal update covering the following:

- An Internal Audit on Learner Support Funds had been completed however wbg were awaiting further information from the College to quantify the level of risk. The report would be finalised once the information had been supplied, along with management responses however, it was noted that that the report, as currently drafted, contained some recommendations for action including one possible high priority recommendation.
- A review of Subcontracting was presently taking place. The subcontracting certification wasn't required in this academic year, however the College had agreed to continue an annual review of this for additional assurance purposes.
- Two grant audits (Local Skills Improvement Fund and Higher Technical Qualifications) had been undertaken and completed with no concerns raised.
- The follow up of the College Financial Controls Audit would take place in September 2025, and the wbg annual report would be issued following this.

The Committee **queried** the presentation of the annual report and it was confirmed that this would be presented to the November 2025 meeting.

The Chair **noted** the agreement to issue Internal Audit reports as and when available.

Action: SJ to issue Learner Support Funds Internal Audit report electronically to the Audit Committee once finalised (June 2025).

The Committee **noted their thanks** to wbg for their work over the internal audit contract.

Wbg noted their thanks to the College and staff over the period of the internal audit contract and noted the positive and professional working relationships.

The report was noted.

AC left the meeting.

The Committee **asked** the incoming internal auditors for any comments. Validera highlighted the following:

- Agreement that there would be a need for the Audit Committee to ensure that, following improvements on the College Financial Controls, controls were working effectively. This would be covered within the Audit Strategy document.
- If actions were advisory in nature, they would not expect to see them recorded in the audit recommendations tracker.
- The need to ensure the Audit Committee would be made aware if the College were not able to complete actions by the proposed deadlines.

The Chair **noted** the need to ensure that assurance of risks included within the Strategic Risk Register needed to be explicit within internal audits and the Committee needed to be assured that any audits did provide assurance of risk.

A/925 6. Conflicts of Interest Policy

NT presented the College's Conflicts of Interest Policy, noting that proposed updates were to include the following:

- A section on personal relationships, taken from the College's Gifts and Hospitality Guidelines.
- A section on procurement and the need for anyone involved in procurement processes to complete a conflict of interest form to allow a conflict assessment to be undertaken, in line with the updated Procurement Act 2023.

DA suggested that an area for additional consideration could be the raising of any conflicts of interest as part of College investigations and queried as to whether this needed to be included within the policy. The Committee **discussed** this suggestion and **agreed** that this did not need to be included within the Conflicts of Interest Policy, however this was an important consideration and **recommended** for this to be considered as part of relevant HR policies and procedures.

Action: NT to pass on recommendation to VC regarding conflict of interest during investigations to be included as part of HR policies and procedures (June 2025).

The Committee **asked** the incoming auditors for comment on the coverage of the policy. Validera suggested that there was strength in ensuring conflicts were declared at budget holder level. NT noted this was included within the policy, alongside an optional declaration for all staff, inviting them to declare any likely, perceived and confirmed conflicts.

The Audit Committee **recommended** the updated Conflicts of Interest Policy for Board approval.

Action: NT to process the updated Conflicts of Interest Policy for Board approval (July 2025).

The policy was recommended.

A/926 7. Internal and External Audit Services

NT presented the report, highlighting this set out the contract start dates and terms for both incoming Internal and External auditors, along with an update on timelines for indicative plans of work for 2025/2026.

The Committee **discussed and queried** the following:

- Ensuring consideration of the Strategic Risk Register as part of the indicative plans of work, ensuring allowance for flexibility and assurance of need.
- Ensuring consideration of the Assurance Map as part of the indicative plans of work, noting that assurance of SEND was an area where assurance was required, specifically linking to the Board's role in SEND with the need to have a Link Governor in place (in place through the Curriculum & Quality Standards Committee).
- Ensuring the depth of audits to ensure the Committee can be appropriately assured.
- The area of Cyber, noting the recent cyber-attacks reported in the press. NT highlighted that this had also been raised by the Finance & General Purposes Committee (FGP) and that the FGP Committee had sought additional assurance from the Digital Steering Group on next steps following the College's recent phishing simulation. *Covered under a confidential minute.*

The Committee **requested** for any assurance provided by the Digital Steering Group be shared with Validera to consider as part of the Internal Audit Plan.

The Committee **noted** the risk of a cyber attack and provided examples of where they had seen best practice.

Action: NT / CT to share the assurance from the Digital Steering Group relating to Cyber Security with the Audit Committee, as well as the Finance & General Purposes Committee (June 2025).

- Timelines for External Audit – HaysMac confirmed that their fieldwork would take place in October 2025, and meetings had been planned in, including an onsite visit later in June 2025. HaysMac were awaiting professional clearance following completion of work of the outgoing External Auditors.

Action: SJ/NT to circulate draft Internal and External Plans for recommendation for Board approval (June 2025).

The report was noted.

A/927 8. Updated Guidance Relating to Annual Year End Accounting Process

NT presented the report, highlighting the following revised guidance issued relating to the annual year-end process:

- Framework for auditors and reporting accountants of colleges – replacing the Post 16 Audit Code of Practice.

- Regularity Self-Assessment Questionnaire 2024-2025 – largely the same as previous years with two additional questions included.
- College Accounts Direction - largely the same as previous years with a number of changes highlighted within the report.
- Colleges Financial Handbook – which had not been updated at this time however an annual review was expected.

The Committee thanked NT for the updated guidance.

The report was noted.

A/928 9. Review of Strategic Risk Register

SJ presented the report, noting the College were reviewing the escalation / de-escalation between the Strategic Risk Register and the operational level risk registers. Further work on this was planned to take place over the Summer period by the Deputy Principal Finance & Resources, the Director of Governance & Compliance, and the Health & Safety Manager.

Training needs were being explored to ensure a greater understanding of risk, risk management, and risk scoring across the College. This would include the Executive Team and Board. The College would work with Validera to consider training options.

DA noted the time spent considering the horizon scan.

SJ noted the review of the Strategic Risk Register would also consider the level of detail and formatting of information, ensuring this was understandable and digestible for all governors. The Committee **agreed** the need for this.

The Chair of the Committee **asked** committee members to share reflection on the Risk Register so this could be factored in as part of the review.

Action: Audit Committee members to provide risk register reflections to SJ (July 2025).

DA highlighted recent discussions at the Finance & General Purposes Committee regarding potential 16-18 learner number growth for 2025/2026 and the financial implications of this. DA highlighted this had also been discussed with the DfE at the recent annual strategic conversation. Providing more learners with opportunities was considered to be very much part of the College's core purpose. The lagged funding model meant that supporting this growth in 16-18 full time learner numbers would have a short term negative impact on the college's finances/financial health, however, the DfE had indicated that providing this was a short term position that the college was managing with intent and underpinned by sustainable cashflow then it should not trigger any intervention from them.

The Committee **noted** growth in learner numbers would impact a range of different risks, for example, retention / recruitment, quality / experience, space / resource and this would need to be considered. DA noted that room utilisation / renting of additional space was being explored to facilitate additional learners at the Baltic campus.

Action: SJ / Executive Team to consider the impact of growth on all risks included within the Risk Register (September 2025).

The Committee **noted** the usefulness of the ongoing action regarding the monitoring of risk in-year, showing the Committee how risks had changed over time within the Risk Management Annual Report.

The report was noted.

A/929 10. Proposed Terms of Reference 2025/2026

NT presented the report and noted the following proposed amends had been made:

- Inclusion of ensuring policies are in place relating to fraud, anti-bribery, corruption, whistleblowing and conflicts of interest.
- Inclusion of the annual review of the register of interests for Board members and Senior Post Holders.
- Updated references to DfE guidance.
- Inclusion of reference to Environmental Information Regulations under the Information Governance section.
- Ensuring completion of recommendations relating to wider College audits.

The Committee **discussed and queried** the following:

- Additional membership – it was noted that the Governance Committee had reviewed Committee membership and did not feel additional members were required for the Audit Committee however would consider any committee views suggesting otherwise. The Committee **agreed** there wasn't a need for additional membership at this time and **noted** the option to co-opt members if a vacancy was to arise.

The Committee **requested** for the option of co-opting governors to help with vacancies to be added to the Terms of Reference.

- The Committee's ability to "*Ensure Risks around fraud have been identified and controls put in place to mitigate them.*" It was confirmed this had been included previously as was a requirement of the Audit Committee set out within the Post-16 Audit Code of Practice.

The Committee **challenged** how they could ensure this and **requested** for the wording to be revised.

- The Committee's role in inputting into, shaping and developing the Internal Audit Plan. The Committee **requested** for this to be made clearer within the wording of the Terms of Reference.

Action: NT to make the following amends to the Terms of Reference ahead of seeking Board approval (July 2025):

- **Inclusion of ability to temporarily adopt additional members where required. To be added to all Terms of Reference for consistency.**
- **Amend the wording of ensuring risks around fraud being identified.**
- **Strengthening of the Committee's role in inputting into, shaping and developing the Internal Audit Plan.**

The Committee **asked** the incoming auditors for comment on the proposed document. The auditors suggested that this was comparable to others they had seen.

The Committee **recommended** the proposed Terms of Reference, subject to the above amends, for Board approval.

The Terms of Reference was recommended.

A/930 11. Any Other Business

N/A

A/931 12. Date of the next meeting

The date of the next meeting is to be confirmed on the 2025/26 meeting schedule.