

CORPORATION BOARD Audit Committee



Minutes of a meeting held online on Tuesday 25th November 2025 at 6pm

Present

Amanda Tilley (Chair)
Ben Haxton
Manoharan Dilukshan

In attendance

Mark Lay, Finance Director
Olivier Cognard, Vice Principal
Alan Muza, Head of Finance
Stuart McKay, MHA
Jodie Hill, TIAA
Jude Brown, Clerk & Governance Advisor

Governor questions are represented with bullet points in bold italics, and management responses follow.

1. Opening Comments

1.1 Introductions

The Chair of Audit welcomed the attendees to the meeting and there was a round of introductions to explain the attendees' roles and responsibilities as there had been some changes.

1.2 Apologies and matters to be raised under AOB

Apologies had been received from Claire Lavery of TIAA. The Chair of F&GP Committee, Alan Bark, had also extended his apologies and provided a statement to the Chair of Audit to cover item 8.1 of the agenda. The meeting was quorate. There were no items raised under AOB.

1.3 Declarations of interest

There were no new declarations of interest.

2.1 Minutes of Previous Meetings

The minutes of the previous meeting were approved as an accurate record of the meeting held on Thursday 12th June 2025.

3.1 Matters Arising, Written Resolutions & Action Points

There were no matters arising. One written resolution had been circulated to the Committee members since the last meeting to agree Amanda Tilley as the new Chair of Audit Committee. The action had been completed and was covered under item 5.3 on ECCTA compliance.

The Committee noted the report.

PART A – IN YEAR BUSINESS CYCLE

4. Internal Audit Matters

4.1 Summary Internal Controls Assurance (SICA) Report

The TIAA representative gave an overview of the SICA report. Since the last update, the Business Continuity and Disaster Recovery audit had completed with reasonable assurance provided and all actions had been added to the tracker. This completed the audit work for 2024-25. In terms of the plan for 2025-26 TIAA and the Finance Director have met to book in meetings to take this work forward. The TIAA representative noted that one audit (on Student Services) was missing from the SICA report which will be added to the next report. Overall, there were no major concerns regarding Internal Audit and work was on track.

The Finance Director updated that the action about adding cyber security to the new supplier form was outstanding as the team are considering how to include as the College has a range of suppliers and a tiered approach may be required.

- ***In terms of frequency of review (Recommendation two of the Management Action Plan for Business Continuity) what is the frequency of document control?*** The action to review the plan annually had been agreed by Management. The Clerk explained that policies and procedures were tracked and had review cycles which was monitored. Not all College documents were included in the policy tracker, however.
- ***When was the last training on business continuity?*** The Finance Director felt that there was internal training every year but will check.

The Committee approved the report.

5. Risk Management and Seal

5.1 High Level Risk Register and Action Plan Review

The Finance Director gave an update regarding the high-level risk register. SMT have reviewed and several amendments have been made which were presented in the report.

- ***How frequently is this reviewed?*** The Finance Director stated that the risk register is reviewed by Board four times a year and by SMT every two months during term-time so five times a year.

The Committee agreed to recommend the High-Level Risk Register to the Board to approve.

5.2 Update on Use of College Seal and High Value Contracts

The report was presented by the Finance Director. This is a standard report presented to the audit committee for any high value contracts signed. As this is the first report of the academic year, it contains a higher number of updates than usual as it includes contracts usually signed in September for sub-contracted provision in High Needs and insurance for example.

The Chair requested that the report format be updated to show regular and one-off payments as this was considered to be useful to identify any outliers over and above regular annual spend.

Action	By Whom	Deadline
Finance Director to distinguish between regular and irregular payments in future reports on use of the Seal and High Value Contracts	Finance Director	March 2026.

The Committee noted the report.

5.3 ECCTA Compliance

The Finance Director introduced the paper which covered the key areas of the Economic Crime and Corporate Transparency Act 2023 (ECCTA) compliance and action plan to provide comfort to the Committee that the College would be compliant. Several areas are already in place such as policies, training for key staff, audits by TIAA and Validera, as well as the fraud risk review by the Board. The team intend to conduct risk assessments for key areas to identify any further risks or appropriate actions. The Fraud Prevention Policy has also been updated and was presented at item 7.1 of the meeting.

- ***When are you hoping to do this work?*** The Finance Director expects to undertake this from January to March and bring an update to the June 2026 meeting of Audit Committee.
- ***When would you expect to see comment on compliance with ECCTA through audit?*** The representative from MHA explained that the external auditors look at compliance with key laws and regulations, looking at the work presented by the Finance Director and requesting evidence where necessary. He noted that the duty is on governors to have reasonable input and assurance to this matter. The Chair felt that a lot was in place already but that they are being asked to look at this in a different way. It was felt that if the ECCTA risk assessment work is brought to Audit and then to Board then governors should have sufficient oversight.

The Committee noted the report.

6. Annual Reports and Questionnaires

6.1. Value For Money Annual Report

The report was presented by the Finance Director. This annual report demonstrates how the College uses public funds and therefore how the college achieves value for money throughout the year by considering economy, efficiency, and effectiveness.

The report reviewed value for money initiatives, including benchmarking and cost-saving measures. The Finance Director noted that the only benchmarking data available from the government is for 2023-24. The focus for 2025-26 is to improve efficiency for staff and space and to maximise the use of resources.

- ***Do any of these reports reach students so that they understand more about the College?*** The Finance Director did not think that it did, but SMT could consider how the information could be brought alive for students in a way that would be meaningful.
- ***In terms of the space issue and growth after 2025-26, how much further growth are we expecting?*** The Vice Principal, Funding, Planning and Improvement, explained that he had a forecast to 2030 that showed steady growth but not as much as some of the recent jumps. The forecast, being based on the school roll, does not however contain information about how students may be allocated to courses. The population is expected to dip after 2030. The Committee discussed how space constraints could be managed and the Vice Principal explained that the Principal and senior team had updated strategies around estates and digital which look at how delivery can be made more effective.
- ***Do you model the requirements for exam space?*** The Vice Principal has not looked at this specifically but noted that GCSEs are certainly a constraint as there

could be eight hundred students and the College was currently close to capacity regarding exam space, especially when considering special access arrangements. It was agreed that there is a need to continue to monitor this closely.

The Committee approved the report.

6.2. Subcontracting Annual Report

The report was presented by the Finance Director, outlining that this annual report details any subcontracting that has taken place in 2024-25 and is planned for 2025-26, highlighting the reasons for subcontracting and the processes in place to ensure quality. The report is to ensure transparency around sub-contracting as required by DfE.

The Committee approved the report.

6.3. Updated Whistleblowing/Public Interest Disclosure Report

This report had been presented at the June 2025 meeting of the Committee but, since then, a public interest disclosure had been made on 31st July 2025. The Clerk explained that an investigation by governors had taken place and some project control weaknesses had been identified.

- ***Has this impacted on any other reports received by Committee?*** The Chair did not consider that it had.

It was agreed that in future this report should come to the November meeting of the Audit Committee in line with the other annual reports.

The Committee approved the updated report.

6.4. Audit Committee Annual Report - Cover Sheet

6.3.1 Draft Audit Committee Annual Report

6.3.2 Audit Committee Terms of Reference

6.3.2 Annual NRG Governance Report

The report was presented by the Clerk. This annual report outlines the work undertaken by the Audit Committee throughout the year and is submitted as part of the financial statements. The report also includes an annual review of governance effectiveness undertaken by the NRG Committee. It is included to provide assurance on the systems of governance that are in place to govern the college and audit practice. The report summarised the Committee's 2024/25 activities and included relevant extracts from the various auditors' reports.

The Committee recommended the report to the Board for approval.

6.5 Audit Committee Self-Assessment

The Clerk presented the paper that combined comments received from all committee members as part of the self-assessment review. There was positive discussion from the committee, and they agreed with the points raised and recognised the comments made by other comments.

It was agreed that the main development areas were to increase and develop the Committee's membership as well as to communicate the importance of the role of Audit Committee.

The Committee noted the report.

7. Policies

7.0 Policies Cover Paper

The cover paper gave an outline of the changes to the Fraud Prevention Policy which had been revised to take account of ECCTA.

The Committee agreed to recommend the policy to the Board to approve.

PART B – Financial Statements

8. Financial Statements

8.0 Covering Paper – Draft Financial Statements to 31 July 2025

The Finance Director introduced this section of the meeting which consisted of a number of documents that make up the Financial Statements and their assurance.

8.1 Overview of Financial Statements from F&GP Chair

The Clerk read the emailed statement from the Chair of the Finance & General Purposes (F&GP) Committee who had explained that the F&GP Committee had reviewed the Financial Statements at its meeting of Monday 24th November 2025. It was advised a detailed review of the statement had been undertaken by the F&GP Committee meeting. The outcome of this discussion had not identified any significant matters arising. Assurance was given that the financial statements align with management's forecasts provided to the F&GP Committee throughout the year. The financial statements were considered to present a thorough analysis of the college's financial performance demonstrating a strong cash surplus.

The Chair of F&GP confirmed that the F&GP Committee recommended the accounts to Audit committee and to the Board.

The Audit Committee noted the statement from the Chair of F&GP Committee.

8.2 External Auditors' Audit Findings Report

The representative from MHA (the External Auditor) explained that the external audit had been conducted and was now ready to sign off. The External Auditor's view was that the key audit risks remained unchanged. The materialities had been updated for the actual figures and there was no major change in materiality.

It was outlined that there had been a change requested by the Finance Director regarding uplift in relation to Higher Needs funding which had been agreed. A note had been made in relation to forms not received for two people on Related Party Transactions. The External Auditor went through the report in some detail and highlighted a near miss on regularity regarding the rules around severance payments. Although the College was found to have followed the correct process; this was noted as an area where the rules had been widely misinterpreted by colleges and which the DfE had since relaxed. The External Auditor had no concerns regarding the College being a going concern and bank covenants were also deemed satisfactory. The External Auditor noted that when sampling fixed assets, if something could not be found then an error is extrapolated from this, and a recommendation was raised regarding the capitalisation policy. The thresholds for capitalisation of assets were recommended to be reviewed as other FE colleges are raising their thresholds. There

is the need to safeguard assets and to record items, but inflation has had an impact on costs.

The External Auditor expressed thanks to the Finance Director and Head of Finance for their work in support of the audit.

- ***Is there an issue where the College is not abiding by its policies or procedures***
Some items do not have an associated policy or procedure, for example on PDSAT review process noted in the report, so the external auditor records this as a recommendation.

Action	By Whom	Deadline
Finance Director to consider fixed asset thresholds in Financial regulation review for 2026-27	Finance Director	June 2026.

The Committee recommended the report to the Board.

8.3 External Auditors' Letter of Representation

The report was presented as a standard letter of representation to be included as part of the financial statements, with the addition of the note regarding some missing Related Party Transactions.

The Committee agreed to recommend the External Auditors' letter of representation report to Board for approval.

8.4 Draft Propriety and Regulatory Questionnaire

The Finance Director presented the report consisting of questions provided as standard by the DfE. The report was presented as compliant with DfE requirements. The College's responses are in the third and fourth columns of the questionnaire.

Action	By Whom	Deadline
Finance Director to correct the typo on page 19 of the Self-assessment Questionnaire	Finance Director	December 2025

The Committee agreed to recommend the report to Board for approval, with one correction on page 19 of the report.

8.5 Board Assessment of Fraud Risk

The report was presented by the Finance Director. It was highlighted again this is a standard document requested by the auditors that the College completes. The Committee members were assured by the report confirming no instances of known fraud.

Should this be seen earlier in the audit process, for example at the audit planning stage to inform the audit? The Committee discussed this matter and agreed that the draft fraud questionnaire should be brought to the March meeting of the Committee in order to feed into the planning work with MHA that takes place in June, and then to bring back the completed assessment to the November meeting of the Audit Committee as usual.

Action	By Whom	Deadline
Clerk to update the committee's cycle of business to allow for the draft fraud questionnaire to be brought to the March meeting.	Clerk	March 2026

The Committee agreed to recommend the report to the Board for approval.

8.6 Internal Auditors' Annual Report

The report was presented by the TIAA representative, highlighting key areas to bring to the committee's attention. It was noted that overall, the college has been assessed as having a reasonable and effective risk management system, confirming a reasonable level of assurance with no priority one recommendations, and the situation having been stable from the previous year to this last fiscal year. The internal audit KPIs had been met, and the outcomes had been listed in Annex A of the report.

The reviews conducted throughout the year were highlighted with the recommendations brought to the committee's attention.

The Chair thanked the internal auditors for their efforts throughout the year.

The Committee agreed to recommend the report to the Board for approval.

8.7 ILR Assurance Report

The Vice Principal, Funding, Planning, and Improvement summarised the report which provides safeguards to protect funding claims and forms part of the compliance process. The auditors review the report, and any recommendations are implemented by the Funding and Compliance teams.

- ***There is no date on the recommendation 1.9 on page 22 of the report, are you happy that this has been done?*** The Vice Principal said this had been done at the end of October as part of reconciliation.

The Committee approved the report.

8.8 Draft Accounting Estimates to 31 July 2025

The report was presented by the Finance Director. The reason for this report is to give governors assurance of the estimates provided in the accounts and indicate how different estimates could impact the balance sheet.

The Committee agreed to recommend the report to the Board for approval.

8.9 Draft Financial Statements

The report was presented by the Finance Director, highlighting that the statements include the formal strategic report that supports the financial statements, and includes various statements including a report on governance. The report also then includes the detailed accounts themselves. As previously discussed, this document has been reviewed by the F&GP Committee, as confirmed by the Chair of that committee, with an overview provided to the Audit Committee during item 8.1. The Chair of Audit had also reviewed the report in detail and had provided comments to the Finance Director.

The Chair thanked the efforts of the Finance Director and Head of Finance in putting the documents together. The Finance Director also thanked the MHA team for their work on the external audit.

There was a brief discussion about governors who had joined since the summer and adding their names into the report.

Action	By Whom	Deadline
Finance Director to add recently recruited governors to the Financial Statements	Finance Director	December 2025

The Committee agreed to recommend the Financial Statements to the Board for approval.

9. Any Other Business

There were no items raised under AOB.

10. Future Business

The Clerk confirmed that she would update the committee's cycle of business to reflect the suggested changes from this meeting.

The meeting closed at 7.30pm.

The next Audit Committee meeting is scheduled for Monday 16th March at 6pm via Teams.

Signature

Chair of Audit