

CORPORATION BOARD Audit Committee



Minutes of a meeting held online on Thursday 12th June 2025 at 6pm-8pm

Present

Nicolas Pages (Chair)
Amanda Tilley
Ben Haxton

In attendance

Mark Lay, Finance Director
Olivier Cognard, Vice Principal
Penny Challans, 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 Apologies and matters to be raised under AOB

Apologies had been received from Philip Lazenby of TIAA. The meeting was quorate. There were no items raised under AOB.

1.2 Declarations of interest

There were no declarations of interest.

2.1 Minutes of Previous Meetings

The minutes of the previous meeting were noted as an accurate record of the meeting held on the 13th March 2025.

3.1 Matters Arising, Written Resolutions & Action Points

There were no matters arising and no written resolutions had been circulated since the last meeting. There were no actions outstanding.

The Committee noted the report.

4. External Auditor Matters

4.1 MHA Restructure

The Finance Director outlined the changes in legal entity in relation to MHA's audit function. The audit practice is being separated from their non-audit services and as a result the company's audit appointments are being transitioned from MacIntyre Hudson LLP to a new dedicated audit entity, MHA Audit Services LLP with effect from 8 April 2025. The process to switch clients from the old to the new entity is purely procedural.

The Committee approved the recommendation regarding the change in legal entity of the external auditors and authorised the Finance Director to sign the disengagement and new engagement letters when received from MHA.

4.2 Audit Planning Memorandum

The representative from MHA gave an outline of the key aspects of the forthcoming audit covering the key risks, materiality and proposed dates.

In terms of key audit risks, the internal audit work done so far as well as data analytics on journals has been used to inform the chosen areas. MHA also noted the external context of the Weston College intervention reports where lessons need to be learnt, and which has led to Related Party Transactions receiving an enhanced focus. Recognition of Income is another area of enhanced focus for the audit work due to DfE considering that the discretionary learner support funding is poorly understood. The rules around regularity were also noted as complex and so this was an area to be reviewed. There were no concerns regarding the College as a 'going concern' but part of the audit is still to review and check assumptions in the budget. Clawback was also noted as low risk and Capital Expenditure was included to ensure disclosures valid. Very little had changed in the College Accounts Direction, so Financial Reporting was expected to be a light touch review.

The increase in fees was noted due to inflation and National Insurance increases.

MHA also have an overview of the sector including key changes to the College Accounts Direction, the replacement of the Post-16 Audit Code of Practice (ACOP) with the 'Framework and Guide', some updated guidance on Novel, Contentious or Repercussive (NCR) transactions, updates to the FE/HE Statement of Recommended Practice (SORP) where a consultation is ongoing. MHA also have a short overview of the implications of the new Economic Crime and Corporate Transparency Act (ECCTA) under which the College is likely to fall with the likely need for the College to document what it does in relation to the Act and outline this to governors. It was considered that the College was likely undertaking most required actions, but a review would be worthwhile.

Action	By Whom	Deadline
Finance Director and Clerk to consider how to evidence compliance with ECCTA	FD/ Clerk	November 2025

The regularity risk was discussed and examples of areas that may be reviewed are staff payments, financial limits and the '3-month rule'.

- ***When audited in the past, we have had to do a questionnaire on fraud, should this be done at the planning stage to inform the audit rather than as part of audit?*** The Finance Director agreed to review the detail.
- ***Do MHA advocate any training on ECCTA?*** MHA can't recommend any particular provider, but it was thought that AOC might do something. The British Universities Finance Director Group (BUFDG) have a lot of guidance, but it is national. It was agreed that an FE related training package would be useful to ensure that people were aware of the risks.

The Committee approved the audit planning memorandum.

5. Internal Audit Matters

5.1 Summary Internal Controls Assurance (SICA) Report

The TIAA representative gave an overview of the SICA report where audits for cyber security and key financial controls (sales ledger) were completed. Reasonable assurance had been provided for Cyber Security and substantial assurance for the Sales Ledger.

Regarding Cyber Security there had been two important, three routine and one operational recommendation and these were mainly around strengthening processes.

- ***The College has induction training, is there also ongoing training for cyber security?*** The Finance Director explained that there were regular communications about cyber security as well as regularly conducted 'phishing' campaigns to help educate staff.
- ***Is cyber just for staff or students?*** It was clarified that this covers everyone in the College.
- ***Do we have confidence from IT that these actions can be completed?*** The Finance Director confirmed that the IT team would complete these actions.

All the recommended actions had been agreed by management and would be completed by the next Committee meeting.

Regarding the Sales Ledger there had been substantial assurance with only one routine recommendation which was also agreed by management.

The last internal audit of the year was under way, and this was on Business Continuity.

The Chair noted that it was positive to see that the number of outstanding actions had been reduced and so it was good to see the progress being made.

The Committee approved the report.

5.2 TIAA Internal Audit Plan for 25/26 – 27/28

TIAA gave an overview of the Audit Strategy covering 2025/26 – 2027/28 and the proposed detail of the 2025/26 Annual Plan. The 2025/26 plan includes the following: grievances, complaints and whistleblowing; treasury management and procurement; marketing and student recruitment/apprenticeships, student services and sub-contracting.

- ***In Appendix A the rolling plan, a few areas are noted as blank for the whole three-year period, is this on purpose?*** TIAA explained that the areas are chosen through discussions with managers and based on risk. The Finance Director further outlined that TIAA had been in place since FY 18/19 and some areas had been done previously e.g. CapEx, so TIAA aim to concentrate on main risk areas. It was suggested that TIAA consider adding additional notes rather than leaving completely blank in future.
- ***Is property compliance linked to H&S i.e. would the Head of H&S review this as part of H&S?*** No, this area is covered by the Estates team.
- ***Is this reported at F&GP?*** Yes, it is covered in the termly Estates report to F&GP.

The Committee agreed to recommend the three-year strategy and plan.

5.3 Validera Audit Work – Funding Assurance Report

The Vice Principal, Funding, Planning & Systems Improvements gave an overview of the Funding Assurance Review carried out by Validera and done alongside the College's own in-year internal assurance activity. It was explained that some errors are usual at this stage as the final ILR is not submitted until October and errors are addressed by the team as part of routine compliance work. Nothing of serious concern had been noted.

- ***What is incorrect in the 16-19?*** The Vice Principal explained that this is normal at this time of year and the ILR claim is adjusted each month, but the planned hours vs actuals are not fully re-aligned yet.

The Committee approved the report.

6. Risk Management and Seal

6.1 High Level Risk Register 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.

It was discussed that the Committee are usually asked to review a college wide risk register annually in addition to the high-level risk register termly. However, the college risk register only duplicates the high-level risks as departments face similar risks e.g. staff recruitment. The need for the lower-level register was therefore proposed to be removed from the Risk Management policy (item 7.3 on the agenda) and was therefore not presented at this meeting. The Committee discussed the policy under this agenda item.

- ***Can you explain how the policy can recognise and roll up any locally identified risks from the local to the high level, if necessary? The policy doesn't show the route.*** The Finance Director proposed that the high-level risk register would be reviewed with the College Leadership Team (CLT) and then updated twice a year. Risks are already reviewed with CLT.
- ***What is the 'central management level'?*** It was agreed that this was a legacy phrase from a previous risk register and would be removed.

The Committee agreed the amendment to the policy was appropriate and pragmatic. It was also noted that if there was a lot of feedback or new risks arising from the review with CLT then the need for a lower-level risk register could be considered again in future.

The Committee recommended the high-level risk register to the Board.

6.2 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. There were some updates in relation to the Bicester unit lease and some DfE (formerly ESFA) funding amendments.

- ***What's the protocol for the use of the Seal as the Bicester alterations didn't come to the Board?*** The Finance Director didn't think that the alterations were required to go to Board. Use of the seal normally does come to Board if required.

The Committee noted the report.

7. Policies

7.0 Policies Cover Paper

The cover paper gave an outline of the changes to the policies which were largely minor on this occasion, the risk management policy having been discussed under 6.1 of the agenda.

- ***Regarding the Subcontractor policy, payment terms should be thirty days from the date of invoice, but our payment dates are a bit higher so is thirty days realistic?*** The Finance Director feels that the College should strive to pay within thirty days. The Head of Finance also outlined that ability to pay relied on Purchase Orders and Invoices being raised correctly so while the College endeavours to pay on time, sometimes there may be discussions between the senior leadership and suppliers about the invoices.
- ***Regarding the Anti-Bribery policy, you monitor and report once a year, but should it be two years rolling to identify any patterns of gifting?*** The Finance Director noted that the gifts are very small so while this is a valid point, it may not be required. The group discussed adding the origin of the gift, for example company name, and adding 'student' rather than individual names for students.

The Committee discussed the criteria of twenty-five pounds which had been in place for about ten years despite inflation. The outcome of the discussion was to raise the limit to fifty pounds, to show the prior year and origin of the gift (with the caveat of not showing student names).

The Committee agreed to recommend the policies subject to the agreed changes being made.

8. Annual Reports

8.1 Annual Gifts and Hospitality Register

This was reviewed and discussed under the Policy discussion above.

The Committee noted the report.

8.2 Annual Whistleblowing/Public Interest Disclosure Report.

There were no comments on this report as there had been no relevant disclosures during the year.

The Committee noted the report.

9. Future Business

9.1 Draft Cycle of Business 2025/26

The draft cycle of business for the forthcoming year was reviewed. It was suggested to: amend the external auditors name in line with the recent change of legal entity; to summarise the items under section 6 into SICA report in each term; amend term 1 8.4 to add the words 'annual report'; remove Term 2 item 5.2 and add Validera performance review; add DfE funding assurance report in Term 3 (as 5.3); remove needs assessment in term 3. The Clerk will review the updated version with the Finance Director.

The Committee approved the cycle of business subject to the suggested amendments.

10. Any Other Business

There were no items raised under AOB.

The meeting closed at 7pm.

The next Audit Committee meeting is scheduled for Tuesday 25th November 6pm via Teams

A Tilley

Amanda Tilley

Signature

10/12/2025



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