



Minutes of the Meeting of the Audit Committee

held at 4.00pm on Wednesday 3 December 2025
held in the College

Present:	Mr S Taylor (ST) Mr F Ahmed (FA) Ms C Ajit Singh (CAS) M M Othi (MO)	Chair
In Attendance:	Mr M Cooper (MC) Ms M Gajewska (MG) Ms K Frost (KF) Mr K Moloney (KM) Ms S Blakemore (SB)	Executive Director CEO/Principal Head of Governance TIAA (<i>until item 33/25</i>) Partner, Buzzacott (<i>until item 32/25</i>)

26/25 **Confidential Session**

It was agreed that a Confidential Session would not be required this year.

27/25 **Welcome and Apologies**

The Chair welcomed everyone to the meeting and introductions were made. There were no apologies for absence. It was noted that the meeting was quorate.

The Chair proposed reordering the agenda so that the financial statements audit and internal audit items were considered first. This proposal was agreed by the Committee.

28/25 **Declarations of Interest**

There were no declarations of interest relating to the items on the agenda.

29/25 **Minutes of the Last Meeting**

Minutes from the meeting of the Committee held on 25 June 2025 had been received in advance (Paper 3).

IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

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30/25 Matters Arising

The Committee received an update on progress towards actions agreed at the last meeting which was noted. The following matters arising were discussed:

18/25a: In progress. A suitable additional e-learning module on the topic of AI/data protection was being sourced. It was noted that all staff would be undertaking one AI-related CPD activity during the academic year.

Q: What outcomes are you expecting from the AI CPD you are running this year?

A: Participants will gain familiarity with AI concepts and receive training on specific tools. Data protection and security will be embedded as a core component of all training activities.

31/25 Financial Statements Audit

a) Post Audit Management Report

The 'Post Audit Management Report' (Paper 8a) was received in advance of the meeting. SB summarised the findings.

The audit work was substantially complete. Three clean opinions would be issued:

- Teacher's pension scheme return: Clean Opinion.
- Regularity assurance: Unqualified Audit Opinion.
- Financial statements audit: Unqualified Audit Opinion. The statements gave a true and fair view.

The following key areas were brought to the attention of the committee:

- The year end operating surplus was £24k compared to £497K last year.
- There were three areas of higher risk:
 1. Income from Student Numbers: Assurance was sought on internal audit work and the GLA funding audit. Overall, the auditors were satisfied that the income was correctly stated.
 2. Estates Expenditure: Accounting estimates were reviewed, checks completed and no material misstatements were identified.
 3. Compliance Focus: The auditors were satisfied with the compliance checks that had been carried out.

As a result of work carried out, the auditors made two recommendations, one relating to review of payroll prior to payment and one to reconciliation of fixed assets funded by deferred capital grants.

The Committee received an update on financial health and sector benchmarks:

- Overall Assessment: Financial health assessed as *Good*. FE Commissioner Guidance set expectations for colleges to achieve *Outstanding* or *Good*.
- Current Ratio: Sector expectation 1.4; College position 2.4.
- EBITDA: Benchmark 4.92%; College target 6% annually.
- Payroll Ratio: College at 68%, broadly in line with other FE colleges; FE Commissioner guidance suggested 65%.
- Cash Days: Minimum expectation 40 days; College position 116 days.

Sector developments:

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- AI governance training: It was important for governors to have sufficient knowledge to have oversight of the strategy. The Chair noted that this had been discussed and was in the process of being arranged.
- Local Government Pension schemes were in a surplus position for first time in a long time. It was noted that the College was waiting for information about the contribution changes.
- It is a condition of funding for the College to maintain Cyber Essentials certification and the College must comply with national digital standards by 2030. It was noted that a new Digital Strategy, including AI elements, was being developed this year. The College had achieved Cyber Essentials and was working towards Cyber Essentials Plus. Additional work was underway on data protection to strengthen compliance.

Action: It was agreed the Committee would receive an update on progress towards the national digital standards at a future meeting.

Q: There was a big difference between net income last year and the current position? Was the large gap reviewed during the audit and was the dip justified?

A: Yes. The audit team would have undertaken work to understand and validate the reasons for the variance.

Q: In terms of independence, with a new audit manager and your name as audit partner on the audited accounts, how can independence be maintained over a long period?

A: I will check but believe this is my ninth year as audit partner, moving into the tenth. Internal policy requires rotation after ten years, with another experienced audit partner taking over. This ensures a fresh perspective while maintaining consistency, as too frequent changes can undermine continuity.

It was noted that there were no advisory points this year.

After reviewing the audit results, the Committee confirmed its satisfaction and noted the findings as reassuring.

IT WAS DECIDED to recommend the Corporation approve the Post Audit Report at their next meeting.

b) Financial Statements 2024-25

The 'Draft Financial Statements' (Paper 8b) were received in advance of the meeting.

Subject to minor changes being made, **IT WAS DECIDED** to recommend the Corporation approve the Financial Statements at their next meeting.

c) Letter of Representation

The 'Draft Letter of Representation' (Paper 8c) was received in advance of the meeting.

MC confirmed that, to the best of his knowledge, all relevant disclosures had been made to Buzzacott.

IT WAS DECIDED to recommend the Corporation approve the Letter of Representation at their next meeting.

d) Regularity Self-Assessment Document

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The 'Regularity Self-Assessment Questionnaire' (Paper 8d) was received in advance of the meeting.

SB reported that the questionnaire had been reviewed and sample checks carried out on selected policies. No significant changes were identified this year, and SB confirmed satisfaction that clean opinions can be issued.

IT WAS DECIDED to recommend the Corporation approve the Regularity Self-Assessment Document at their next meeting.

Governors thanked SB for all her work.

SB left the meeting

32/25 Internal Audit

a) Annual Internal Audit Report

The 'Annual Internal Audit Report 2024-25' (Paper 6a) was received in advance of the meeting.

It was noted that in the report WBG stated that they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In their opinion, the College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of the audit work. In their opinion, the College had proper arrangements to promote and secure value for money.

It should be noted that a weak level of assurance was issued for the Bursary & Free Meals review, and this area should be revisited as part of the 2025/26 follow-up review.

The Committee reviewed the benchmarking data noting that generally the College had a lower number of recommendations across the audits and a lower grade of recommendations than other colleges.

Overall, the Committee was satisfied with the Annual Internal Audit report.

b) Update on Recommendations from Previous Audits

A 'Progress Update on Outstanding Audit Recommendations' (Paper 6b) was received in advance of the meeting.

MC gave an update on progress towards the recommendations:

- The final version of the annual procurement report was still to be circulated to the Finance, Resources and Capital Projects committee.
- One recommendation was in progress relating to an Estates Management system. A decision would be made by the end of December.
- All other recommendations had been implemented.

It was agreed MC would add the two recommendations from the External Audit to the list of recommendations.

Action: Add the two recommendations from the External Audit to the list of Outstanding Audit Recommendations.

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c) **Internal Audit Reports**

The Committee received reports from the following audits in advance of the meeting:

Bursary Funding (Paper 6ci)

The Committee discussed the timeliness of receiving the Bursary Funding internal audit report. This meeting was the first opportunity for review; however, it was acknowledged that, in hindsight, the report could have been circulated to members by email earlier. The Committee agreed that if an audit identifies any weaknesses or concerns, the Chair should be informed immediately so that a decision can be made on whether the matter requires attention prior to the next scheduled Audit Committee meeting.

Due to the College not being able to provide a costed breakdown for the assessment of needs for the students in receipt of bursary funding, the internal audit only provided weak assurance. Five recommendations were raised for areas where the College was not fully adhering to the DfE's guidance. This included one high level, one medium level and three low level recommendations. All findings had been implemented and changes made immediately. MC confirmed he was satisfied it had been addressed properly.

Q: Can you explain the high-level recommendation?

A: In the past, it was acceptable to make flat-rate payments to students for support. However, the rules have changed, and this approach was not reflected in the College's practice. Under the current requirements, support must be based on an individual student needs assessment. Therefore, fixed-rate payments are no longer permitted; payments must be tailored to the student's assessed needs to ensure compliance.

Q: Will there be any financial impact to the College?

A: There is currently no anticipated financial impact. However, if the bursary funding had been subject to an external audit review by the Department for Education (DfE) and had been found that the funds were not used appropriately, the College may have been required to repay funding. The total value of discretionary funding for the year was £123k, of which £90k was disbursed. For free meals, £72k was allocated and £130k disbursed. These funds can be used interchangeably. If funds are not fully used, they can be rolled over to the following year and must be spent first. Any brought-forward funds not spent by the end of that year would need to be repaid.

Q: How are students with SEND needs affected by this discussion?

A: Two funding sources are covered: Free School Meals and the discretionary bursary. These funds are available for any eligible students who meet the required assessments.

Follow Up Review (Paper 6cii)

The Committee noted the audit provided a substantial level of assurance surrounding the College's arrangements to implement outstanding recommendations raised in 2023/24 and earlier years.

d) **Confirm Internal Audit Plan 2025-26**

The proposed Internal Audit Plan for 2025-26 was received in advance of the meeting (Paper 6d). The proposed plan had changed slightly from the version

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circulated in advance and included the following areas for internal audit in 2025–26:

Safeguarding
Student recruitment
Funding review
Health and safety
Follow up on ongoing basis.

It was noted that the Safeguarding internal audit had been delayed due to staff absence in the College. The CEO confirmed safeguarding arrangements and usual practices continued despite the absence. TIAA confirmed they had the capacity to be able to be flexible with the dates.

In 2026/27 the following areas would be covered: Cyber Security. Data Protection. Procurement. Funding Review.

Q: Should estates management be included in the rolling strategic plan?
A: It was last audited in 2023-24 so will bring back into the cycle again in a future year. We take a risk based approach when deciding on the areas covered.

Q: Where do we cover marketing?
A: It hasn't been audited for a while. An internal audit in 2022-23 focused on the website. Student recruitment is one of the review areas this year so there will be some coverage within that.

Post Meeting Note

The internal audit of the website was completed in 2018-19. Marketing also featured significantly in the internal audit of Student Applications and Enrolment which took place in 2019-20.

Q: Is there a plan to audit business continuity?
A: It is planned to cover business continuity in 2027-28.

Action: MC to circulate the updated Internal Audit Plan.

IT WAS DECIDED to approve the proposed Internal Audit Plan.

The Committee thanked KM for his work.

KM left the meeting.

33/25 Risk Management

- a) **Board Assurance Report**
It was agreed that this agenda item would be deferred and considered at the next meeting of the Committee.
- b) **Risk Register**
The 'Risk Register Nov 25' (Paper 5b) was received in advance of the meeting. The Committee noted the changes that had been made since the last meeting, including the feedback from committees.

The Committee discussed Risk 27: Evolving Technology and noted that this risk would be subject to frequent change and would require ongoing monitoring and updates.

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The Committee reviewed the scores for Risks 16,17 and 18 and agreed no changes were necessary.

34/25 GLA Audit Skills Fund 2024-25: Funding Assurance Review

The Committee received the report from the GLA Audit Skills Fund Funding Assurance Review in advance of the meeting. (Paper 7). The review provided satisfactory assurance. There were no further comments or questions.

35/25 Audit Committee Annual Report

The 'Draft Audit Committee Annual Report 2024-25' (Paper 9) was received in advance of the meeting. **IT WAS DECIDED** to approve the Audit Committee Annual Report which would be considered by the Corporation at their next meeting.

36/25 Data Protection

It was agreed that this agenda item would be deferred and considered at the next meeting of the Committee.

37/25 Review of External Audit Contract

The Committee discussed the external audit contract. It was noted that a three-year contract was in place, with the option to extend for two additional periods of 12 months each. Last year, a performance review of both audit firms was undertaken, and Buzzacott received a positive assessment, leading to an extension for a further year.

In light of succession planning requirements, the Committee discussed the option to extend for one final year, after which a tender process would be required.

IT WAS DECIDED to recommend to the Corporation that the contract with Buzzacott be extended for a further year which would be followed by a retender.

38/25 Key Points from the Meeting

- Recommendation to the Corporation to appoint Buzzacott as External Auditor for a further year which would be followed by a full tender process.
- Approval of the Audit Committee Annual Report 2024-25 which will be presented to the Corporation.
- Review of the Annual Internal Audit Report and opinion which was that the College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of the audit work. In their opinion, the College had proper arrangements to promote and secure value for money.
- Discussed the internal audit report from the review of bursary funding which only received weak assurance. Since the review, actions have been taken.

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- Review of the post audit report from the financial statements audit, letter of representation, regularity self-assessment and Annual Report and Accounts. All are recommended to the Corporation.
- Review of the report from the GLA Adult Skills funding assurance review which gave satisfactory assurance.

39/25 **Date of the Next Meeting**

The date of the next meeting of the Committee was Wednesday 11 March 2026 at 4.00pm.

Summary of Actions

No.	Action	Lead	Target Date
31a/24	Update the Board Assurance Framework to extend the date range covered, ensure each area has a tick for an assurance activity and to add more detail about the HMIs and education improvement consultants involved in assuring the quality of teaching, learning and assessment.	MC	Initial: Mar 25 Revised: Nov 25
18/25a	Consider whether an additional module on data protection/use of AI should be added to the annual cycle of staff training.	MC	Nov 25
31/25	Add an update on progress towards the national digital standards to an agenda of a future meeting.	KF	Mar 26
32/25	Add the two recommendations from the External Audit to the list of Outstanding Audit Recommendations.	MC	Mar 26
32/25d	Circulate the updated Internal Audit Plan.	MC	Mar 2026

Signed: Date: