

Minutes of the Audit Committee meeting held on Monday 9th June 2025 at 5pm via Microsoft Teams

Members Present: Liam Butler (Chair)
Matthew Collins
Tsitsi Madzingira
Liz Sithole

In Attendance: Emma Beasley (Head of Finance) (HoF)
Gill Darwood (Director of Corporate Governance) (DCG)
Diana Martin (Chief Executive & Principal) (CEP)
Craig Sullivan (BF)
Louise Tweedie (RSM)

Committee administrative matters

1 Confirmation of quorum

1.1 The Director of Corporate Governance (DCG) confirmed that the meeting was quorate.

2 Apologies for absence

2.1 Apologies for absence were received from Wendy Davies and from Jane Grimshaw of Bishop Fleming and Louise Jones, Chief Finance Officer. Emma Beasley, Head of Finance, had been asked to represent the Chief Finance Officer.

3 Declarations of interest

3.1 There were no declarations of interest.

4 Minutes of previous meeting held 3rd March 2025

4.1 The minutes of the meeting held on 3rd March 2025 were accepted as an accurate record by members.

5 Matters arising

5.1 The item on trialling the board assurance framework was deferred to next meeting. There were no further matters arising.

6 Appoint Chair and Vice Chair for 2025/26

6.1 **It was resolved** to appoint Liam Butler as Chair of the committee for 2025/26 and to defer appointment of the Vice Chair to the next meeting.

7 Committee business plan for 2025/26

7.1 The DCG presented the business plan for the Committee which provided an indication of business and reports which would be submitted to the meetings of the Committee scheduled for 2025/26. Members noted the minor changes highlighted through tracked changes in red. The planned dates for committee meetings in 2025/26 were noted as:

- Tuesday 30th September 2025, 1700 hours
- Tuesday 25th November 2025, 1700 hours
- Tuesday 3rd March 2026, 1700 hours

- Tuesday 9th June 2026, 1700 hours

7.2 **It was resolved** to recommend the committee business plan for 2025/26 to the Corporation for approval.

External Audit Matters

8 **Plan for external audit of 2024/25 accounts**

8.1 Craig Sullivan introduced the proposed external audit plan of 2024/25 accounts which provided an overview of the nature and scope of Bishop Fleming's audit work and highlighted key aspects of the audit. The document covered the audit of Dudley College of Technology and Transformational Technologies Partnership Limited (TTPL). The key points were noted as:

- Materiality was based on 2% of income.
- Significant risks addressed by the audit (unchanged from previous years) would be:
 - o Management override of controls
 - o Fraud in income recognition
 - o Pension assumptions
- The paper summarised the framework and guide for external auditors, released in March which replaced the Audit Code of Practice.
- A reminder of the requirements of the College Financial Handbook which came into effect on 1 August 2024. The College had performed a self-assessment against the handbook and was fully compliant with the various expectations.
- The College Accounts Direction 2024/25 contained a number of minor changes that would be adhered to.
- The interim audit would take place on 18 and 19 August with the main audit taking place weeks commencing 6 and 13 October.
- The fee of £44,725 represented a 3% increase on the 2023/24 fee.

8.2 The chair noted that the plan for external audit was in line with the previous year.

8.3 **It was resolved** to recommend the external audit plan for 2024/25 accounts to the Corporation for approval.

9 **Fraud and irregularity annual report 2024/25**

9.1 The Head of Finance (HoF) presented the fraud and irregularity annual report for 2024/25 noting that it was the responsibility of the Corporation, as set out in grant funding agreements and contracts with DfE and WMCA, to establish and maintain an adequate system of internal control, to ensure compliance and to prevent and detect irregularities and suspected fraud (including theft, bribery and corruption). To achieve this the Corporation must establish and keep up to date an effective and proportionate counter fraud strategy, which set out the approach to raising awareness, prevention, detection, investigation and sanction (including seeking redress where appropriate) of suspected fraud.

9.2 The College had undertaken an annual risk assessment of fraud and irregularity that reviewed all key risk areas, provided commentary on the control framework in place that was designed to prevent fraud, and highlighted where relevant further actions required.

- 9.3 The annual report set out the results of that risk assessment and provided details of an incidence of fraud that had occurred during the year as a result of fraudulent claims of bursary funds by a student.
- 9.4 The College had also reviewed the recent FE Commissioner (FEC) Intervention Assessment Summary Report on Weston College of Further and Higher Education which detailed how lack of controls had led to excessive payments being made to the Principal. A summary of that report and how Dudley College performed against the FEC recommendations was included.
- 9.5 In response to questions from members, the HoF and CEP provided further clarification in relation to the fraud incident and noted that as a result of investigations, the College was confident that funds totalling £4,772.50 had been fraudulently claimed. The fraud response plan had been initiated and the steps set out in the College Financial Handbook had been followed. The matter had been reported to Action Fraud although no further action was likely on their part due to the low monetary value. The individual was however also under investigation by DWP for a significantly greater amount. The CEP advised that the payments made in respect of this learner had been removed from the College's funding claim to WMCA.
- 9.6 Members considered the extent to which any further actions on the part of the College might have prevented this fraud, but it was not felt that any further reasonable measures could be taken. L Tweedie noted that any more detailed spot checking of claims would be onerous and not reasonable. *She advised that she would check with RSM's fraud team if they could recommend any further measures.*
- 9.7 The CEP advised that debt recovery actions against the student were ongoing but unlikely to succeed, and that the threshold for reporting such fraud to DfE was £5k.
- 9.8 Members concluded that the College's fraud response had worked effectively to identify and investigate this matter.
- 9.9 **It was resolved** to recommend the fraud and irregularity annual report 2024/25 to the Corporation for approval.

Internal Audit Matters

10 Internal Audit Progress Report

- 10.1 L Tweedie advised that the Internal Audit Progress Report set out the work carried out in the 2024/25 academic year to-date. The reviews which had taken place since the last Audit Committee were considered:
- Capital Project Controls: Partial assurance with 7 recommendations – The partial assurance assessment was based on a number of factors including the level of risk, size of projects and financial implications as well as the need to have a robust evidence base to support conditions of funding for any grants. The CEP noted that all actions identified in the report were being addressed as a priority and the *chair requested that the identified actions be reported on separately to the next committee meeting so as to maintain focus on the importance of the individual actions.*

- Learner Number Systems: advisory with 2 recommendations – The CEP noted that the MIS team were checking all eligibility criteria and staff would be fully trained in advance of the next enrolment period. The Chair advised caution when setting the dates for management responses to ensure that adequate time was allowed to complete the work involved.
- Key Financial Controls: Substantial assurance with 3 recommendations – including the introduction of a central register of waivers. Members discussed the actions identified following staff survey responses and the HOF outlined measures being undertaken with procurement training taking place currently and scheduled meetings with all budget holders for next year.
- Follow-up: Reasonable progress: 16 recommendations implemented, four implementations ongoing, two superseded and one not yet due.

10.2 All recommendations had been added to the audit recommendation tracker.

10.3 **It was resolved** to note the internal audit progress report.

11 **Rolling schedule of audit recommendations**

11.1 The HoF presented the report which detailed the progress made in implementing the recommendations agreed in the Audit Reports submitted by RSM (internal audit). The report retained all audit recommendations until RSM had confirmed implementation; RSM had completed their follow up audit and confirmed that 18 recommendations had been implemented or superseded, and these had been removed from the tracker. The recommendations agreed as a result of the three reviews on capital projects, learner numbers and key financial controls had now been added to the tracker.

11.2 There were now 17 recommendations to be implemented, 10 of which were not yet due. There were currently no delays in the implementation of these recommendations.

11.3 **It was resolved** to note the rolling schedule of audit recommendations.

12 **Internal Audit Plan 2025/26**

12.1 Louise Tweedie presented the internal audit plan for 2025/26 which proposed the following areas were reviewed:

- 12.2
- Planned and Reactive Maintenance Arrangements (Spring/April 2026)
 - Employer Engagement Framework (April 2026)
 - Framework for Compliance with Legal and Regularity Requirements: Prevent & Protect Duties – Advisory (December 2025)
 - Learner Number Systems: Apprenticeships (October 2025)
 - Key Financial Controls: Cashflow forecasting and planning (January 2026)
 - Follow up (April 2026)

12.3 RSM had quoted a fee which represented an increase of 5% from 2024/25, in line with the tender document.

12.4 The document mapped internal audit to the risk register and L Tweedie noted that the plan could be reviewed to take account of any emerging priorities.

- 12.5 In response to a query from the chair in relation to oversight of cybersecurity measures, which was an issue high on the risk register, the CEP noted that the College went through an annual renewal of Cyber Essentials accreditation and members felt that this represented a robust assurance in terms of the measures in place.
- 12.6 **It was resolved** to recommend the internal audit plan for 2025/26 to the Corporation for approval.

Risk Management Matters

- 13 **Risk management termly update**
- 13.1 The HOF presented the termly update on risk management. The risk register continued to be regularly reviewed by the Senior Leadership Group, with updates reported to both the Standards and Finance & Estates Committees. No changes had been made to the risk appetite or risk scores since the previous report, and progress had been made on mitigating actions.
- 13.2 The Standards Committee reviewed five risks, two of which held higher net risk scores—relating to alternative provision and work experience. Alternative provision showed positive developments, including potential collaboration with an external trust to expand provision from 2025/26, likely resulting in a reduced risk score in future. Progress on the work experience strategy had been slower than anticipated, with revised timescales extending to the end of the academic year.
- 13.3 The Finance & Estates Committee considered two higher-scoring risks: the recruitment of technical staff and employer engagement in target growth areas. Recruitment challenges remained in a small number of technical areas, with measures in place to mitigate the impact. Employer engagement, particularly in relation to the Institute of Technology (IoT), was progressing, though uncertainties remained regarding the long-term position of TTPL, pending further review.
- 13.4 The Audit Committee continued to monitor cyber security risks, with the College maintaining Cyber Essentials accreditation and preparing for Cyber Essentials Plus, in light of recent sector-wide threats.
- 13.5 An external report from RSM on emerging risks echoed many of the College's identified concerns, including policy change, geo-political instability, cyber threats, economic slowdown and rising operational costs. The College would review and update its own risk register over the summer, with a revised version to be presented in the autumn.
- 13.6 **It was resolved** to note the risk management termly update.
- 14 **Confidential – whistleblowing report**
This matter is the subject of a separate and confidential minute.
- 15 **Any Other Business**
- 15.1 There were no items of other business.

L Tweedie and C Sullivan left the meeting.

16 **Confidential – Internal auditors’ performance in 2024/25 and re-appointment for 2025/26**

This matter is the subject of a separate and confidential minute.

17 **Date of next meeting**

17.1 Proposed dates as per business plan for next year were noted as:

30 September 2025	Tue	17:00:00
25 November 2025	Tue	17:00:00
3 March 2026	Tue	17:00:00
9 June 2026	Tue	17:00:00

The meeting closed at 18:00.

Approved by committee members at the meeting held 30th September 2025.