

Minutes of the Audit Committee meeting held on Tuesday 30th September 2025 at 5pm via Microsoft Teams

Members Present: Liam Butler (Chair)
Wendy Davies
Tsitsi Madzingira
Liz Sithole

In Attendance: Rachel Corns (Vice Principal)
Gill Darwood (Director of Corporate Governance) (DCG)
Louise Jones (Chief Finance Officer)
Diana Martin (Chief Executive & Principal) (CEP)
Cameron Penwill (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 were received from Matthew Collins and Emma Beasley.

3 **Declarations of interest**

3.1 There were no declarations of interest

4 **Internal Auditors' Sector Update**

4.1 The Committee received a sector update from the internal auditors on key changes affecting college financial governance, audit and regularity responsibilities. The presentation highlighted updates to the College Financial Handbook 2025, new external audit requirements, and areas of risk identified by the DfE.

4.2 Key points were noted as:

- CFH 2025 published June 2025; compliance remained a funding condition.
- Greater alignment with *Managing Public Money*; clarified definitions of regularity, propriety, value for money.
- Accounting Officer duty to raise concerns strengthened.
- UK Corporate Governance Code ceased to apply from August 2026.
- Post-16 Audit Code withdrawn; replaced by new Framework and Guide (March 2025).
- Board must approve schemes of delegation, budgets and reserves policy; ensure sustainable financial plans.
- Budgets/forecasts must be realistic and closely monitored.
- External auditors to audit accounts and provide regularity assurance.
- Governors retain responsibility for propriety and value for money; Accounting Officer signs regularity statement.
- Colleges must complete and submit regularity self-assessment.
- Annual audited accounts due to DfE by 31 December.

- OfS-registered colleges must also meet OfS Accounts Direction.
- DfE risk factors include culture, leadership/governor changes, mergers and changes to systems or delegation.

4.3 In discussion, members noted that the College was compliant across the areas highlighted in the presentation, and considered the balance between governance and management in relation to budget oversight, particularly the extent to which attention was given to the longer-term view. It was confirmed that a three-year financial forecast was presented to the Corporation each summer, incorporating assumptions based on the best available information. Members also noted that reliance could be placed on the “DfE View Your Finance Data” tool, which compared historical trends with forecast and actual performance, which demonstrated that the College had adopted a prudent approach and consistently outperformed expectations over time.

4.4 **It was resolved** to note the sector update.

5 **Minutes of previous meeting held 9th June 2025**

5.1 The minutes and confidential minutes of the meeting held 9th June 2025 were accepted as an accurate record by members.

6 **Matters arising**

6.1 Appointment of Vice Chair of the committee for 2025/26 had been deferred – Wendy Davies was appointed as Vice chair of the committee for 2025/26.

6.2 W Davies raised a query relating to the internal audit report on capital projects presented at the previous meeting, which the CFO advised would be covered later on the agenda.

6.3 There were no further matters arising.

7 **Committee terms of reference 2025/26**

7.1 The DCG advised that the terms of reference for the Audit Committee had been reviewed for 2025/26, including an alignment with the requirements of the *College Financial Handbook 2025* (effective from 1 August 2025). The changes made to the document were:

- *Reference to the College Financial Handbook 2025*
Updated wording to cite the 2025 edition and to require periodic review of the Terms of Reference to maintain alignment with the Handbook.
- *Support for the Accounting Officer’s regularity self-assessment*
New duty added for the Committee to support the Accounting Officer’s annual regularity self-assessment and to consider the outcomes of the self-assessment questionnaire.
- *Enhanced scope of assurance*
Wording expanded to include assurance over the College’s compliance with its accountability agreement and the College Financial Handbook, as part of the framework of governance, risk management and control.

- 7.2 These minor changes ensured that the Committee's remit reflected the strengthened emphasis in the *College Financial Handbook 2025* on governance, regularity and assurance.
- 7.3 **It was resolved** to recommend the Terms of Reference for 2025/26 to the Corporation for approval.
- 8 **College Financial handbook update 2025 and audit of compliance**
- 8.1 The DCG advised that the paper was provided to support the Audit Committee in discharging its responsibility for overseeing the College's compliance with the College Financial Handbook 2025 (effective from 1 August 2025) and reflected the detail provided in RSM's earlier presentation.
- 8.2 The report comprised:
- A summary of the changes in the CFH 2025.
 - A comprehensive compliance tracker mapping the College's position against all requirements of the College Financial Handbook 2025.
 - Clear identification of changes introduced since the 2024 edition.
- 8.3 The Committee was invited to review the compliance tracker and provide assurance to the Corporation that the College had robust arrangements in place to achieve and evidence full compliance.
- 8.4 In response to a question from members on the committee's responsibilities in relation to controls of subsidiary companies, L Jones advised that all of the transactions for TTPL were undertaken through the College finance system and so were subject to the same audit processes. The year end audit conducted by Bishop Fleming would be presented to both the TTPL and College boards and included within the College management letter. She advised that TTPL did not have its own assets or staff so there were no separate operations in terms of Health and Safety or other compliance.
- 8.5 **It was resolved** to note the compliance with the updated College Financial Handbook 2025.
- 9 **Audit Committee's self assessment of its own performance in 2024/25**
- 9.1 The DCG advised that it was considered good practice for the Audit Committee to undertake a self-evaluation of its performance each year. The questionnaire had been completed on behalf of the Committee and members were invited to consider whether the answers drafted reflected their own views of the Committee's performance in 2024/25. Members concurred with the assessment of performance.
- 9.2 **It was resolved** to approve the committee's self-assessment of its own performance in 2024/25.

External Audit Matters

- 10 Regularity self assessment questionnaire**
- 10.1 The CFO advised that the framework and guide for external auditors and reporting accountants of colleges set out a common standard for the provision of assurance and accountability in relation to colleges. Within the code it stated that college corporations must publish a statement of regularity, propriety, and compliance within their annual accounts. The format of the statement was set out in the College Accounts Direction.
- 10.2 The draft questionnaire had been completed and the CFO advised that the College considered the responses to be full and complete, with no issues noted as a result of the responses provided.
- 10.3 The instance of fraud during the year which had been previously reported to the committee and to external auditors, fell under the threshold for reporting to the funding body. C Penwill advised that external auditors confirmed that the correct process had been followed and this would not raise any issues for the audit.
- 10.4 **It was resolved** to recommend the regularity self-assessment questionnaire to the Corporation for approval.

Internal Audit Matters

- 11 Internal Audit Progress Report**
- 11.1 L Tweedie introduced RMS's final report for 2024/25 on Data Protection and Freedom of Information compliance framework. This was an advisory report and therefore did not have a level of assurance provided. Six management actions had been agreed including establishing a working group to monitor GDPR compliance, updating the Data Protection policy to provide further information on data breaches and training for relevant members of staff. These recommendations had been included in the audit tracker.
- 11.2 Appendix A included proposed dates for delivery of assignments, although it was noted that the timing of the Apprenticeships audit would be moved to post Christmas as DFE working papers would not be available earlier.
- 11.3 Appendix B highlighted proposed changes to the Information Commissioner and noted new requirements for online services likely to be used by children. L Tweedie suggested that the College may wish to review its provision of an electronic complaint form to ensure that it was fully compliant with the new requirement for a fully online form.
- 11.4 The CFO advised that RSM would be undertaking an additional piece of work around the contract with Avensys to provide assurance in relation to secondment arrangements.
- 11.5 **It was resolved** to note the internal audit progress report.

- 12 Rolling schedule of audit recommendations**
- 12.1 The CFO presented the report which provided details of the progress made in implementing the recommendations agreed in the audit reports submitted by RSM. The report showed only live audit recommendations that had not yet been checked by RSM at follow up to confirm completion.
- 12.2 Since the last report, 9 recommendations had been fully implemented and 6 recommendations had been added as a result of the data protection and freedom of information compliance review. One of these had already been implemented. There were 13 recommendations currently being progressed.
- 12.3 Four recommendations had been flagged as delayed as insufficient progress had been made against the original target date. These were across Health and Safety compliance and Capital Project controls. The CFO was working with the Executive Director of Estates to resolve these delays. She advised that there would be a heightened focus to ensure that the identified actions would have been addressed by the next meeting in November and there would be a review by RSM at the follow up audit.
- 12.4 In response to a question from L Sithole, the CFO advised that actions which the College considered to be fully implemented remained on the schedule until RSM had confirmed their agreement. *It was agreed that future reports would be separated out between those still in progress and those completed pending approval by RSM. This would enable the committee to focus on ongoing actions.*
- 12.5 **It was resolved** to note the progress report.
- 13 Annual Internal Audit Report**
- 13.1 L Tweedie presented the Annual Internal Audit Report which set out the work carried out by RSM in the 2024/25 academic year, including recommendations made in each category and RSM's performance against plan.
- 13.2 The internal audits were intended to assist college management and Audit Committee in obtaining an overall view of adequacy and effectiveness of the college's risk management, control and governance processes.
- 13.3 The summary of internal audit work completed in 2024/25 were:
- Capital projects controls – partial assurance
 - Data protection and freedom of information compliance framework - advisory
 - Learner number systems – compliance
 - Student experience framework: 16 to 18 bursaries - compliance
 - Key financial controls – substantial assurance
 - Follow-up – reasonable progress
- 13.4 As a result of their work 6 advisory, 2 high, 10 medium and 9 low priority actions were agreed.
- 13.5 Based on their work, RSM had reported the College continued to have an adequate and effective framework for risk management, governance, and internal

control in place, with the recommendations made throughout the year helping to identify further enhancements to the framework or risk management governance and internal control. The green/yellow opinion was consistent with that provided in 2023/24 and also the opinion awarded to most FE Colleges.

- 13.6 RSM had also provided information on the wider services they had provided and how their work met relevant internal audit standards.
- 13.7 Members noted that the partial assurance report received in relation to Capital Projects Controls was the first awarded by RSM to the College during their tenure. The CFO noted that the College had directed audit to that area and welcomed the close scrutiny, and that overall the balance of assurance was still green.
- 13.8 **It was resolved** to recommend the annual internal audit report to the Corporation for approval.

Risk Management Matters

- 14 **Risk and Assurance Policy**
- 14.1 The CFO reported that the Risk and Assurance Policy and Procedure had been reviewed and updated in line with sector best practice and also incorporated the board assurance framework presented to the committee in autumn 2024. The key changes were as follows:
 - There were new sections on controls mapping and assurance which set out how the College considered the mitigations currently in place and identified the extent of the assurance the College was able to provide Corporation. Assurance could be first, second or third line, the latter being the strongest assurance which was usually independent. An overall level of assurance was provided for each risk.
 - The creation of a new risk scrutiny group attended primarily by middle managers who provided challenge to senior management on the effectiveness of controls in place.
 - A new section on capital project risk management had been included to support new procedures around capital project management.
- 14.2 The policy had been reviewed by RSM and their recommended amendments had been included.
- 14.3 **It was resolved** to recommend the risk and assurance policy to the Corporation for approval.
- 15 **Risk management Annual report**
- 15.1 The CFO presented the risk management annual report, advising that the College continued to proactively deliver the risk management strategy. The report noted that good progress had been made in managing the risks reported in 2024/25 with most actions being fully implemented. Risks around apprenticeships, work experience and sustainability where further work was required had been carried forward to the 2025/26 register.

- 15.2 The risk register had been updated for the new academic year to reflect the approach to these wider issues. Under the new leadership team a fresh look at the risks and the opportunities had been taken and whilst the profile of residual risk scores was higher, a more hungry or open appetite to many of the risks could now be seen.
- 15.3 The risk strategy had been fully revised and renamed the Risk and Assurance Policy and now incorporated the board assurance framework previously discussed.
- 15.4 RSM's report on Emerging Risk Radar was also included in the report. Members noted that the survey of over 200 businesses across all industries/sectors identified the top 3 risks as:
- Geo-political instability
 - Cyber attacks
 - Artificial intelligence governance
- 15.5 Also scoring highly were misinformation spread via social media platforms and continued economic slow-down.
- 15.6 In response to a question from the Chair in relation to the scoring of Artificial Intelligence, the CFO advised that the risk was multi-faceted as it covered a range of issues such as compliance with awarding bodies, risks around data protection, preparing staff and students to safely use AI, teachers' use in the classroom and in marking. The CEP further highlighted the speed of change in this area and the need for staff to keep abreast of developments. She also highlighted concerns about the use of AI widening the disadvantage gap for learners.
- 15.7 Members commended the amount of work undertaken on the risk strategy and the use of the board assurance framework, which although not mandatory, added value to the process.
- 15.8 **It was resolved** to recommend the risk management annual report to the Corporation for approval.
- 16 **Confidential - Business Continuity Plan 2025/26**
This matter is the subject of a separate and confidential minute.
- 17 **Data protection and freedom of information annual report**
- 17.1 R Corns provided an overview of Data Protection and Freedom of Information (FOI) activity at the College for 2024/25.
- 17.2 Key developments this year included the successful integration of the Data Protection function into the MIS department, the establishment of a Data Protection Working Group, and the delivery of enhanced training for staff. These steps had strengthened internal capacity and improved compliance oversight.
- 17.3 The report noted:
- *Increased Reporting:* A total of 20 internal data breaches were recorded (up from 9 in 2023/24), none of which required ICO notification. This increase was attributed to improved awareness and a strengthened culture of reporting.

- *Training Expansion:* A dual-format training programme was introduced, combining online modules with face-to-face sessions. This had been embedded into induction and CPD processes.
- *Audit and Risk Management:* An RSM internal audit was completed, with advisory actions incorporated into the College Audit Tracker. A new risk relating to confidential waste had been added to the Risk Register.
- *FOI and SAR Compliance:* 11 FOI requests and 5 Subject Access Requests were processed, with 91% of FOIs responded to within statutory timeframes. One delay was due to staff absence, now mitigated by improved inbox access protocols.

17.4 Priorities for 2025/26 were noted as:

- Launch of a formal Data Protection Working Group.
- Continued training rollout, including practical sessions for all staff.
- Improvements to confidential waste handling and disposal.
- Targeted training for senior leaders and MIS staff handling FOI requests.

17.5 Members noted that the report demonstrated that the College was actively managing its data protection responsibilities and was committed to continuous improvement.

17.6 **It was resolved** to note the data protection and freedom of information annual report.

18 **Confidential - Cybersecurity annual report**
This matter is the subject of a separate and confidential minute.

19 **Any Other Business**

19.1 There were no items of other business.

20 **Date of next meeting**

20.1 The next meeting of the committee was scheduled to take place on Tuesday 25th November 2025.

The meeting closed at 18.20 hours.

Approved by committee members at the meeting held 25th November 2025.