

Minutes of the Audit Committee Meeting Held at 4.30pm on 02 December 2025

Present: Prue Amner, Ashley Cullen (Teams) and Pauline Tiller (chair)

Apologies: Shirley Nellthorpe & Huw Chapman

In Attendance: Chris Bilton Interim VP, Information Systems (Mins 276 – 286)
Mike Cheetham RSM (internal auditors)
Chris Mantel Alliotts (external auditors) (Teams)
Katy Quinn Principal & CEO
Matt Phelps Deputy Principal & CEO Curriculum & Quality (Min 283) (Teams)
Paola Schweitzer Director of Governance
Maria Vetrone COO

Minutes

276 Attendance and Participation

Shirley Nellthorpe and Huw Chapman sent their apologies.

277 Declarations of Interest

There were no declarations of interest.

The agenda was reordered to enable Chris to attend another meeting.

278 Financial Statements 2024/25 & Annual Report (paper 892/25/A)

FE college corporations were required to submit an audited annual report and financial statements including a statement of regularity, propriety and compliance and the reporting accountant's assurance report on regularity to the DfE. Audit Committee was charged with focusing on the statements of Corporate Governance and Internal Control, Regularity, Propriety and Compliance and Responsibilities of Members of the Corporation as well as the independent auditor's report on the financial statements and the independent reporting accountant's report on regularity. F&R Committee had already considered the draft financial statements and there was nothing that the Audit Committee needed to be made aware of from their review.

The external auditors (Alliotts) gave unqualified opinions for both the financial statements and for regularity, confirming that the financial statements gave a true and fair view of the state of the Group's and College's affairs as at 31 July 2025 and of the Group's and College's surplus of income over expenditure for the year and had been properly prepared in accordance with UK Generally Accepted Accounting Practice and the DfE's Accounts Direction. Alliotts had not identified any material uncertainties

relating to events or conditions that might cast significant doubt on the Group's and College's ability to continue as a going concern for a period of at least 12 months. Chris drew governors' attention to cash days which remained lower than sector benchmarks and the recent FEC advice that unspent capital grants distorted cash balances and therefore financial health. To enable better oversight, Maria would add a column for cash days excluding capital grants in the management accounts KPIs. Provision in the accounts for dilapidations on the College's two leased properties would need to be reconsidered towards the end of the lease terms or when there were plans to relinquish them. Chris advised the College to seek legal advice and approach the landlord in July 2026. Maria agreed and would report to F&R Committee in due course. Brief discussions included the flooding in Ayrton Tower, IR35 and the signing of staff contracts. Governors then turned their attention to the statements and control weaknesses. Mike clarified that the internal audit annual opinion was unqualified and that whilst some weaknesses had been found, these were not significant to the College as a whole and did not therefore constitute a significant matter of internal control. Governors agreed this should be reflected in the financial statements. Governors noted the statement of regularity, propriety and compliance and statement of responsibilities. Having scrutinised the draft audited Group financial statements, the governance statements and the audit opinions, governors **Agreed** to recommend the financial statements and annual report 2024-25 to Corporation for approval.

279 External Audit Management Letter & Letter of Representation (paper 893/25/A)

The external auditor's management letter confirmed audit findings and the external audit opinions. The three letters of representation were standard requirements and confirmed that all information submitted for external audit was accurate and all material information had been disclosed. Governors confirmed that they were not aware of any material events that hadn't been included in the statements. Pauline asked that Mark Cooper, as S&G Committee chair, confirm to Corporation that the 2024-25 Register of Interests did not contain any related party transactions. Chris stated that the College's approach to its subsidiary company was in line with other colleges. Pauline was uncomfortable with recommending the letter of representation concerning the College's subsidiary company, COPC Enterprises Ltd, as she was not aware of its activity during the year and suggested that might be better coming from F&R Committee. Maria confirmed that F&R Committee had considered the numbers and notes in the financial statements and the letters of representation and recommended them to Audit Committee for review and onward approval by Corporation. She advised that Audit Committee was the statutory committee responsible for reviewing the governance statements, audit process and audit opinions and recommending the documentation to Corporation. Having scrutinised the documents, governors **Noted** external auditor's management letter and **Agreed** to recommend the Letters of Representation to Corporation for approval.

280 Minutes

The minutes and confidential minutes from the meeting on 21 October 2025 were **Agreed** as correct records.

281 Matters Arising

Governors **Noted** that the matters arising were either completed/closed (confidential minute 269 had been completed but the matter was ongoing), except for **Minute 274: Whistleblowing Policy** as RSM had yet to review the policy.

282 Audit Committee Annual Report to Corporation (paper 896/25/A)

Audit Committee was required to present an annual report to Corporation and the Accounting Officer prior to submission of the annual financial statements. The report concluded that based on the Committee's work and reports received over the year, the Corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets were adequate and effective.

There was a discussion about the level of the detail in the report and governors agreed it should align with the amended financial statements. In response to a question, Maria confirmed that she tracked [RSM's emerging issues report](#) with the College's strategic risk register and that there were no additional issues to report at this time. Governors **Agreed** to recommend the Audit Committee's Annual Report to Corporation, with the agreed amendments, to Corporation.

Part of Minute 282 was confidential.

283 Outstanding Audit Recommendations Follow Up (paper 898/25/A)

Matt joined the meeting via Teams.

The report provided an update on progress made in implementing audit recommendations raised by the internal and external auditors, as well as other independent reviews of the College's internal control framework. Of the 46 internal audit recommendations raised in 2024/25, Maria confirmed that 38 had been implemented and eight were in progress. All prior year internal audit recommendations had been implemented. Also appended to the report was RSM's independent review of the College's implementation of previously agreed internal audit recommendations.

There was a discussion concerning the six high priority learner number systems recommendations. Maria stated that additional resources had been allocated to the MIS team to strengthen this area and ensure that the audit anticipated in the autumn term 2026 was successful. Matt confirmed that the MIS team was implementing the recommendations and amending/tightening up processes as necessary. An audit of all apprenticeship packs was underway, with over half having been checked and where necessary corrected, and was on schedule to finish by the end of the calendar year. Work was being validated by Karl Bentley, a sector expert, and Matt was confident that the risks identified for 2025/26 had been mitigated. He confirmed work would then turn to review all legacy apprentices, the earliest of which started in 2018. He confirmed numbers were small. There was a brief discussion about the impact of TNP 1 & 2, with Chris confirming it was a sector wide problem (TNP 1 and 2 were IRL codes used to record the Total Negotiated Price of training costs (TNP 1) and end point assessment costs (TNP 2). Maria confirmed that all HR recommendations had been implemented except for one which was due for completion in January 2026. Maria would check the DBS action. Having scrutinised the report, particularly the high priority audit recommendations, recommendations that had not yet been implemented and had passed their agreed date, governors **Noted** the outstanding audit recommendations follow up.

Matt left the meeting.

284 Strategic Risk Register (paper 899/25/A)

The College was expected to maintain an effective risk management framework to ensure that key strategic risks to the achievement of strategic objectives and priorities were identified, prioritised and managed. The College's Strategic Risk Management Board met on 12 November 2025 to review and update the strategic risk register. Prue was in attendance. There were 29 strategic risks, four of which were significant/business critical and six high net risks. There had been two movements in the categorisation of strategic net risks since the Committee's last meeting:

- *Non-compliance with the College's established processes and systems for the management and quality assurance of student information and data.* Increased from adequate to high
- *Failure to transition to the new Ofsted framework successfully.* Increased from low to acceptable.

Having scrutinised the report, particularly changes in risk definitions, risk assessments and movement of net risks and the associated commentary and actions, governors **Agreed** to recommend the strategic risk register to Corporation.

285 Whistleblowing Annual Report 2024-25 & Policy (paper 900/25/A)

There were two whistleblowing allegations in 2024-25:

- The first was raised in October 2024 and was determined not to fall in scope of the policy, instead it was dealt with under HR policies and processes.
- The second concerned HR data and was raised in November 2024. The matter was investigated and the outcome reported to Audit Committee in June 2025.

Paola advised that allegations concerning H&S data had been raised in November 2025. These warranted further investigation under the whistleblowing policy and the process was underway. There was a brief discussion about how the H&S internal audit in early 2026 might align with a possible internal investigation and this would be picked up as appropriate.

Mike apologised for the delay and confirmed that he would review the whistleblowing policy the following day. Governors agreed to hold a short meeting on 11 December 2025 to consider the policy and amended Audit Committee Annual Report to Corporation.

286 Data Protection Breaches (verbal update)

There had been one data protection breach involving an email to a student which shared other students' email addresses. The matter was recorded internally and the member of staff spoken to. The ICO had not been notified.

Chris left the meeting.

287 Anti-Fraud, Bribery & Corruption Breaches (verbal update)

There had been no anti-fraud, bribery or corruption breaches.

288 Internal Audit Report: Progress Report – November 2025 (paper 897/25/A)

Mike confirmed that two internal audits were currently in progress, with the remainder scheduled for early 2026. In response to a question, Maria confirmed the Estates audit was underway. Pauline believed the Committee were likely to receive the H&S report in June as the February deadline was ambitious. Mike agreed to advise governors in February if there were any significant findings. Mike stated that his colleague Louise Tweedie, who had extensive experience in the charities and education sector, would be taking over his role when he retired on 31 March 2026. Having scrutinised the report particularly the KPIs and emerging sector issues, governors **Noted** the internal audit progress report November 2025.

Mike left the meeting.

Meeting without Internal & External Auditors Present

289 Review of Internal Audit 2024-25 (paper 894/25/A)

It was good practice to assess the performance of the internal audit service and to market test the service on a regular basis. Following a full tender process, RSM were appointed as the College's internal auditors from 01 August 2022 for a period of four years up to 31 July 2026, with the option to extend for a further year. This report reviewed the effectiveness of internal audit performance in 2024-25 and followed triangulation with College staff involved. Performance was graded excellent or good. Performance was assessed to be slightly lower in some areas due to two audits being negatively impacted by RSM staff sickness. However Mike had attended all but one of the Committee's meetings in 2024-25 and governors appreciated this high level of attendance. Governors **Noted** the review of internal audit 2024-25 and **Agreed** to extend the contract with RSM until 31 July 2027, assuming they wished to extend, with a view to going out to tender in 2026-27.

290 Review of External Audit 2024-25 (paper 895/25/A)

Similarly, it was good practice to assess the performance of the external audit service and to market test the service on a regular basis. Alliotts were appointed as the College's external auditors from 01 August 2022 for a period of four years up to 31 July 2026, with the option to extend for a further year. Performance was graded as excellent, with particularly good value for money. Governors **Noted** the review of external audit 2024-25 and **Agreed** to extend the contract with Alliotts until 31 July 2027, assuming they wished to extend, with a view to retendering in early 2026-27.

Pauline noted that it was unusual for the auditors' senior partners to attend all meetings and noted that both auditors provided regular training & development sessions to the Committee.

The meeting ended at 6.40pm
The next meeting will be 24 February 2026.