

732 PRELIMINARY PROCEDURAL MATTERS

732.1 Attendance, Apologies & Welcome

Present: Kathryn Hardwidge (Chair)
Ahmed Mohammed
Deepa Rao
Charlotte Simmonds
Joshua Temile

In Attendance: Andrew Clare (Deputy Principal Finance & Resources) (*Except Item 732.3a*)
Shachi Blakemore (Buzzacott) (*Except Item 732.3b*)
Jayne Chaplin (Clerk to the Corporation)
Leisyen Cox (Scrutton Bland – IAS) (*Except Item 732.3b*)

Apologies: Ryan Pearce (Scrutton Bland - IAS)

Joshua Temile was welcomed to his first meeting

It was **RESOLVED** for Item 732.3 to be taken as the last item of business.

732.2 Declaration of Interests

No interests were declared.

732.3 Private Meetings

Recorded separately.

732.4 Minutes & Matters Arising

732.4a Minutes of the Meeting

The Minutes of the meeting of the 23 September 2025 were approved as a correct record and the application of the Chair's signature was authorised, subject to the amendment of Minute 729.1(i)-(ii) to clarify that *some* members expressed concerns.

732.4b Matters Arising

Of the one item outstanding, members noted it was scheduled for conclusion at the Spring term meeting (Minute 725.1c (v)).

It was then agreed that there were no further matters arising on which to report.

733 ACADEMIC YEAR 24/25

733.1 Year-ended 31 July 2025 - Annual Report of the Internal Auditors

It was confirmed that the Annual Report of the Internal Auditors, Scrutton Bland, had been reviewed and the Committee's September 25 Special meeting.

733.2 External (Financial Statement) Audit Service

a. Post Audit Report, & Letters of Audit Representations

Accompanied by the Consolidated Report & Financial Statements for the year-ended 31 July 2025, provided for information purposes, the Post Audit Report and the Letter of Audit Representations were received.

Excluding movements on the defined benefit pension liability, and other non-recurring items, the “operational” surplus for the year was confirmed to be £1,870,000 (24 – 1,506,000). The Post Audit Report then was reviewed noting:

- i Confirmation of unqualified audit opinions for the Financial Statements and the Regularity Assurance and no exceptions noted for the Certification of Teachers’ Pension Scheme.
- ii Confirmation that the one advisory point raised in 2023/24, for Cyber Essentials Certification to be obtained, had been fulfilled and no areas had been identified for 2024/25
- iii The key audit risks and outcomes, which confirmed:
 - No indication of material misstatement in the recognition of income and in respect of audit adjustments and unadjusted misstatements, only clearly trivial misstatements remained unadjusted
 - Accounting policies, estimates, and disclosures to be unchanged subject to the restatement of treatment of the College only reserves as at 1 August 2023 to reflect impairment of goodwill in relation to CK Assessment and Training Ltd

Responding to questioning it was explained that whilst always reflected correctly in Group consolidated figures, adjustment now was needed to also be reflected to College only reserves. Confirming no impact on the Group or consolidated position, members were advised that it was a technical adjustment disclosed as a restatement to College reserves in the Financial Statements, including the accounting policies

- No indication of income materially misstated due to invalid ILR data and no evidence of management override of controls or concerns regarding related party transactions
- Accounting estimates appeared reasonable and Capital Works appropriately treated
- Consolidation was considered to be appropriate and accurate and testing had been undertaken to ensure breaches of Bank loan covenant had not occurred
- Satisfaction in the Regularity conclusion reached

The Committee then reviewed and considered:

- iv The representations in the Letter of Audit Representations, noted to be standard in nature and confirming auditor understanding that:
 - Members exercised effective oversight of management’s processes for identifying and responding to the risks of fraud in the College and a system of internal controls was in place to mitigate these fraud risks
 - Members were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets

- There had not been any out of the ordinary transactions and subject to receipt of receipt of the final DfE funding reconciliation for 24/25, the Financial Statements should be prepared on a going concern basis on the grounds that, based on the assessment of the feasibility of future plans, current and future sources of funding or support would be adequate for the College's needs

After discussion, it was **RESOLVED** to **RECOMMEND** that the Corporation:

- v **NOTE** the unqualified Audit opinion, the unqualified Regularity Audit opinion and the no exceptions noted for the Certification of Teachers' Pension Scheme
- vi **NOTE** the assessment of the adequacy of the current and future sources of funding or support for the College needs over the coming twelve months from the date of approval of the Financial Statements; and the Committee's conclusion that no further disclosures were required in the Consolidated Report and Financial Statements regarding the College's ability to continue as a going concern.
- vii **NOTE** the Post-Audit Report and Consolidated Report & Financial Statements for the year-ended 31 July 2025 and **APPROVE** the Letters of Audit Representations **AUTHORISE** signature by the Chair of the Corporation and the Principal & Chief Executive.

b Audit Committee Annual Report

Summarising its activities during the year and advising the Board on the adequacy of the operation of the internal control systems in the College, the Committee's Annual Report was reviewed.

After confirming it represented an accurate reflection of the Committee's work for the period and based on the information provided and its enquiries of Management and Auditors, the Committee:

- i Concluded that it:
 - Had undertaken a rigorous review of the findings of reports, any matters for further attention identified by assurance providers; and follow up of the outstanding auditor recommendations, and whilst satisfied good progress had been maintained, it would continue to be given priority
 - Considered that it operated effectively in 2024/25 and that it met its Terms of Reference and the requirements of the College Financial Handbook
 - Had supported and challenged the College Management throughout 2024/25, to ensure there were effective risk management mechanisms in place and compliance with governance requirements and resolved to continue the development of its role in line with legislative and good practice requirements.
- ii Based on the information provided and considered and its review and enquiries of auditors and Management in the period under review, was of the opinion that the College had reasonable and effective assurance arrangements, frameworks for safeguarding, governance and risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets, and could provide reasonable assurance to the Corporation Board for the achievement of the College objectives

After consideration, and subject to the amendments requested, it was **RESOLVED** to:

- iii **APPROVE** the report and to **RECOMMEND** for the Corporation to **NOTE** the Committee's Annual Audit Report and its conclusions and assurances provided on the adequacy of the operation of the College's internal control systems

734 ACADEMIC YEAR 25/26

734.1 Internal Audit Service (IAS)

a. IAS - Audit Plan Progress Report

Confirming activity date, no proposed changes to the Audit Plan and the dates planned for the reviews and presentation of reports, the Audit Plan Progress Report was noted.

b. IAS – Risk & Review Reports

In line with the Internal Audit Plan for the year, reports were presented comprising:

i Use of Subsidiary Companies

A review assessing whether College companies operated in alignment with and effectively supported its strategic aims, contributed positively to its mission, and how well risks were managed and benefits generated were appropriately reinvested in the College, a Strong Assurance was confirmed.

Highlighting the two Low risks recommendations made, the report and its conclusions were reviewed. After reflecting on the observations in the report, members then were advised that the recommendations had been raised with and accepted by the respective Company Boards.

Following review, the report was noted.

ii Income Diversification/Business Development

After highlighting the objective of the review had been to support the development and maintenance of Income Diversification framework within the College it was reported that as an advisory only review, no assurance rating or recommendations had been made.

Confirming its conclusion that a strong framework had been established, the IAS advised how business opportunities were pursued, approved, and actioned, initiatives were aligned with Strategic Plan and internal delivery/ business cases were monitored, also highlighting the close team collaboration with marketing.

Following review, the report was noted.

c. Monitoring: (Prior) Audit Recommendations Tracker

The Autumn Term update was reviewed., recognising progress in the implementation of recommendations from previous reviews with ninety-one actions completed and of the twenty five actions ongoing, ten were not yet due for completion.

Particularly observing and questioning the two, longer standing actions with scheduled completion dates by the end of the autumn term, the ambitious nature of the timescales was acknowledged. After recognising the end of term to be imminent, it was confirmed that whilst completion was believed achievable, the position would be reconsidered to at least ascertain the availability of evidence to support their conclusion.

Following review, the update was noted

734.2 Compliance & Good Practice

a. Risk Management

In the context of the Committee's responsibilities, the second update of the term of the Risks Register was considered along with an update on related developments.

Discussing:

- i. The Risk Register, those ratings that remained largely unchanged were noted. Then focusing the more newly identified risks around:
 - Examinations and awarding body sanctions, it was noted that in line with the Audit Plan, the IAS review of the area was scheduled for the Spring term with the report to be presented at the March 26 meeting
 - The loss of key staff, questioning whether it had been raised in response to any particular areas of concern, noting it to have been highlighted for further consideration following more recent staff departures in key areas, explaining that a shortlist of such positions had been identified but that work was ongoing. Then reflecting on the timescales within which planning was to be concluded, members were advised how it remained under consideration as further attention was required to finalise and consider any necessary action before agreeing a more realistic period within which work in this regard would be concluded
- ii. The assessment of risks where progress appeared positive, noting that following recent and encouraging developments, these would be revisited and changes reflected in the Register when next presented. Then reflecting on the potential for the further development and inclusion in future reports of past and predictions around evolving risks, it was agreed for discussion in this regard to take place outside of the meeting.
- ii. Provision in the Internal Audit Plan for risk management training at the Board's Annual Conference in January 2026. Explaining that the format was to be confirmed, it was requested for it to focus on the management of risk rather than detail regarding Register completion
- iii. The recent Office for Students Letter sharing how it proposed to develop its approach to enhanced regulation of governance in the sector, noting its plans to be based on information for consideration and acknowledging the emerging risks it identified across the Higher Education sector

After review and concluding that the Register continued to reflect the most pertinent risks, the update was noted.

b. Updated Policy - General Data Protection Regulations (GDPR)

In the context of the Committee's previous discussions of the GDPR risk and review report and its request to expedite completion of audit recommendations in this regard, accompanied by associated supporting documentation, the updated GDPR Policy was presented.

Confirming arrangements for College compliance with data protection legislation, the amendments were reviewed and considered. After observing and on the basis that the amendments outlined were modest in nature rather than substantive or new changes requiring Board approval, it was **RESOLVED** to:

- i **APPROVE** the updated College GDPR Policy

735 OTHER BUSINESS & NEXT MEETING

735.1 Any Other Business

None advised.

735.2 Dates of the Next Meetings

All commencing at 5pm and on-line via teams, the dates were confirmed as:

Wednesday 11 March 2026

Wednesday 17 June 2026

Approved