

Audit Committee Minutes

Meeting	Audit Committee	Date	25 November 2025
Location	Broadstairs Executive Boardroom	Time	9.30 am
Membership	Peter Cheney [Chair], Carmel Togher (CT), <i>Jason Howard (JH)</i> , John Oliphant (JO)		
In Attendance	<p>Matthew Cooper (MC) – Chief Financial Officer  Paul Sayers (PS) – Assistant CEO, Information and Strategy  Jack Collison (JC) – Group Director of Governance and Corporate Services  Claire Banks (CB) – Governance Officer  Catherine Biscoe (CBI) - Buzzacott (Item 3)  Barry Boden (BB) – Group Director of Digital – (Item 9 - online)</p> <p><b>Business Committee Members in Attendance for Items 5 and 6</b>  Gail Clarke (GC) – (online)  <i>Siobhan Phillips (SP)</i>  <i>Charles Buchanan (CB)</i>  <i>Francesca Lasmar (FL)</i></p>		

*Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and apologies	The Chair welcomed everyone to the meeting, and introduced Catherine Biscoe, Buzzacott External Auditor. Apologies received from Jason Howard. Carmel Togher sent apologies for a potential late arrival. Members introduced themselves to Catherine Biscoe.	
2	Declaration of Interests	There were no additional declarations to the meeting other than those declared as standing.	

3	Independent Meeting with External Auditors Officers not in attendance	This item is considered confidential and will form Part A of the Confidential Minutes.	
4	Audit Committee Development session (to include Framework and guide for external auditors and reporting accountants of colleges) (Replaces post-16 Audit code of Practice)	<p>GC joined the meeting for Items 4, 5 and 6</p> <p><u>Audit Development Plan</u></p> <ul style="list-style-type: none"> <li>• New Framework for External Auditors: Incorporates existing requirements; audit and regularity framework unchanged, just repositioned.</li> <li>• College Financial Handbook (2025) - Critical for Audit Committee Governors and operations. Compliance remains mandatory; letters of engagement and regularity now sit within the Handbook.</li> <li>• Key Change - Accounting Officer's statement now includes feasibility (time scales, resources), aligning with Treasury requirements.</li> <li>• Procurement - Updated guidance to ensure competitive processes.</li> <li>• Governance - Transition from Corporate Governance Code to AoC Code of Good Governance for FE Colleges.</li> <li>• Novel &amp; Contentious Transactions - March 2025 guidance published—covers both transactions and perceptions.</li> <li>• Cybersecurity - DfE and National Crime Agency advise against paying ransomware demands.</li> <li>• DfE approval required for salaries over £174K (pro rata).</li> <li>• Approval needed for pay increase of 6%&lt; for roles already £174K&lt;</li> <li>• Severance payments - no approval for payments &lt;£50K.</li> <li>• Timely publishing of minutes (within 6 months).</li> <li>• Accounting Standards: Changes effective Jan 2026, impacting 2026/27 accounts; minimal effect on FE sector.</li> </ul>	

5	<p>5.1 Group Financial Statements &amp; Management report to 31 July 2025</p> <p>5.2 Draft Letter of Representations - Group</p> <p>5.3 Post Audit Report - Group</p>	<p>This item is considered confidential and will form Part A of the Confidential Minutes.</p>	
6	<p>6.1 Yarrow Hotel Limited Report Financial Statements to 31 July 2025</p> <p>6.2 Draft Letter of Representations – Yarrow Hotel Limited</p>	<p>This item is considered confidential and will form Part A of the Confidential Minutes.</p> <p>CBI and GC left the meeting at 10:52</p>	
7	<p>- Minutes of the meeting held 24 June 2025</p>	<p>The minutes of the Audit Committee meeting held on 24 June 2025 were reviewed by Committee members.</p> <p>The Committee approved the minutes as a true and fair account of the meeting. The minutes will be signed by the Chair following the meeting.</p> <p>The Chair queried if the 2021/22 VAT claim of 59K has now been received by the Group.</p>	

	- Matters arising not covered by this agenda	<p>MC will confirm if this has been received.</p> <p>The Chair noted that following the receipt of this claim, the Group were going to proceed with further year VAT claims. Has that now progressed.</p> <p>MC will confirm if further claims are in progress.</p>	<p>MC</p> <p>MC</p>
8	Terms of Reference for the Audit Committee	<p>JC presented the Terms of Reference for Audit Committee for 2025/26 and noted there are no changes to report.</p> <p style="text-align: center;"><b>AGREED: Terms of Reference for Audit Committee 2025/26</b></p>	
9	Cyber Essentials Accreditation Report	This item is considered confidential and will form Part A of the Confidential Minutes.	
10	Risk, Audit and Compliance Committee Report	<p>The Assistant CEO, Information and Strategy (PS) presented the Risk, Audit and Compliance Committee (RAC) report. The following was noted:</p> <p>PS noted that in previous meetings, full minutes of the Risk, Audit and Compliance Committee were provided. A summary report is now presented highlighting key discussion points and resulting actions for efficiency and greater clarity.</p> <p><b>Group Risk Register:</b></p> <ul style="list-style-type: none"> <li>• To be reviewed under a separate agenda item later in the meeting.</li> </ul> <p><b>Internal Audit Plan:</b></p> <ul style="list-style-type: none"> <li>• Updates on student data compliance and funding rules remain a standing agenda item.</li> <li>• Progress continues on addressing outstanding audit points.</li> </ul> <p><b>Data Protection &amp; Freedom of Information (FOI):</b></p> <ul style="list-style-type: none"> <li>• Increase in reported incidents, primarily emails sent to incorrect recipients.</li> <li>• None met the threshold for referral to the ICO in academic year 2024-2025.</li> <li>• Staff reminded to exercise caution when selecting recipients in email systems.</li> </ul> <p><b>Health &amp; Safety:</b></p> <ul style="list-style-type: none"> <li>• Areas not inspected last year prioritised for early review this year (e.g., engineering workshops).</li> </ul>	

		<ul style="list-style-type: none"> <li>• Significant work completed to ensure adequate first aid provision across all sites, including leased premises.</li> </ul> <p><b>Cyber Essentials Plus:</b></p> <ul style="list-style-type: none"> <li>• Re-accreditation achieved (reported separately in item 9 by Barry Boden).</li> <li>• Ongoing focus on cybersecurity risk and supply chain compliance.</li> </ul> <p><b>Email &amp; Data Retention Policy:</b></p> <ul style="list-style-type: none"> <li>• New retention periods introduced: 6 years for emails, 6 months for Teams chats, with phased reduction over time.</li> <li>• Supports compliance, sustainability, AI strategy, and reduces cyber risk.</li> </ul> <p>Governors queried whether this would simplify the data breach and FOI request process.</p> <p>PS confirmed it would make a significant difference to the process.</p> <p>Governors queried if the retention period would be an automated process or human initiated.</p> <p>PS confirmed it will be an automated process.</p> <p style="text-align: center;"><b>NOTED: Risk, Audit and Compliance Committee Report</b></p>	
11	<p>11.1 Annual Audit Report by Chair including agreement to signoff Regularity Self-Assessment Questionnaire by Accounting Officer and Chair of Governors</p> <p>- 11.2 Appendix 1 – Audit Committee Self-Assessment Evaluation</p>	<p>The Chair presented the Annual Audit Report and noted the following:</p> <p><b>Purpose of Report:</b></p> <ul style="list-style-type: none"> <li>• Sets out the basis for Audit Committee recommendations to the Full Governing Body (FGB) and includes sign-off of:             <ul style="list-style-type: none"> <li>○ Financial Statements</li> <li>○ Letter of Representation</li> <li>○ Regularity Self-Assessment</li> </ul> </li> <li>• The report includes:             <ul style="list-style-type: none"> <li>○ Summary of Audit Committee meetings held</li> <li>○ Internal audits completed</li> <li>○ Audit Committee performance in fulfilling delegated responsibilities</li> </ul> </li> <li>• The report concludes that principal statements can be signed off.</li> </ul>	

	<p>- 11.3 Appendix 2 - Regularity Self-Assessment Questionnaire</p>	<ul style="list-style-type: none"> <li>The Chair confirmed additional work is required on the Regularity Self-Assessment before finalisation of the report.</li> </ul> <p>JC noted job titles require updating, references should be to DfE (not ESFA) and some questions remain unanswered on the Regularity Self-Assessment. JC to feedback required changes to MC in order for him to update the outstanding items.</p> <p>JC queried whether the Committee should recommend approval to FGB, subject to amendments, or if the Committee required sight of the updated report prior to recommendation.</p> <p>Governors confirmed agreement to recommend to FGB, subject to updates being made. The Chair noted the updated report will be included in the combined papers for FGB on 9 December 2025.</p> <p><b>AGREED:</b> The Annual Audit Committee Report 2024-25, to be presented to the Full Governing Body on 9 December 2025.</p> <p><b>AGREED:</b> Governors recommended the Regularity Self-Assessment questionnaire for progression to FGB and signature by the Accounting Officer and Chair of the Full Governing Body, subject to amendment and completion of outstanding fields.</p>	<p>MC</p>
<p>12</p>	<p>Financial Regulations Update</p>	<p>The Chair reported that item 12, Financial Regulations Update will be deferred until the next Audit Committee meeting in March.</p> <p>MC noted that CBI had covered some updates in Item 5.</p>	<p>MC</p>
<p>13</p>	<p>11.1 Risk Management Report 11.2 Risk Register</p>	<p>The Assistant CEO, Information and Strategy (PS) presented the Risk Management Report and the Committee were asked to note the Risk Register and residual risk movement map.</p> <ul style="list-style-type: none"> <li>JC led a refresh of the Risk Register to align with the 2025-29 Strategic Plan and include broader risks (e.g., financial).</li> <li>Mitigating actions updated and assigned to responsible GLB members.</li> <li>Relevant Committees are now responsible for their own risks, improving practice,</li> </ul>	

	<p>11.3 Residual Risk Movement map</p>	<p>compared to Audit Committee assuring all risks.</p> <ul style="list-style-type: none"> <li>• The Risk Register will continue to be presented to Audit Committee for oversight of operational risks.</li> <li>• Definitions of risks were clarified for Governors:             <ul style="list-style-type: none"> <li>○ Original Risk: Risk without mitigation (worst-case scenario).</li> <li>○ Target Risk: Where we aim to be if all actions succeed.</li> <li>○ Residual Risk: Current position after mitigation.</li> </ul> </li> </ul> <p>Governors queried the relevance of original risk once mitigations are in place.</p> <p>JC noted previous Committee feedback suggests rewording as “risk without mitigation.”</p> <p>Governors queried the robustness of risk scoring and reliance on risk owners.</p> <p>The Chair noted Committees should validate risks and refer any concerns to Audit Committee.</p> <p>Governors highlighted that significant effort may only slightly reduce scores (e.g., 8 to 6), but this reflects a strong starting position.</p> <p>Governors suggested risks identified as ‘red’ after mitigation should be visible to FGB for assurance and progress monitoring.</p> <p>PS confirmed red risks can be extracted and flagged.</p> <p>JC will add an Audit Committee ‘high-risks’ item in the next FGB agenda setting meeting.</p> <p>PS noted the current red risks are Risk 9: Adhere and respond to Government policy and regulation and Risk 10: Cybersecurity (heightened risk impacting business continuity).</p> <p>Governors queried if the Group use any peer comparison for the Risk Register.</p> <p>PS confirmed liaison with other colleges on presentation format, not specific risks.</p>	<p>JC</p> <p>JC</p>
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14	Governing Body Audit Plan 2025-26 Update	<p>JC reported that as a result of the DfE funding audit, the block two audit is now proposed to be changed to a student financial support audit, as previously discussed in item 13.</p> <p>PS suggested the audit is scheduled for April / May, subject to DfE audit progress, with a report presented at the June Audit Committee meeting.</p> <p>Governors agreed to the proposed change to block two of the Governing Body Internal Audit Plan for 2025-26.</p> <p>Governors queried when the re-tendering process for auditors will be conducted.</p> <p>MC confirmed a re-tendering process for Internal Auditors will likely be carried out next year, however the External Auditor re-tendering process will be deferred until the following year due to the impact of the implementation of the Sage system.</p> <p>PS suggested that going forward, an audit service that covered both financial management control and ILR could be beneficial.</p> <p style="text-align: center;"><b>AGREED : Update to replace Block two of the Governing Body Audit Plan 2025-2026 with a Student Financial Support Audit.</b></p>	JC
15	Any Other Business	No other business	
16	Matters Considered Confidential	Item 3, 5, 6 and 9 are considered confidential and will be included in Confidential Minutes Part A.	
17	Date and time of next meeting	3 March 2026 at 09:30, Folkestone Executive Boardroom	

There being no further business the meeting closed at 11.32

Signed: 

Print: **JOHN OLIPHANT**

Date: **3/3/26.**