The FGB Chair, CEO, and Group Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 7 September 2026.

Audit Committee Meeting of 25 November 2025 Confidential Part A

	ITEM	COMMENTS	ACTION
	3	(PS, MC, JC and CSB left the meeting at 09:35) The Independent Governors met, and the Chair asked Catherine Biscoe to confirm, despite changes to leadership, if the audit was satisfactory and whether there was anything outside of the report that she would like to bring to the attention of the Independent Governors. CBI confirmed that the audit went well and there was nothing in addition that she wished to discuss with the Independent Governors. (PS, MC, JC and CSB re-joined the meeting after this item at 09:46). GC joined the meeting for Items 4, 5 and 6	
	5	Catherine Biscoe presented the Group Financial Statements and Management Report to 31 July 2025. The following was noted: <u>Key Points from External Audit:</u> • Audit progress was smooth, a clean set of accounts were received. • Buzzacott reported that the audit went well and that the timetable for overall completion has been met.	

		• Any outstanding matters will be actioned at finalisation of the accounts before being presented to Full Governing Body (FGB) for approval on the 9 December 2025. • There are no concerns raised and is noted that the Group has "outstanding" financial health according to the current education sector EBITDA ratio. • Recommendations are included in Appendix two of the report and have been agreed by Senior Management. • CBI noted a DfE funding Audit is planned for the Group, however this poses no concerns from an audit perspective. • CBI thanked the finance team, in particular MC and Steve Margetts for their support during the audit making it an efficient process. Governors noted the approval request to the DfE for the bad debt write-off for Folkestone Anne's Restaurant and queried whether the DfE typically refuses approval for bad debt write-off. CBI confirmed it is a small balance and unlikely to be reclaimed. The original funding decision was aligned with charitable objectives. Governors queried the compliance issue where the Group failed to notify the DfE about the temporary appointment of an interim CFO. PS confirmed the appointment was off-payroll via a limited company on a fixed-term basis. This was an unusual arrangement and therefore an oversight. JC highlighted a question received from a Business Committee Governor who was unable to attend the meeting - is any retrospective action necessary for this infringement of the College Financial Handbook, and is there a process in place to ensure this does not happen again. PS confirmed the intention to notify the territorial team before they receive the post-audit report. PS also noted the importance of complying with the College Financial Handbook to ensure compliance in the future.	

		CBI confirmed there is no modification to the regularity audit due to this audit observation. JC noted the following questions on the Financial Statement have been raised by a Business Committee Governor who was unable to attend the meeting: Page 8 – Financial Results - Query whether figures in the second paragraph should be shown in pounds. MC noted the error; this will be corrected. Page 9 – Principal Risks and Uncertainties - Why do these risks not align with the Group's Risk Register. The Chair clarified these risks are prescribed by audit regulations rather than the Risk Register. PS noted the full Risk Register inclusion would not be appropriate. Page 9 – Government Funding and Policy - Brackets suggest FE benchmark is unchanged at 84.3%, however this likely refers to group position. PS suggested this should be checked as to whether the percentage refers to the Group or FE benchmark. Page 11 – Carbon Emissions - Query as to why the average per staff member is used, with the suggestion that student numbers may be more meaningful. Governors suggested the measure should be relevant and consistent. PS agreed both student and staff data could be shown; Dan Shelley can confirm calculation method. Page 11 - Broadstairs Gas Usage - Query regarding the outcome of investigations.	

		PS suggested this may be under-reporting or perhaps a boiler issue. Dan Shelley could provide feedback. Page 14 – Payment Performance - Query if Sage will improve reporting. MC confirmed Sage will not necessarily improve the functionality of this aspect, however, may make it easier for the team to process. Page 47 – CEO Compensation - Concern that figures appear inflated due to overlap of outgoing and incoming CEO for 3 months. Governors suggested adding a note explaining overlap for transparency. CBI confirmed a statement could be added to confirm why the amount is higher to avoid misleading impression that one individual received excessive pay. Governors agreed that management should add a statement to confirm why the amount is higher to avoid misleading impression that one individual received excessive pay. AGREED: The Audit Committee recommend the Group Financial Statements and Management Reports to 31 July 2025 to FGB, subject to the noted amendments, for approval and signature by the Chair of the Full Governing Body and the Chief Accounting Officer. AGREED: The Audit Committee recommend that the Group Audit Representation Letter be signed by the Chair of the Full Governing Body and the Chief Accounting Officer.	
	6	CBI presented the Yarrow Hotel Limited Report and Financial Statements to 31 July 2025. The following was noted:	

		The Chair noted there is one outstanding item requiring more information, to demonstrate the Yarrow is a going concern. MC confirmed this should be ready by 26 November and changed accordingly. The Chair queried if there is anything in the report that needs to be highlighted. CBI reported there are no disclosures beyond the historic deficit position, however this has now been addressed. Following discussion it was noted that it is the Board of Directors who will be approving the Yarrow as a going concern. The role of the Audit Committee and Full Governing Body is to approve the continued investment of the Group in the subsidiary company. Governors noted awareness that the Yarrow is operating at a loss, however the value attached to the provision of student training and work placement hours balance this loss. Governors suggested a statement and evidence to this effect could be useful. It may be favourable to reference that it is a loss making facility in the report. MC noted that following the recent work carried out on the accounts and the recommended adjustments, the Yarrow will now be operating at a profit. Following discussion, Governors agreed that with the recently agreed financial adjustment it would not be necessary to reference this evidence in the Yarrow report. AGREED: The Audit Committee recommend the Yarrow Report and Financial Statements to 31 July 2025 be approved and signed by the Chair of the Full Governing Body and the Chief Accounting Officer subject to the one change outlined above. AGREED: The Audit Committee recommend that the Yarrow Audit Representation	

		Letter be signed by the Chair of the Full Governing Body and the Chief Accounting Officer. The Chair thanked CBI for her contribution to the meeting. CBI and GC left the meeting at 10:52	

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