

## TRAFFORD &amp; STOCKPORT COLLEGE GROUP

**Minutes of the Audit Committee Meeting**  
**held on Monday 17 November 2025 at 1.00pm in the Boardroom at the Altrincham Campus**

|                       |                    |   |
|-----------------------|--------------------|---|
| <b>Present:</b>       | Heather Lang       | (Chair)                                 |
|                       | Ian Duncan         |   |
|                       | *Shaun Parker      | (Vice Chair)                            |
|                       | Catherine Thomas   |   |
|                       | Jeremy Woodside    |   |
| <br>                  |                    |   |
| <b>In Attendance:</b> | Rebecca Clare      | (Corporation Secretary)                 |
|                       | Henry Taylor-Toone | (Chief Finance and Operations Officer)  |
|                       | Lyndsay Sheridan   | (Director of Finance)                   |
|                       | Karen Rae          | (Armstrong Watson – Audit Manager)      |
|                       | Helen Armstrong    | (Menzies formally Beever and Struthers) |
|                       | Yvonne Riley       | (Assistant Corporation Secretary)       |
|                       | *Jess Pembroke     | (Naomi Korn Associates)                 |
|                       | Michelle Leslie    | (Chief People Officer)                  |

\*Joined remotely via Microsoft Teams

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**AUD/30/25            Apologies for Absence**

The Corporation Secretary (CS) reported that apologies for absence had been received from Matthew Swann.

**AUD/31/25            Declarations of Interest**

Governor, Shaun Parker (SP) disclosed a potential conflict of interest concerning a proposal for a risk review to be conducted by RSM (his employer). It was determined that this matter did not compromise the governor's independence, as it pertained specifically to a risk review rather than the provision of assurance services. (SP) was not present during the discussion regarding the proposal.

There were no further declarations of either direct or indirect interest in any of the meeting's business items.

**AUD/32/25            Minutes of the Meeting held on 23 June 2025**

**The minutes of the Committee meeting were approved and accepted as a correct record of the meeting.**

**AUD/33/25            Matters Arising from the Minutes**

The Chair of the Audit Committee referred members to the previously circulated summary and progress update concerning the actions arising from the minutes and earlier meetings of the Audit Committee.

It was noted that the majority of actions had been closed or would be considered as part of the meeting agenda.

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- The Chief Finance and Operations Officer (CFOO) confirmed that timeframes for monitoring risk appetite would be added to the Risk Policy and Procedure upon next review.
- In relation to the National Updates report, the CFOO will provide the next report in either the summer or autumn term and a compliance grading would be added to each section of the document to add assurance.
- A Procurement update for all governors is scheduled for July, and the move towards strategic procurement is ongoing, with current focus on compliance.

There were no further matters arising from the minutes.

**AUD/34/25****Data Protection Annual Impact Report 2024/2025**

The Information Governance Manager (IGM) from Naomi Korn Associates referred members to the previously circulated annual impact report and an overview of the service provided and its effectiveness across the operations of the Group.

The impact report covered the following key areas of focus:

- Advice and guidance offered via the data protection inbox
- Training and awareness themes
- Requests for information/ compliance statistics
- Compliance activities
- Future plans

**Advice and Guidance**

The IGM highlighted the areas where advice and guidance had been provided throughout the academic year, which included: data protection clauses for contracts; due diligence for new suppliers; internal and external information sharing; handling complex Subject Access Requests (SARs); redacting information for reports; support of internal teams to enable students to register to vote as they enrol, including presenting at GMCA; IP and copyright advice.

**Training and Awareness**

Training sessions included:

- Specific training for the MIS team on data requests
- Keeping paper records safe
- Safe use of emails, including checking recipients and attachments
- Freedom of information guidance
- DPIAs
- Data sharing
- Cyber security awareness in light of major cyber security incidents in the news this year

**Compliance and Oversight:**

Compliance and oversight statistics included:

- 8 Data Protection and Impact Assessments (DPIAs)
- 18 Data breaches (IGM confirmed a healthy sign of awareness and proactive reporting)
- 30 Personal data requests
- 17 Freedom of Information requests

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Compliance activities included:

- Regular contact with various departments
- Compliance reporting
- Development of Records of Processing Activities (ROPA), Information Asset and Controller/Processor Registers
- Creation of centralised records for all information requests, breaches and DPIAs
- Review of all data protection and UK GDPR policies
- Review of processor breaches
- Review of data sharing agreements between the Group and other institutions

**Future Plans**

The IGM confirmed future activities which included, embedding documentation in projects, drafting a retention schedule for the Group, to conduct a retrospective CCTV DPIA and create a CCTV policy. It was also confirmed that privacy impact statements would be reviewed for new technologies, including AI tools to ensure learner data is not used for model training.

Comments and questions were invited.

**Action: Information Governance Manager**

**A member raised a question about the number of requests and the lack of context or comparison to previous years. The IGM responded that future reports would include year on year tables and compliance with timescales, and that a quarterly report will be aligned with academic terms for consistency.**

**There were no further questions or issues raised by members arising from the report and after discussion and consideration it was resolved that the Protection Annual Impact Report 2024/2025 be recommended to the Board of the Corporation for approval.**

**AUD/35/25****Data Protection Progress Update**

The IGM referred members to the previously circulated report and summary of the latest position regarding data protection and its effectiveness across the operations of the Group.

It was noted that the Group must be able to demonstrate its compliance as set out under the UK General Data Protection Regulations and that the highest level of leadership considers data protection issues and risks.

The following areas of the report were highlighted:

- Overall Compliance
- Data protection Impact Assessments (DPIAs)
- Personal Data Breaches

Key points included:

- There were no breaches that required ICO or Data Subject notification. Lessons learned are recorded and shared internally to improve practices.
- For the period June to November, 17 SARs were received, with 88.3% completed on time. The goal is to reach 100% compliance, and the IGM confirmed that they

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are not concerned by the current rate, as delays are rare and typically only a few days.

- All Freedom of Information requests were completed on time, with no complaints or issues.
- Risk assessments were conducted for equipment transfer and the AI tool Perlos, ensuring learner data is not used to train AI models. AI is noted as an increasing issue in data protection.

Questions and comments were invited.

A member asked if Subject Access Requests (SARs) were mainly from people who had left the organisation or current members of staff. The IGM explained that there were four main groups: routine requests (e.g. proof of course/training), current/former staff or students in dispute, and those with ongoing or completed internal processes.

A member questioned whether staff are trained to keep records objective and professional, and if there had been issues with inappropriate content. The IGM confirmed that unprofessional communication was now very rare, and staff were generally objective in their records.

The Committee asked if Teams messages were included in SARs, as informal communication may occur there. The IGM confirmed that this depends on the request, but more people were now asking for Teams and WhatsApp data, and staff were encouraged to use official channels.

**Action: Information Governance Manager**

**There was a question about SARs that missed the deadline and how the committee is informed about outstanding or significantly delayed requests. The IGM explained that delays are rare and usually only by a few days; any significant delays would be reported to the CFOO, and it was confirmed that future reports would include the number of days late.**

The Committee discussed the risks of using email for sensitive HR and student data. The CFOO confirmed that HR is the highest risk area, and efforts were underway to move to more secure systems like SharePoint and to encourage use of Teams for sensitive conversations.

There were no further questions or issues raised by members arising from the report and after discussion and consideration it was resolved that the Data Protection Progress update be received and noted.

**AUD/36/25****Draft Internal Audit Annual Report 2024/2025**

The Internal Auditor (IA) referred members to the previously circulated report and summary of the internal audit work undertaken by Beever and Struthers during the 2024/2025 financial year.

The report provided the Committee with the following information:

- A review of the work undertaken in 2024/2025.
- The progress made on the implementation of previously agreed internal audit recommendations.

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- The extent to which any internal audit recommendations were not accepted by management.
- Limitations being placed on the scope of the internal audit work and whether it would restrict the auditor's ability to meet the assurance needs of the Board.
- Follow up which focused only on recommendations raised by the previous internal auditors.

It was confirmed that, based on the work undertaken and subject to the weaknesses identified and reported in the internal audit reports, the Board could be provided with a reasonable level of assurance that there was an effective framework of governance, risk management and internal control at the Group. The internal audit provided a reasonable level of assurance on both the design and operation of controls. This was based on the audits conducted throughout the year, which included 20 recommendations evenly split between design and operation. The IA confirmed that most recommendations were related to strengthening the quality of procedures and ensuring compliance. There were a 96% implementation rate for followed up recommendations with 32 recommendations carried forward into the current year. The committee noted the positive improvement rate from the overall implementation rate of 78% the previous year to 96%.

Comments and questions were invited.

A member questioned in relation to the follow-up process, specifically why low and medium priority recommendations from 2024/25 were not followed up. The IA clarified that management assurance was provided through the CFOO's work, but these were excluded from the formal assurance opinion.

The Committee discussed the positive implementation rate of recommendations, which was confirmed at 96% for the year. There are 32 recommendations being carried forward. The CFOO confirmed that these are either not yet due or still require a follow up.

**Action: Governance Team**

**The IA confirmed that thematic analysis of recommendations had been included in the report following a previous action from the Audit Committee. The IA described how the report included a breakdown of design and non-compliance recommendations across two years, showing a focus on strengthening strategy, policies, procedures, and monitoring/reporting. It was noted that this action would be closed and removed from the action proforma.**

**There were no issues raised by members arising from the report and after due discussion and consideration it was resolved that the Draft Internal Audit Report 2024/2025 be recommended to the Board of the Corporation for approval.**

**AUD/37/25****Internal Audit Reporting**

The Committee received the Internal Audit reports as follows:

**Customer Engagement**

The Internal Auditor (IA) advised that the scope was to review the new customer engagement strategy and to benchmark the strategy and assess controls.

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Areas included within the review:

- Benchmarking of the Employer and External Stakeholder Strategy 2024/2030
- Review and sample testing of objectives against the four areas of the Strategy
- Review of roles and responsibilities around customer engagement

The IA provided a detailed overview of the findings from the report including an explanation of the 2 recommendations from the report (1 medium/1 low).

The IA reported the detail surrounding the recommendations:

- The customer engagement strategy was approved in March and was still in the early stages of implementation. At the time of audit, some steering groups and subcommittees had only met once, and terms of reference for these groups had not yet been formalised. It was noted that the area was scheduled for reassessment in 12 months; however, it was observed that initial progress had been positive.
- The main recommendation was to further strengthen the strategy by linking it to other initiatives and ensuring the feedback loop to stakeholders was closed.

A member asked whether this was the final report, and the CFOO confirmed that it was.

**Learner Numbers 16-19 Funding (including Apprenticeships)**

The Internal Auditor (IA) advised that the scope of the review focused on the Group's main Department for Education (DfE) 16 to 19 and Apprenticeship Funding streams.

There was confirmation that the scope was based on an Individual Learning Record (ILR) file dated 6 May 2025. This included 16 to 19 study programme learners with a funding value of £34,228k, T Levels of £2,002k and Apprenticeships of £2,963k. It was noted that the value shown on the ILR for 16 to 19 and T levels represented the value for the full academic year whereas the apprenticeship value was that earned to date in the academic year.

- **16-19 Follow up**

There was confirmation that the scope covered a review of the follow up sample of 15 (2023/24 sample 30).

There was confirmation that of the 5 recommendations followed up, two high, and two medium recommendations had been implemented (80%). It was reported that the remaining low recommendation was in progress but required further action to be fully implemented. The IA confirmed the area had shown significant improvement, attributed to increased resources and effort in the MIS Team and second line checking processes.

The IA reported that there were no errors had been found in the 16-19 sample, which was considered a strong result.

- **Apprenticeships**

There was confirmation that the scope covered a review of the sample of 15 (2023/24 not tested) apprentices.

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The IA provided a detailed overview of the findings from the report including an explanation of the 4 recommendations from the report (3 medium and 1 low).

The IA reported the detail surrounding the recommendations.

- The audit identified record-keeping issues, with 3 medium recommendations. Data errors (not funding errors) were found in 12 out of 15 samples, indicating a high error percentage. Issues included lack of documentation, fragmented processes, and inconsistent recording of off the job training.
- Some errors were attributed to resources gaps for e.g. assessors not available and complexity in apprenticeship data requirements.

The CFOO confirmed further improvements were planned, including better tracking and spot-checking of off the job training evidence. The CFOO confirmed that the tracker would be a key measure in the future.

A member asked if there were examples of effective practices within the sector that could be shared to help the organisation address data errors in the future.

Both the IA and External Auditor (EA) confirmed that data errors in apprenticeship funding are common across the sector, and achieving 100% accuracy is rare. The CFOO confirmed that the Group is focusing on reducing error rates, automating processes, and strengthening second-line checking, especially for higher education and apprenticeships.

**ILR HE Funding**

The Internal Auditor (IA) advised that the scope was to review student data for 2024/25 and report on the level of compliance, following up on the recommendations raised in the OfS 2019-20 report and our subsequent 2022/23 and 2023/24 ILR data audit action plans.

There was confirmation that the scope covered a review of a sample of 60 targeted learners to ensure reasonable coverage of issues identified during the previous reviews (data analytics in sample selection is not possible due to the data format) and to represent the number of students learning during 2024/25.

It was also confirmed that a review was undertaken of the second line of defence controls that have been introduced to improve the OfS student data and conclude on effectiveness of design and consistency of operation.

The IA provided a detailed overview of the findings from the report. There was confirmation that no additional issues with respect to the Group's HE subcontractor in 2024/25 and noted that activity with the subcontractor had now ceased.

The IA reported the detail surrounding the recommendations.

- Some errors were due to legacy data prior to the implementation of online enrolment.
- The team had made ongoing improvements, with many recommendations now considered implemented. Automation (such as online enrolment) was expected to further reduce errors.
- The main remaining issue was around qualification level data, with plans to build more checks into the process. In some cases, auditors could not determine the

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correct entry, only that the current data was incorrect, indicating a need for better record-keeping.

- HE student numbers were declining, and a review of the area was required to support future strategic development through marketing and improved offer for students. The CFOO reported that the Group would remain focussed on improving compliance despite lower numbers in the area.

The CFOO confirmed that the Group would continue to audit the data processes, with additional data audits planned during the year.

The Audit Committee noted the journey of improvement and positive steps taken to further reduce errors through automation.

**Quality Assurance Framework**

The Internal Auditor (IA) advised that the scope was to review and provide assurance over the completion of actions from the SAR/QIPs to ensure these had been completed and documented.

Areas included within the review:

- The Quality Assurance and Improvement Procedure.
- SARs and QIPs for sampled curriculum areas.
- Progress Board reporting and monitoring of QIP actions.
- Performance reporting and identification of courses at risk.
- Curriculum Development Area Reviews (CDARs).
- Learner Voice activity and reporting.
- Quality assurance roles and responsibilities, including job descriptions and relevant committee Terms of Reference.

The IA provided a detailed overview of the findings from the report including an explanation of the 5 recommendations from the report (5 low).

The IA reported the detail surrounding the recommendations.

- Substantial assurance was provided around operation.
- The recommendations were low level and included a recommendation to formalise evaluation and peer review.

**Follow Up**

It was confirmed that the purpose of the review was to provide assurance on the implementation of internal audit high/ medium recommendations raised during 2023/24.

The IA reported that, to keep the follow up within budget, all low recommendations had been followed up internally by Management.

It was advised that 23 recommendations (5 high/18 medium) had been reviewed and of that 22 had been confirmed as implemented (4 high/18 medium).

The IA reported the detail surrounding the follow up of the recommendations.

- There was a request to withdraw two recommendations due to system limitations for GDPR automated deletion and replacement of the HR Performance Management system.

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- There was a request to extend the date for Health and Safety tracking. The CFOO confirmed that the recommendation relating to Health and Safety remedial actions were now managed manually and considered effective, but documentation of roles and responsibilities was still pending.

The Audit Committee approved the withdrawal of two recommendations relating to GDPR automated deletion and HR system upgrade. The date for Health and Safety tracking was agreed to be extended.

The CFOO confirmed that the recommendation relating to Health and Safety remedial actions are now managed manually and considered effective, but documentation of roles and responsibilities is still pending.

A member questioned the process for tracking and closing recommendations. The CFOO confirmed that the process involves both internal management and periodic internal audit sample testing for assurance.

**Internal Audit Progress Report 2025-2026**

The IA advised and updated the Committee concerning the current progress in respect of delivering the agreed Internal Audit Plan for 2025/2026.

The IA provided the Committee with an overview of the planned audits for the year, together with the proposed scoping and timing arrangements and stated that it was anticipated that all the audits should be completed by the end of the Academic Year 2025/2026.

The IA confirmed that reasonable assurance provided so far, primarily from the quality assurance audit. The IA confirmed that the Business Critical controls work was underway and that the next audit would focus on onboarding learner journey, including automation processes. There were 11 audit recommendations included in the report.

The IA confirmed the schedule for the remainder of the academic year.

A member questioned how the audit schedule is determined. The CFOO confirmed that this was determined by TSCG team availability, with the autumn term being particularly busy. The member asked if there was flexibility in the plan to avoid clustering audits at year end. The CFOO confirmed that there was flexibility within the plan to adjust as needed.

**There were no further questions or issues raised by members arising from the reports and after due discussion and consideration it was resolved that the following reports be shared with the Board of the Corporation for approval:**

- **Customer Engagement**
- **Learner Numbers 16-19 Funding (including Apprenticeships)**
- **ILR HE Funding**
- **Follow Up**
- **Quality Assurance Framework**
- **Internal Audit Progress Report**

**AUD/38/25****Internal Audit Tracker – Management Actions Arising from Audit Reports**

**Minute No**

The Chief Finance and Operations Officer (CFOO) referred members to the previously circulated report and an update on outstanding audit recommendations with a view to providing assurance that previously agreed audit recommendations were being implemented within appropriate timescales.

The report provided members with detailed progress that had been made in respect of audit recommendations. There was confirmation that there were no high recommendations open, and the report included recommendations from the recent Quality Assurance Internal Audit. The CFOO confirmed that actions were being closed at a positive pace.

Comments and questions were invited.

**Action: Chief Finance and Operations Officer**

**In response to a question from a member, the CFOO agreed to add a column to the tracker to confirm where recommendations were completed and not yet signed off by the Internal Auditors to improve transparency and reconciliation.**

A member questioned the process for the removal of low level recommendations. The CFOO confirmed that the audit tracker and low level recommendations were managed internally. The CFOO confirmed that the process ensured that high priority items were not closed without proper review by the IA and Audit Committee.

There were no questions or issues raised by members arising from the reports and after due discussion and consideration it was resolved that the Internal Audit Tracker be received and noted.

**AUD/39/25****Draft Report and Financial Statements – The Trafford and Stockport College Group including the Letter of Representation for the period ending 31 July 2025**

The Chief Finance and Operations Officer (CFOO) referred members to the previously circulated Draft Report and Financial Statements (DRFS) and Letter of Representation (LR) for the period ending 31 July 2025. There was confirmation that the report also included information in relation to the assessment of Going Concern.

There was confirmation that the Group was obliged to prepare an Annual Report and Financial Statements (ARFS) to 31 July each year. It was stated that the DRFS were subject to external audit and that the Regularity Self-Assessment (RSA) was subject to assurance engagement. Members were reminded that both documents were required to be submitted to the DfE for review by 31 December 2025.

It was noted that the DRFS had been considered in detail by the Resources Committee at its meeting held on 12 November 2025.

The CFOO took members through the narrative of the DRFS, and attention was drawn to the following:

- Reconciliation of P12 Management Accounts to Statutory Accounts.
- No Audit Adjustments noted at the time of writing and all statutory adjustments are in line with expectation.
- As no impact on underlying Ed. EBITDA Financial Health still in line with what we reported at P12.

**Minute No**

Questions and comments were invited from members.

A member questioned the approval and accounting treatment of a write-off that appears in multiple reports, seeking clarification on its status and impact. The CFOO explained it was a DfE process issue, fully provided for and is pending DfE approval.

**Going Concern Assessment**

The CFOO referred members to the previously circulated going concern assessment and sensitivity analysis.

It was confirmed that the assessment identified the following:

- 2024/2025 performance against budget
- 2024/2025 budget and 3-year plan
- Sensitivity analysis
- Update as of 22 October

In conclusion, the CFOO reported that, at the date of signing the FY24/25 financial statements the assessment shows that the Group would be able to continue to operate for a period of no less than 12 months from the date of signing and is therefore a going concern.

The CFOO further reported that, in terms of the next steps, the DRFS would be presented to the Board of the Corporation on 10 December 2025 for discussion and formal approval. The CFOO stated that once approved the accounts would be signed and submitted to the DfE prior to 31 December 2025 and published on the Group's website in advance of 31 January 2026

**There were no further issues raised by members arising from the report and after due discussion and consideration it was unanimously resolved that it be recommended to the Board of the Corporation that, the Draft Report and Financial Statements as prepared under the Going Concern assumption, and Letter of Representation for the period ending 31 July 2025 be approved.**

**AUD/40/25****Final Management and Governance Report for the period ending 31 July 2025**

The Financial Statements and Regularity Auditors (FSRA) presented a copy of their Final Management and Governance Report (FMGR) for the year ending 31 July 2025.

The FRSA commented that the audit had progressed well and had encountered no significant difficulties. The FSRA confirmed that there were very few adjustments and thanked the team for their organisation and efficiency during the audit.

Members were referred to the previously circulated FMGR from which the following was highlighted:

- The external audit governance report was presented by the External Auditor (EA), covering responsibilities, independence, and key risk areas such as income recognition, capital grants, and pension scheme considerations.
- The report confirmed no significant deficiencies in internal controls were found, and there were only minor unadjusted items, none of which were material to the financial statements.

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- Regularity and compliance with the funding handbook were reviewed, with the only notable issue being an outstanding DfE approval for a write off, which was fully provided for and not considered a risk.
- The report highlighted sector wide pension scheme surpluses and noted the need for caution regarding future contribution rates, as well as the importance of monitoring changes in accounting standards (e.g. lease accounting and revenue recognition).
- The audit opinion was clean, with no new risk issues identified, and the Group's financial position was confirmed as a strong going concern for at least 12 months from the date of signing.
- The report also mentioned ongoing sector developments, such as the pilot for government year end reporting and the need to prepare for future changes in lease and revenue recognition standards.

**Action: External Auditors/Governance Team**

**It was recommended that a further update should be provided by the EA at the Spring Term meeting in relation to future changes in lease and revenue recognition standards.**

Questions and comments were invited from Members.

A member questioned the internal controls finding in the report regarding unsigned employee contracts (9 out of 20), asking if this indicated a systemic issue. The response clarified these were historic agreements, with steps being taken to address the risk of implied terms.

A member raised a point about the internal auditors change of name in the financial statements and whether a change of ownership should be noted. The response was that the balance sheet date governs, so no change is needed for the reporting period.

A member sought clarification on a £4 million VAT related item in the management accounts, which the CFOO explained relates to government funding for VAT on a project, with the actual amount being about £3.59 million, and the cash is held as a liability until further phases are completed.

**Action: Chief Finance and Operations Officer/ Member**

**A member commented on reconciling the deferred grant and cash flow, noting some misalignment and requesting a follow-up outside the meeting to clarify the reconciliation.**

A member questioned the staff cost KPI, noting it missed by £1-2 million, and asked if this was a concern. The CFOO explained the increase was due to a one off pay award and additional high needs funding, both of which were fully spent on pay, so the higher percentage was not due to overspending core income.

A member commented in relation to the large profit reserve (nearly £50 million) and whether it could be reduced or adjusted, as it may not reflect operational reality. The EA confirmed that this was typical for colleges due to capital grants and sector accounting, and it is not a metric used by regulators or banks.

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Audit Committee members discussed the implications of large cash balances, sector funding cycles, and the strategic reasons for maintaining high reserves, especially in anticipation of future funding and demographic changes.

The External Auditor thanked the Finance team for their hard work in achieving a clean audit

**There were no further issues raised by members arising from the report and after due discussion and consideration it was resolved that the Final Management and Governance Report for year ending 31 July 2025 be recommended to the Board of the Corporation for approval.**

**AUD/41/25****Self-Assessment of Compliance with Regularity and Propriety Requirements 2024/2025**

The Chief Finance and Operations Officer (CFOO) presented a report in relation to the Self-Assessment of Compliance with Regularity and Propriety requirements (SACRP) for the period 2024/2025. There was confirmation that the report included a copy of the completed Regularity Self-Assessment questionnaire.

The CFOO confirmed that the SACRP was broadly similar to the previous year's submission and that input had been secured from the Corporation Secretary.

It was confirmed that the auditors, following testing, had not raised any issues arising from the SACRP and that a clear regularity statement had been declared which was included in the Group's DRFS.

The main learning area highlighted was in relation to managing public money, especially regarding HR processes for payments, settlements, and redundancies, with no contentious issues or approvals required during the year.

There were no further comments and questions from members.

**There were no further questions or issues raised by members and after due discussion and consideration it was resolved that the Self-Assessment of Compliance with Regularity and Propriety Requirements 2024/2025 be recommended to the Board of the Corporation for approval.**

**AUD/42/25****Board Assurance and Risk Management Framework Update**

The Chief Finance and Operations Officer (CFOO) presented a report which updated the Committee in respect of the Board Assurance and Risk Management Framework (BARMF) and confirmed that the report provided members with a summary of the risks as detailed in the Strategic Risk Register as follows:

- The CFOO presented the updated risk register, noting an increase in the number of risks to 42, but a decrease in those outside risk appetite to 20. The top 10 risks were highlighted for focused management.
- New risks added included employer relationships, long-term workforce strategy, robust planning, and high needs learners, reflecting strategic priorities and sector trends.

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- Key risks with net scores over 15 included recruitment volatility (apprenticeships/ adult skills), estate strategy alignment, and cybersecurity. Actions and timelines to mitigate these risks were discussed.
- The Committee discussed the rationale for the top 10 risks, noting that the selection was based on strategic concern rather than just risk scores, and agreed an external review/ workshop would help refine the process.
- There was discussion about the need to balance risk appetite, avoid excessive risk aversion, and possibly streamline the register by distinguishing operational from strategic risks.
- Cybersecurity was discussed as a growing concern, with emphasis on both prevention and recovery planning.

Questions and comments were invited.

A member questioned how the Group plans to manage growth followed by a potential decline in student numbers. The CFOO explained the strategy to build cash reserves and improve marketing to remain competitive when demographics shift.

A governor questioned the timing and certainty of revenue streams, particularly for apprenticeships and adult skills, and the CFOO clarified that final figures would be clearer by the end of Term 1 due to enrolment and data lags.

A member questioned the selection process for the top 10 risks, noting some did not align with the highest risk scores. The CFOO explained the list was based on strategic priorities and what would most impact the Group, not just numerical scores.

There was discussion about the large number of risks on the register (42), with suggestions to distinguish between operational and strategic risks and streamline reporting to the Board. The Committee further discussed the need to balance risk appetite, with the CFOO noting the senior leadership team tends to be risk averse and external input would help calibrate this.

The IA commented that some risks, like ‘failure to provide strong and effective governance’ were very broad and may need to be broken down for better management. The IA also raised the importance of shifting cybersecurity focus from just prevention to also include recovery and communication planning, given the inevitability of recent breaches that have been published in the media.

The IA mentioned monitoring external risks such as political tensions and their impact on student and staff safety, suggesting this may need to be considered in future risk assessments. The CFOO responded that the Group was aware of these issues, citing a recent incident involving online comments to a student event, and described proactive steps taken by the marketing team to manage such risks. The CFOO noted that while there are no significant internal reports yet, the Group aims to foster an inclusive environment and regularly surveys students about their sense of safety. The Committee acknowledged the importance of balancing freedom of speech with safeguarding against racism and other forms of discrimination and agreed that monitoring these external risks is prudent.

**Minute No**

**There were no further questions or issues raised by members arising from the report and it was resolved that the Board Assurance Risk Management Framework update be approved with appropriate reporting to the Board of the Corporation.**

**AUD/43/25****Value for Money Report 2025**

The Director of Finance (DoF) referred members to the previously circulated report and an update on value for money (VFM) areas and benchmarking commentary.

The following key issues were outlined:

- The report provided an overview of non-pay expenditure, showing that overall spending patterns were similar to previous years, but subcontractor costs have increased and are expected to decrease next year.
- Benchmarking against comparable colleges revealed that whilst total expenditure was similar, the split between teaching and non-teaching costs differs, with the Group spending less on teaching/support and more on legacy costs like rent and subcontracting.
- That the Group has a lower average cost per FTE for teaching staff compared to peers, suggesting a higher proportion of teaching staff relative to non-teaching staff.
- A new metric for social value contribution was introduced, showing £1.1 million in professional and student volunteer hours for the year.
- That procurement compliance and budget management were being strengthened with new finance business partners supporting curriculum directors and budget holders.
- Benchmarking highlighted that the Group receives 21% less income per student than comparators, mainly due to the prevalence of short adult courses.

Comments and questions were invited.

**Action: Director of Finance**

**A member asked about the inclusion of cost per student as a key measure, and it was agreed this would be added to future reports.**

A member questioned how the report was used. The DoF confirmed that the report was used internally to inform budget decisions and strategic resource allocation, with a focus on shifting spending towards teaching and improving operational efficiency.

The Committee discussed the limitations of benchmarking data, noting that differences in cost allocation and course mix can affect comparisons.

The DoF confirmed that procurement processes and compliance continued to be a key focus with new staff in the Finance Team recruited to support both reporting and compliance.

There were no further questions or comments from members and following due consideration it was resolved that the Value for Money Report be received and noted.

**AUD/44/25****Draft Annual Report of the Audit Committee 2024/2025**

**Minute No**

The Corporation Secretary (CS) referred members to the presented circulated report and Draft Annual Report of the Audit Committee (DARAC) for the period up to 31 July 2025

The CS advised that the report presented a summary of the activities of the Committee during the 2024-2025 academic year and met the requirements of 'The Scope of work of audit committee and internal auditors in college corporations'.

An overview of the DARAC was presented and the following was highlighted:

- The composition and support mechanisms for the Committee, including the terms of reference and meeting times.
- The Committee's opinion on the adequacy and effectiveness of the Board of the Corporation's audit arrangements, assurance over subcontracting, framework of governance, risk management and control processes, efficient and effective use of resources, solvency, and safeguarding of assets.
- The financial statements and regularity audits.
- 'The Scope of work of audit committee and internal auditors in college corporations' requirements, including a summary of the work undertaken by the Committee during the year, the number of meetings held, attendance records, significant issues arising, and matters of internal control.
- The date of the appointment of the external auditor and the remaining terms of the contract.
- The Committee's view of its own effectiveness and how it has fulfilled its terms of reference.
- The arrangements in place to ensure the appropriate skill set, training, and updating for members.

Questions and comments were invited.

**Action: Corporation Secretary**

**A question was raised as to whether data protection oversight (such as breach volume and related issues) should be given more prominence in the Audit Committee annual report. The CS confirmed that the report was benchmarked against the requirements of 'The Scope of work of audit committee and internal auditors in college corporations' guidance but this could be included with more emphasis before submission to the Board in December.**

**Action: Corporation Secretary**

**There was a question about whether the substantial number of outstanding recommendations this year should be commented on in the annual report, as it was seen as significant. The CS confirmed that this would be added to the internal audit section of the report.**

**There were no further issues raised by members and after due discussion and consideration it was resolved that the Chairperson be authorised to sign the draft report and that it be recommended to the Board of the Corporation for approval subject to the two additional points being added.**

**AUD/45/25****Annual Audit Committee Self-Assessment 2024/2025**

**Minute No**

The Corporation Secretary (CS) referred members to the previously circulated report and summary of the responses from members regarding the Audit Committee Self-Assessment 2024-2025.

The CS advised that the assessments had largely been completed affirmatively and there were no issues to bring to the attention of members.

It was confirmed that, where respondents had indicated 'not sure' supporting evidence had been detailed to provide clarification and assurance of the committees' effectiveness.

There were no further issues raised by members arising from the report and after due discussion and consideration it was resolved that it be noted.

**AUD/46/25****Any Other Business**

The CFOO announced this was the Director of Finance's last meeting before starting a new role. The Audit Committee thanked her for her excellent service and wished her success in her next role.

**AUD/47/25****Date of Next Meeting**

It was agreed that the next meeting would be held on Monday 23 March 2026 at 1.00pm.

The meeting closed at 2.12pm.