

Minutes of a Meeting of the Audit Committee

<u>Venue:</u>	STC Conference Room 1 / TEAMS
<u>Date:</u>	Thursday 05 June 2025
<u>Time:</u>	9.00am – 10.00am
<u>Present:</u>	George Clark (Chair) Neil Henry Jim Dafter
<u>Apologies:</u>	Michael Johnston Martin Alexander Lindsey Whiterod Karen Ritchie
<u>In Attendance:</u>	Jane Cuthbertson (Chief Operating Officer) Lorna Lister (Senior Governance Support Officer) Craig Scott (Director of IT) Anastasia Mullen (RSM) David Hoose (Mazars TEAMS)

ACTION TRACKER

Item		By whom	Status	Comment / Update
Meeting of the 5th June 2025				
6.	<u>Approval of Financial Statements</u> <u>Audit Plan 2024-25 (Audit Strategy Memorandum)</u> External Audit Plan to be presented to Board for approval	JC		
8.	<u>Internal Audit Strategy:</u> Potential Internal Audits around the New Build were to be discussed in the CPB	JC		Discussed at the Capital Project Board on the 16 th June 25. Governors agree to re-visit New Build Audits/Deep Dives once the project was underway.
9.	<u>Internal Audit Strategy 2025-28 and Plan 2025-26*</u> <u>Internal Audit Plan to be presented to Board for approval</u>	JC		

MINUTES

ITEM No	ISSUES	ACTION
1.	<p>Meeting with Auditors in Absence of Management & Apologies</p> <p>The Chair welcomed everyone to the meeting.</p> <p>RSM auditor, Anastasia Mullen, stated that the programme for 2024/25 was progressing well, there had been full engagement by management and the wider team to date and announced that there were no issues or concerns to report to the Committee.</p>	

	<p>Mazars Auditor, David Hoose, also confirmed that there were no issues and felt that they had full cooperation from management, with a good open relationship throughout the year.</p> <p>Staff joined the meeting.</p>	
2.	<p>Apologies for Absence</p> <p>The Committee approved apologies for absence received from those noted above after having first considered the reasons for their absence.</p>	
3.	<p>Declarations</p> <p>i. <u>Declarations of Interest</u></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p> <p>Jim Dafter declared that he used to work at Mazars and had worked with David Hoose a year ago. This was noted without further discussion.</p> <p>ii. <u>Business to be raised under Item 14</u></p> <p>None.</p>	
4.	<p>Minutes</p> <p>The minutes of the Audit Committee meeting held on 6 March 2025 were approved and to be signed.</p> <p>Matters arising not covered on the agenda or tracker</p> <p>Actioned as shown on the Action Tracker.</p>	
5.	<p>Presentation RSM – Global Standards and PIAS</p> <p>AM presented a summary of the changes in the global internal audit standards, which came into force on the 9th of January 2025. She highlighted the five key domains of the standards, particularly domain three, which was most applicable to the committee. The standards emphasise clear lines of communication between internal audit and the committee, having a mandate and charter signed off by the Audit Committee, and ensuring compliance with the new standards. AM assured the committee that their methodology and paperwork were in line with the new standards and comply with them, she believed it enhanced the already embedded process.</p>	
6.	<p>Approval of Financial Statements Audit Plan 2024-25 (Audit Strategy Memorandum)</p> <p>DH presented the Financial Statements Audit Plan for 2024-25, apologising for the late submission of the paper. He noted that there were no significant changes to audit standards or accounting standards this year.</p> <p>The document included significant audit risks, with a focus on understanding cash flows on major capital projects. DH noted the new 3% business support charge on invoices,</p>	

	<p>replacing the inflationary fee increase. He also highlighted the increased scrutiny from the DfE on regularity work and the refined definition of significant fraud down to £5000.</p> <p>DH stressed that they were not aware of any concerns however flagged these points as potential tightening of the framework. He also mentioned upcoming changes to UK accounting standards in 2027, which would impact the college's financial health score and covenant compliance.</p> <p>Q. Materiality was normally set between 1-2%, what was it last year? 1.6% of revenue.</p> <p>Q. A member of staff was leaving the team, could you assure TCC the same level of expertise? Yes, there were FE Managers in the business who would step in to take on the role.</p> <p>Resolved:</p> <ul style="list-style-type: none"> i. That the committee accept the reports acknowledging the information as presented. ii. That the committee recommend the Plan to Board for approval. <p>DH left the meeting</p>	JC
7.	<p>Internal Audit Reports</p> <p><u>Progress Report</u></p> <p>AM presented the internal audit progress report, providing an update on internal activity since the last meeting. She mentioned the completion of the Apprenticeships Review covering audit themes:</p> <ul style="list-style-type: none"> • Policy, Roles and Responsibilities. • Apprenticeship Delivery – Monitoring & Recording. • Apprentices at Risk. • Mechanisms for Expressing Concerns. • Assessor Caseloads. • Governance Monitoring & Reporting. • Internal Checks. <p>The report highlighted substantial assurance on the apprenticeships review, with 1 medium action identified for internal check. AM noted that this was a positive report.</p> <p>Q. Who was responsible for this action? Daniel Raw.</p> <p>Other ongoing audits were still at various stages and in the fieldwork stage.</p> <p>AM also mentioned briefings issued on fraud and AI in education, inviting members to join. The committee had no further questions on the progress report.</p> <p>Resolved: That the committee accept the reports acknowledging the information as presented.</p>	
8.	<p>Audit Recommendation Tracker</p> <p>The Senior Governance Support Officer presented the tracker for governors' consideration.</p> <p>The document identified any recommendations which were deemed a high or medium risk, which were either due/overdue for implementation or could be removed if</p>	

	<p>completion had taken place. All personnel who were shown on the list with outstanding issues had been asked to advise if there had been any further progress and the tracker had been updated accordingly.</p> <p>Resolved: That the Committee receives the report and acknowledges the information as requested.</p>	
9.	<p>Internal Audit Strategy 2025-28 and Plan 2025-26*</p> <p>AM presented the internal audit plan for 2025-26, formulated based on the college's risk register, emerging issues, and discussions with management. The plan included high-risk areas such as Security and Learning Journey, new HR System implementation, Payroll, Funding Compliance, General Data Protection Implementation and Income & Debtors.</p> <p>The committee discussed the importance of ensuring the payroll system was used efficiently and the potential need for assurances on the new build project. They agreed to have further discussions in the task group before deciding on additional audits.</p> <p>Q. JC, are you happy with the plan? Yes, JC also confirmed she had checked with Exec Group and they were also happy with the plan.</p> <p>Q. Are you going to concentrate on Payroll? Yes, more so as this was relatively paper based and needed to see if it could be updated and processes could be made more efficient.</p> <p>Q. Are there any audits around the New Build? Should we be seeking assurances around Capital Strategy/Management? JC noted that the following took place to allow governors to seek assurances:</p> <ul style="list-style-type: none"> • Fortnightly Governor Meetings • Project Board meetings • Regular DfE meetings • Going to strengthen team around Richard Spencer <p>However, a year could elapse and check progress at that point.</p> <p>A governor recommended that audits could take place around the arrangement and management of the project initially.</p> <p>Q. Was this going to be an additional plan, or should an already agreed audit be removed? AM stated that rather than removing an audit a deep dive could take place.</p> <p>Q. Has RSM dealt with projects like this before? Yes, from a Project Management perspective.</p> <p>Resolved:</p> <ol style="list-style-type: none"> i. That the committee accept the report and acknowledge the information as presented. ii. That the committee recommend the Internal Audit Strategy 2025-28 and plan 2025-26 to Board for approval 	JC/GC
10.	<p>Annual update of risk assessment in relation to fraud and bribery.</p> <p>Confidential item</p>	
11.	<p>Risk Management (update on current key risks and action plan)</p>	

	Confidential item	
12.	<p>Cyber Security Annual Report</p> <p>The purpose of the report was to update the committee on the Colleges Cyber Security posture.</p> <p>CS presented the annual cyber security report, highlighting the importance of cyber security and recent high-profile cyber-attacks. He noted the consistent increase in security incidents over the last two years, which had now declined due to controls and changes implemented. CS discussed various controls and mitigations in place, including new firewalls and the upcoming upgrade to Windows 11. He emphasised the need for continued investment in cyber security and the strategic priorities for the future.</p> <p>Q. Given the risk around security should it have its own budget? CS stated that he had thought about it, however it was part of a larger licence agreement. Never had any issues requesting funds to support Cyber Security.</p> <p>Q. What were the challenges around the new build and cyber security? It was potentially easier to manage as it would be a new system in place however it was still cyber attacks that could not be predicted. New risks would present themselves, Wi-Fi on a smaller site and increased footfall in the area.</p> <p>Q. Will there be new equipment in the new build? The College were on a rolling programme and were building into that where the College needed to be.</p> <p>Resolved: That the committee accept the update and acknowledge the information as presented.</p>	
13.	<p>Cyber Essential Plus Report</p> <p>CS continued with the Cyber Essentials Plus report, discussing the organisation's compliance with cyber security standards and the importance of maintaining robust security measures. He highlighted the completion of various security tasks and the ongoing configuration of new firewalls. The committee noted the report and had a brief discussion about the importance of cyber security in education.</p> <p>Resolved: That the committee agree to receive the report and acknowledge the information as presented.</p>	
14.	<p>Any Other Business</p> <p>JC thanked the Chair for all his support, challenge and leadership of the Audit Committee over the past year.</p>	
15.	<p>Date and Time of Next Meeting</p> <p>TBC</p>	
16.	<p>Identification of Confidential Items</p> <ul style="list-style-type: none"> • Item 10 – Annual Update of Risk Assessment in relation to fraud and bribery • Item 11 – Risk management Update 	

Signed: Date.....