MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 18 NOVEMBER 2025
AT 5pm VIA MICROSOFT TEAMS

PRESENT:

Taiyab Sufi*	Member (Chair)
Faris Saiyed*	Member
David Swift*	Member
Sharjeel Salahuddin*	Co-opted Member

IN ATTENDANCE:

Jennifer Eastham*	Vice-Principal: Finance and Corporate Services
Suzanne Lomax*	Menzies – External Audit
Annalee Hurley*	Menzies – External Audit
Lisa Randall*	RSM - Internal Audit
Sarah Horeesorun*	Director of Governance

*Indicates joined the meeting online.

The meeting commenced at 5pm and was quorate.

The Chair welcomed everyone, extending a special welcome to Faris Saiyad, the new Student Governor, to guests from Menzies and RSM, and to everyone joining online. There followed round table introductions.

1. PRESENTATION: FAILURE TO PREVENT FRAUD

The Vice-Principal: Finance and Corporate Services presented the slides to support this Item and provided the additional narrative. The slides and verbal update covered:

- Economic Crime and Corporate Transparency Act 2023
- New corporate offence effective from 1 September 2025, Failure to Prevent Fraud
- Affects all large organisations (>£36m turnover, >250 staff)

The Committee discussed the potential risk and impact of fraud and the new Act on the sector, particularly around areas of subcontracting, funding, exam results and student number mismanagement, and potential impact on reputation.

Failure to Prevent Fraud was a strict liability offence and could incur criminal prosecution and unlimited fines. The Committee discussed fraud prevention rather than detection and what were reasonable steps to prevent fraud. The College had a suite of policies including Counter Fraud, Anti-Bribery, Whistleblowing, strict Financial procedures and related policies, and annual staff communications as reminders to read new/revised policies.

The Vice-Principal referred members to the large 82-point checklist supplied and the College would be working through this to test, check and ensure compliance. The College was not complacent.

The Audit Committee provided top level commitment to this area of work and were content that the College was doing everything that it could reasonably do to prevent fraud.

The Chair thanked the Vice-Principal: Finance and Corporate Services.

2. APOLOGIES FOR ABSENCE

Apologies were received in advance from member Ojan Rohani, from Dr Fazal Dad CBE, and William Simpson (RSM).

3. DECLARATION OF CONFLICTS OF INTEREST

The Chair advised those in attendance that should members of the Audit Committee become aware of any potential conflicts of interest, they should be disclosed at the earliest opportunity during the meeting.

4. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY 16 SEPTEMBER 2025

Having canvassed the Committee, and in the absence of any comment, the Minutes of the Audit Committee held on Tuesday 16 September 2025 were **AGREED** as a true and accurate record.

5. MATTERS ARISING

There were no Matters Arising.

6. DRAFT MANAGEMENT LETTER 2024/25

Suzanne Lomax and Annalee Hurley from Menzies (previously Beever and Struthers) the Colleges' External Auditors, led on this item and reported that the annual audit had run smoothly and was substantially complete. There were a few matters outstanding with actions underway to conclude these.

Audit issues listed in the Management Letter included the review of revenue recognition and management control override and the work in this area was pending whilst the receipt of the final DfE reconciliation statement and remaining information on the ILR sample work was awaited.

The Team reported a smooth process and really responsive College Team and thanked the Vice-Principal: Finance and Corporate Services.

The Audit Committee thanked Suzanne Lomax and Annalee Hurley for the thorough explanation of issues and assurance that these would be resolved prior to the Board meeting 5 December where the final Management letter would be presented and approved.

5.45pm, Menzies Colleagues left the meeting

7. INTERNAL AUDIT REPORTS

(i) Human Resources – Sickness Management Framework Report

Lisa Randall, RSM, summarised the scope, approach and findings of the internal audit to consider the controls operated by the College in relation to its Sickness Management process and whether the 'triggers' for sickness management were being monitored and followed by Line Managers in line with the College's policy and procedures.

The Audit Committee noted the reasonable assurance and were confident that the Executive Director of People and Culture would make progress on the Management Actions and increase the spot checks as suggested.

(ii) Progress Report

Lisa Randall, RSM, covered this and talked through the Internal Audit Progress Report.

Referring to the previous Item, one internal audit had been completed so far this year, and a summary of this provided in the Progress Report.

The Audit Committee thanked RSM for the progress update and were assured that planned internal audits were on track.

8. INTERNAL AUDIT – ACTION POINT STATUS

At the time of writing this Report, the HR: Sickness Absence Internal Audit Report had not been received and therefore the Management Actions not reflected in this Report. However, the Audit Committee felt assured that the Management Actions were being taken forward.

9. AUDIT PERFORMANCE INDICATORS 2025/26 UPDATE

The Vice -Principal: Finance and Corporate Services presented an update on the Audit Performance Indicators for 2025/26 which assisted the Committee in assessing risk. The Report included information on Compliance, Financial Health, Solvency, Debtors, Financial Health, Debt parameters and Loan covenants. The detail was supplied in Appendix One.

The Audit Committee noted the performance against the approved performance indicators for 2025/26.

10. REVIEW OF COUNTER FRAUD STRATEGY AND UPDATE ON ACTION PLAN

The Vice-Principal: Finance and Corporate Services explained to the Committee that the Counter Fraud Strategy is reviewed annually and that having completed that exercise for 2025/26 the Policy remained fit for purpose and no changes were proposed.

Members were content with the Counter Fraud activities within the Strategy presented.

The Audit Committee **AGREED** the Counter Fraud Strategy for 2025/26 and noted the activities in the action plan update.

11. RISK MANAGEMENT – RISK REGISTER 2025/26 - UPDATE

The Committee, in its role to regularly review the potential risks to the College operations and strategic direction, discussed the issues included in the College Risk Register for 2025/26.

The risk rating for each risk was determined using the Board approved Risk Management Policy. Using the RAG rating, the Committee noted that one risk was currently rated as red and another reduced to amber and were satisfied with the mitigating actions and controls in place to effectively manage these.

The Vice-Principal had shared the RSM Emerging Risks across the sector Report and these and the College's response were contained within the Report.

For 2025/26 there were no new risks added.

Committee members agreed with the changes and **AGREED** the Risk Register.

12. AUDIT SCHEDULE 2025/26

This Report was provided to the Audit Committee for information and contained the dates and details of both the Internal and External Audit schedules for 2025/26.

The Committee noted the content of the Report.

13. DATA RETURNS MONITORING REPORT 2024/25 & 2025/26

This Report was provided for information and confirmed that funding and data returns had all been submitted on time for 2024/25 and the dates for returns 2025/26.

Members noted the content of this Report.

14. ANY OTHER BUSINESS

There were no items discussed under Any Other Business.

15. REVIEW OF MEETING

The Chair thanked everyone for their contributions to the Committee discussions.

The meeting closed at 18.05pm.

16. DATE AND TIME OF NEXT AUDIT COMMITTEE MEETING

Thursday 26 February 2026 at 3.30pm.

Signed: ……………………………………………
Date: ……………………………………………