



MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 25 FEBRUARY 2025
AT 5pm IN THE EXCHANGE BOARD ROOM AND VIA MICROSOFT TEAMS

PRESENT:

Taiyab Sufi*	Member (Chair)
Dr Fazal Dad	Principal and Chief Executive
Ojan Rohani	Member
David Swift*	Member

IN ATTENDANCE:

Jennifer Eastham	Vice-Principal: Finance and Corporate Services
Kashif Azeem	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 Ojan Rohani, the new Governor and Audit Committee member, and there followed round-table introductions including those joining online.

1. PRESENTATION: GOVERNMENT FUNDING AND STRATEGY

The Vice-Principal: Finance and Corporate Services presented the slides to support this Item and provided the additional narrative. The slides and verbal update provided an overview of the Spending Review, and included a general funding update, and looked at the potential financial risks ahead.

The presentation covered:

- Inflation was higher than expected and Government Departments under pressure to offer savings.
- Employer National Insurance Contribution costs would increase, and HM Treasury had announced 2% efficiency targets for all Government Departments.
- This had created a tension, as savings were sought yet growth was a top Government priority. Skills accounted for a third of productivity growth in the last 20 years, and there was a need for increased spending on 16-18 in Colleges, adult skills to support growth in, for example, construction and health services, and skills to help people into work.
- The Government was undertaking a wholesale review of the curriculum and assessment which could BTECs phased out and increased focus on T levels. The interim report of the Curriculum Assessment Review (CAR) was to be released shortly.
- For Colleges, the anticipated February funding announcements had been delayed, and this had delayed progress on the colleges' 2025/26 Business Planning. The Chancellor's spring Spending Review announcement was due on 26 March.
- The AoC were being supportive of Colleges as there was a lot of uncertainty in the sector with risks attached to Government policy, finances and funding and the CAR.

The Chair thanked the Vice-Principal for the presentation and invited questions. A member asked how the College might mitigate the risks, and the Chair asked if the Vice-Principal or Principal were concerned about the potential impact of the changes. The Vice-Principal explained that business and financial planning was rigorous. The first draft of the 2025/26 budget would be ready in March and there would be many conversations across the organisation around potential savings and changes. The College finances remained as Outstanding. There was huge uncertainty around the

increase to National Insurance payments and whether funding would be provided to Colleges to pay for this, and funding announcements eagerly awaited. The ambition of the Government was to see teaching, learning and assessment for KS1-KS5 more joined up. The interim CAR report would provide early indications of findings and potential changes. Members felt assured that the potential risks were being managed.

The Committee thanked the Vice-Principal: Finance and Corporate Services for the presentation.

2. APOLOGIES FOR ABSENCE

Apologies were received in advance from members Sharjeel Salahuddin and Massoud Akbari, and from Lisa Randall and Max Hutchinson, 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 19 NOVEMBER 2024

Having canvassed the Committee, and in the absence of any comment, the Minutes of the Audit Committee held on Tuesday 19 November 2024 were **AGREED** as a true and accurate record.

5. MATTERS ARISING

The Director of Governance provided an update on the actions of the previous meetings and the position of Chair of the Audit Committee. Taiyab Sufi had been the acting Chair of the Committee, filling the vacant position left by the previous Chair, Chris Johnson. As per the Corporation's Instruments and Articles, the Director of Governance had canvassed members to express an interest in the position or support the appointment of Taiyab Sufi as Chair of the Audit Committee. Members had unanimously supported Taiyab Sufi's appointment as Chair of the Audit Committee, and this was formally **AGREED** by all members present. This appointment would be recommended to the Board for approval. Members thanked Taiyab Sufi.

6. UPDATE ON THE OfS HE ILR DATA AUDIT ACTION PLAN

The Audit Committee had previously agreed to oversee progress on the response to the OfS HE ILR Data Audit and agreed action plan.

Vice-Principal: Finance and Corporate Services provided the Committee with a progress update on the OfS HE ILR Data Audit action plan.

RSM had completed a review of the activities in the action plan and the Individualised Learner Account (ILR) Action Plan Follow Up Audit Report was on the Agenda at Item 07(iv).

The Vice-Principal informed members that seven other colleges were having the same experience with the OfS who had identified the same data issues.

7. INTERNAL AUDIT REPORTS, OUTCOMES AND PROGRESS

Kashif Azeem, RSM, provided information on the outcomes and progress of Internal Audits(IA) undertaken on

- (i) Human Resources – Recruitment & Selection
- (ii) Key Financial Controls – Income & Debtors
- (iii) Data Quality Individualised Learner Record Framework
- (iv) Individualised Learner Record Action Plan Follow up

(v) IA Progress Report

7.(iv) Individualised Learner Record Action Plan Follow up

Covering the Report at Item 7(iv) first as this naturally followed on from the previous Item, Kashif Azeem explained the IA methodology and sample sizes.

Kashif Azeem explained the review findings and recommendations.

7.(iii) Data Quality Individualised Learner Record Framework

Taking this Item next, and out of Agenda order as it followed the same subject matter, Kashif Azeem reported.

7.(i) Human Resources- Recruitment & Selection

Kasif Azeem reported.

A member asked if there would be a follow-up IA to ensure that I-Trent was keeping accurate records and this was confirmed.

7.(ii) Key Financial Controls – Income and Debtors

The IA identified a low Management Action.

7.(v) IA Progress Report

Kashif Azeem explained that the Progress Report had been written to meet the deadline for the meeting papers, and that the two ILR IA Reports had subsequently become available.

The Committee thanked Kashif Azeem for the updates.

8. INTERNAL AUDIT – ACTION POINT STATUS

This Report provided the Audit Committee with an update on progress towards the completion of recommendations following the Internal Audits that had been undertaken by RSM in 2023/24 and 2024/25. The Vice-Principal: Finance and Corporate Services added that some of the actions had been implemented since the Reports were written.

The Committee noted the update on the content of the Report.

9. AUDIT PERFORMANCE INDICATORS 2024/25 UPDATE

The Vice -Principal: Finance and Corporate Services presented an update on the Audit Performance Indicators for 2024/25 which assisted the Committee in assessing risk. The Report included information on Compliance, Financial Health, Solvency, Debtors, Creditor days, Financial Health, Debt parameters and Loan covenants. It was noted that with the exception of Creditor Days and Debt Parameters, all KPIs were 'green'. Creditor Days and Debt Parameters would not be cleared until the Financial Statements for 2024/25 were completed. The detail was supplied in Appendix One.

The Audit Committee noted the performance against the approved performance indicators for 2023/24.

10. RISK MANAGEMENT – RISK REGISTER 2024/25 - 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 2024/25.

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

For 2024/25 there were no new risks added.

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

11. ANNUAL REPORT ON THE OPERATION ARRANGEMENTS RELATING TO THE SPORTS FACILITY

This report provided the Audit Committee with an update from the Sports Facility steering group, to enable its oversight and monitoring of the effectiveness of the Operational Agreement for the Sports facility.

The Committee **ACCEPTED** the Report.

12. AUDIT SCHEDULE 2024/25

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 2024/25.

The Committee noted the content of the Report.

13. DATA RETURNS MONITORING REPORT 2024/25

This Report was provided for information and confirmed that funding and data returns had all been submitted on time for 2023/24 and the dates for returns 2024/25.

Members noted the content of this Report.

14. BLACKBURN COLLEGE: FE BENCHMARKING REPORT

This RSM Report was supplied for information.

15. GLOBAL IA STANDARDS IN THE UK PUBLIC SECTOR

This Report was supplied for information.

16. ANY OTHER BUSINESS

There were no items discussed under Any Other Business.

17. REVIEW OF MEETING

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

18. DATE AND TIME OF NEXT AUDIT COMMITTEE MEETING

Tuesday 3 June 2025 at 5.00pm.