

Audit Committee

Thursday 22 May 2025, 6:00-8:05pm

Block 1 Boardroom (1.204)



Meeting papers link: [22 May 2025](#)

Committee members in attendance:

Shabir Chagan
Tiffany Harvey-Pallent (Committee Vice Chair)
Ian Hughes (Committee Chair)
Alison Jarrett

Officers in attendance:

Nathan Coughlin, Bishop Fleming (Virtual)
Steph Morley, Director of Governance
Kylie Penn, Deputy Head of Safeguarding (1-3.1)
Sean Rudolph, Director of Finance
Louise Tweedie, RSM
Andrew Woodford, CFO & Vice Principal

APPROVED MINUTES

Item	Discussion	Action
1	Welcome The Chair opened the meeting and welcomed all in attendance. It was confirmed the meeting was quorate. As a virtual attendee, N. Coughlin confirmed he was able to hear and contribute.	
2	Procedural matters	
2.1	<u>Apologies</u> There were no apologies as all committee members were in attendance.	
2.2	<u>Declarations of interest</u> There were no declarations of interests for this meeting.	
2.3	<u>Minutes of last meeting and actions/matters arising</u> The Committee approved the minutes of the meeting held on 04 March 2025, which had not been a decision-making meeting due to not being quorate. The following updates on outstanding actions were provided (all other actions were confirmed as completed): <ul style="list-style-type: none">- Ref 3, Response planning – would be recorded as completed following the update being provided under Item 3- Ref 6, Risk threshold on dashboard (Jul 25) – confirmed as in progress- Ref 11, Completion status of previous audit actions – awaiting publication of this year's 'Follow-up' audit report- Ref 13, Fraud self-assessment checklist (Jan 26) – to be reflected during next year's meeting cycle.	
2.4	<u>Confirmation of approvals following the last meeting</u> The Committee noted the decisions made following the previous meeting: <ul style="list-style-type: none">- Approval of the minutes of the meeting held on 04 December 2024- Recommendation for approval by the Corporation for the Anti-Bribery Policy, Anti-Fraud Policy, Anti-Money Laundering Policy and the Risk Management Policy- Approval of the Freedom of Information Policy (by the Chair)	

3 Spotlight: Prevent and response planning

3.1 Update – response planning

K. Penn provided the Committee with an update on the progress made with response planning since the last meeting and the following was highlighted/discussed:

- The (staff) lockdown drill undertaken on 30/04/25 was a success, with the college confirmed as locked down within 3 minutes
- Staff feedback had been sought following the drill, with 75% of responding staff members (160) reporting they felt the drill was effective
- Feedback from the external consultant and staff members was being used to make improvements and also finalise the college's lockdown policy. The external consultant would now focus on the college's other sites
- The next phase was preparing students (and parents/carers) and carrying out soft drills/related exercises before carrying out a full lockdown drill

The Committee asked what feedback had been provided by the 25% who felt the lockdown had not been effective. K. Penn advised the majority of the feedback focused on physical safety aspects, such as internal windows/glass, and checking on wellbeing after the drill. A. Woodford confirmed internal modifications would be made where possible and K. Penn reported check-ins with staff and students following future drills would be undertaken.

The Committee thanked K. Penn for the update and acknowledged the progress made since the last meeting.

K. Penn left the meeting at this point.

3.2 Disaster Recovery & Major Incident Policy

A. Woodford presented the updated Disaster Recovery & Major Incidents Policy for consideration by the Committee and explained, based on how the college was constantly learning and developing its procedures, there would likely be a further update presented in the near future. S. Morley confirmed the policy was presented for the committee's consideration prior to being presented to the F&R Committee for approval in June 2025.

The Committee noted the updated Disaster Recovery & Major Incident Policy and suggested the following amendments:

- Separation of the policy's annexes from the main document
- Inclusion of the Emergency Team's contact details
- Updating the number of college sites within the policy

The Committee recommended the following considerations be discussed regarding the use of the policy in practice:

- The size of the role in a major incident if the same person (CEO/Principal) was acting as both media liaison/spokesperson and team leader
- The need for a log of all decisions made during the incident to be kept
- Whether a smaller, more agile core team with appropriate delegations would be more suitable

The Committee asked if training would accompany the roll-out of the policy once approved. A. Woodford confirmed there would be training provided, which would be linked to the work being undertaken by K. Penn (see Item 3.1).

The Committee discussed whether the policy sufficiently reflected cyberattack and A. Woodford advised there was a separate, comprehensive document in place specifically for cyber incidents. S. Morley recommended the use of GovernorHub as back up storage

of key documents related to this policy, as the portal was not reliant on college IT networks, and A. Woodford agreed to put this in place.

AW

The Committee **recommended** the approval of the Disaster Recovery & Major Incidents Policy by the Finance & Resources Committee and **requested** confirmation be sought regarding the most appropriate committee responsible for its future approval.

SM

4 Audit plans and reports

4.1 External audit – Audit plan

N. Coughlin outlined the external audit approach, as set out in the plan, for the 2024/25 academic year for both Halesowen College and Halesowen College Enterprises Ltd and highlighted the following:

- A materiality of 2% of income would be applied to the financial statements as a whole (group, college and HCE)
- The significant risks to be addressed during the audit
- The recently updated/published statutory guidance documents relevant to the audit process, following the withdrawal of the Post-16 Audit Code of Practice
- The timescales involved, from May 2025 until the approval/signing of the accounts
- Only an inflationary increase had been applied to last year's fee

The Committee asked for an update on the college's position regarding free school meals. A. Woodford advised discussions continued with the DfE regarding the funding accrued during COVID lockdown and confirmed a repayment was likely to be requested.

S. Morley requested an editable version of the Related Party Transaction form be shared for completion by governors and senior officers.

NC

The Committee **noted** and **accepted** the External Audit Plan for 2024/25.

4.2 Internal audit update

L. Tweedie presented the following internal audit reports:

a) Internal audit progress report

L. Tweedie confirmed all audit work had been delivered as per this year's plan, with one report (Follow-up) undergoing its final QA process prior to publication. Referring to the risk radar section, L. Tweedie informed the Committee of the most prevalent emerging risks across all sectors - geopolitical instability and cyberattack, with impact of regulation and financial planning uncertainty also to be noted.

The Committee **received** the report.

b) Estate management controls

L. Tweedie advised the audit had comprised an assessment of both planned and reactive works, covering how they were both recorded, prioritised and delivered. She informed the Committee of the 'split' judgement that had been given during this audit – 'partial assurance' for control design and 'reasonable assurance' for application. She explained the judgement for control design was largely due to the restraints of the system used by the college, rather than a reflection of its implementation/use.

The Committee acknowledged the limitations with the system and asked for management thoughts on its use. Both A. Woodford and S. Rudolph advised it was a basic system with limited functionality and that the college would consider the possible benefits of a

replacement system. S. Rudolph reported there would be no penalties for leaving the current system provider.

The Committee noted an error within the report regarding the approval of an Estates Strategy and it was agreed this would be updated once the strategy had been approved.

LT

The Committee **received** the report and **noted** the management actions.

c) **Procurement**

L. Tweedie advised the audit had been included within this year's audit plan due to the recent change in procurement regulations. She advised the overall audit opinion for this audit had been 'Substantial assurance', finding that processes were robust and effective.

The Committee noted the recommended action regarding procurement waivers and asked if there was an internal process in place for this. A. Woodford confirmed there was an internal process in place to request a procurement waiver and S. Morley advised she had added 'Procurement' to the list of 'by exception' updates on the Finance & Resources Committee's agenda.

It was noted the wording relating to compliance testing did not provide an accurate explanation of the finding and it was agreed it would be updated.

LT

The Committee discussed the audit's links to IT third party issues regarding data protection, which L. Tweedie advised other colleges had incorporated into their audit plans. It was confirmed this had not been within the remit of this audit but should be considered for future inclusion within the internal audit plan.

The Committee **received** the report and **noted** the management actions.

d) **Follow-up**

The report had not yet been published and would be circulated at the earliest opportunity, followed by formal presentation at the next meeting.

LT

e) **Internal audit strategy 2025-26**

L. Tweedie referred the Committee to the internal audit strategy for the next academic year, explaining the strategy had been informed by discussions with the college, risks arising across the sector and major college initiatives:

- Capital projects: governance and project management framework (Sep 2025)
- Safeguarding processes (Jan 2026)
- Learning support arrangements (Mar 2026)
- Student attendance and retention processes (Mar 2026)

The Committee discussed how the student-focused audits, although similar, had been incorporated for specific reasons, in particular attendance and retention which was a major priority for the college. A. Woodford advised the scheduled audit in March provided an opportunity to assess the effectiveness of the new staffing structure and approach to addressing student attendance and retention. It was noted cyber security had not been included at this time, due to having recently being audited and that governance had recently been assessed via last year's external review of governance.

The Committee **supported** the internal audit strategy (plan) for 2025/26 as a working draft for finalisation at a later date, retaining the option to vary the plan in response to emerging higher priority risks.

4.3 Audit action tracking – progress report

S. Rudolph presented the audit action tracking report, which had been adapted into a new format as per the action from the previous meeting. He advised the report awaited the confirmed audit opinions provided as part of the Follow-Up audit.

The Committee thanked S. Rudolph for his report and its new format, and requested the addition of a column for 'Audit opinion'.

AW/SR

The Committee **noted** the tracking report.

5 **Risk management**

5.1 Risk register dashboard

A. Woodford presented the live risk dashboard and highlighted any changes and additions to the risk register (as outlined in the report for Item 5.2) since the last meeting. He confirmed the work to improve the risk reporting process remained underway and that the definitive version of the dashboard would be ready for the next meeting.

The Committee **noted** the updated risk register, the main risks facing the college and the reported changes since the last meeting.

5.2 Risk summary (including risk highlights for Corporation)

A. Woodford informed the Committee a new risk category of safeguarding had been added to the risk register and advised the summary report would be updated to reflect this before being shared with the Corporation.

AW

The Committee **noted** the risk summary and **agreed** to the (updated) report being shared with the Corporation.

6 **Policy review**

6.1 College policy framework

S. Morley presented the updated policy framework as a means of providing assurance to the Committee around the management of policy review within the college. She explained the framework had been the result of an extensive review of approval levels, frequency and ownership for all policy documents requiring governor approval, and had focused on reducing the workload for all involved, as well as ensuring regulatory compliance.

The Committee requested the addition of a footnote within the policy framework document to clarify that documents may be reviewed sooner than the scheduled frequency if an update was required. The Committee noted the documents where review dates were either missing or had passed, and it was agreed S. Morley would work with the Executive Team to address and update/complete the framework document.

SM

SM

The Committee **noted** the policy framework and the assurance it provided regarding policy management and compliance.

6.2 Whistleblowing Policy

A. Woodford presented the Whistleblowing Policy for the Committee's consideration, which had been updated to reflect recent legal changes in sexual harassment and employment rights.

S. Morley advised, given recent sector events, she recommended the approval of the Whistleblowing Policy be undertaken by the Corporation.

The Committee noted the updated policy and requested gender specific references be changed to gender neutral (where appropriate).

The Committee noted the whistleblowing self-assessment document provided within the meeting pack, as well as the leaflet made available to all staff members.

The Committee **recommended** the approval of the updated Whistleblowing Policy by the Corporation, subject to incorporation of the agreed amendment above.

AW

6.3 Statutory guidance updates/publications

The Committee **noted** the summary of recent policy and legal updates within the report.

7 Annual reviews

7.1 Committee terms of reference

S. Morley informed the Committee all terms of reference would undergo annual review over the summer and would reflect the agreement for overall responsibility for the oversight of risk management to remain with the Audit Committee, while risks relevant to their remit would be discussed by the committees.

7.2 Compliance reporting

a) **AoC Code of Good Governance**

S. Morley presented the working draft of an assessment of the college's position against the AoC's updated Code of Good Governance. She advised the assessment did not highlight any cause for concern and confirmed the actions for further strengthening governance had already been identified via other processes, as seen in reports presented at this meeting.

The Committee **noted** the report and **endorsed** the incorporation of the suggested areas for further improvement into the governance development plan.

b) **OfS conditions of registration**

The Committee **noted** the update within the report.

7.3 Regularity self-assessment questionnaire (RSAQ)

S. Rudolph presented the final draft of the RSAQ, which he advised informed the Corporation's annual statement on regularity, propriety and compliance and the work undertaken by the college's external auditor.

N. Coughlin confirmed the questionnaire would be reviewed during the audit process and would inform the sample testing undertaken by the auditors.

The Committee **noted** the RSAQ and **recommended** its finalisation, subject to the removal of the dating of documents.

SR

8 By exception reports

8.1 Cyber security

A.Woodford advised a phishing test had been carried out earlier that day and confirmed anyone failing the test would be required to undertake refresher training.

8.2 Data protection and FOI

The Committee **noted** the report and asked if data breaches referred to in the report had been carried out by the same individuals. A. Woodford confirmed the breaches involved different individuals, who were all required to complete mandatory training after a breach.

The Committee acknowledged the culture of reporting within the college, both in terms of internally and externally to the ICO.

Noted report amendment – date of data protection training should read April 2025.

8.3 Fraud, bribery and money laundering

Nothing to report at this time.

8.4 Governance

S. Morley presented the progress report for the actions arising from last year's external review of governance, 12 months on from its publication. She advised, since the publication of the meeting papers, a governor appointment had been made, and two further candidates were being interviewed in June 2025.

The Committee **noted** the progress made in delivering the recommendations from last year's ERG and work still underway.

8.5 Health and safety

Nothing to report at this time.

8.6 Office for Students (OfS)

The Committee agreed the most appropriate forum for the receipt of the minutes of the college's HE Board was the Students, Curriculum & Quality Committee and requested this be actioned for next year's meeting cycle.

SM

8.7 Procurement

Nothing to report at this time.

8.8 Regulatory compliance

S. Morley referred to the paper, which was a response to the recent publication of an FE Commissioner's report regarding serious governance and financial irregularities at Weston College. She advised the paper was a position statement for Halesowen College against the recommendations within the FEC report and aimed to provide assurance to the Committee, as well as identifying additional action that would further strengthen the college's governance.

The Committee thanked S. Morley and A. Woodford for the report and acknowledged the importance of raising awareness of the failings identified at Weston College with the wider governing body. S. Morley confirmed the report would be shared with the Corporation and would be the focus of an agenda item at the governors' upcoming strategic review session.

The Committee:

- **Noted** the findings/recommendations from the FEC report;
- **Considered** the audit of the college's current position; and
- **Supported** the incorporation of the proposed actions for further strengthening current governance practice into the governance development plan

8.9 Whistleblowing

Nothing to report at this time.

9 Any other business

9.1 Committee membership

The Chair noted this was T. Harvey-Pallent's last meeting as a governor member of the Committee and expressed his thanks and appreciation for her support and contribution during her time as both a committee and Corporation member. The Committee welcomed her continued contribution as a co-opted member (subject to Corporation approval).

There was no further business for discussion and the Chair closed the meeting at 8:05pm.

2025/26 meeting dates (all TBC):

- Autumn 1 2025 (risk focus): ADDITIONAL MEETING AGREED
- Autumn 2 2025 (annual accounts focus)
- Spring 2026
- Summer 2026

Actions from meeting(s)

Audit Committee – 04 March 2025				
Ref		Action	Owner	Deadline
1	4.2	Explore how 'out of threshold' risks can be captured on the dashboard	AW	Jul25
2	6.2	Review fraud self-assessment format and confirm reporting requiremnts	AW&AH	Jan26
Audit Committee – 22 May 2025				
1	3.2	DR & MI Policy – update the references to the number of college sites	AW	31/05/25
2	3.2	DR & MI Policy – refer to F&RC for approval and consideration of where the policy should be approved	SM	25/06/25
3	3.2	DR & MI Policy – set up a folder on GHub as back-up storage	SM&AW	Sep-25
4	4.1	Ext audit – share Word version of RPT form with SM	NC	Jul-25
5	4.2b	Estates audit – update wording in report re strategy approval	LT	Jul-25
6	4.2c	Procurement audit – clarify reference to compliance testing in report	LT	Jul-25
7	4.3	Audit action tracker – add column for 'confirmed audit opinion'	AW/SR	Sep-25
8	5.2	Risk summary report – add reference to inclusion of safeguarding	AW	09/06/25
9	6.1	Policy framework – add footnote re reviewing before scheduled date	SM	Jun-25
10	6.1	Policy framework - work with ELT to address missing review dates	SM	Jul-25
11	6.2	Whistleblowing policy – make agreed amendment (gender references)	AW	09/06/25
12	7.3	RSAQ – remove reference to dating of documents	SR	Jun-25
13	8.6	HE Board – refer future minutes to SCQC	SM	Sep-25