

Audit Committee

Thursday 21 May 2026, 6:00-7:50pm

Block 1 Boardroom (1.204)



Meeting papers link: [21 May 2026](#) (GovernorHub)

Committee members in attendance:

Ian Hughes (Committee Chair)

Grant Johnson

Officers in attendance:

Nathan Coughlin, Bishop Fleming

Steph Morley, Director of Governance

Kylie Penn, Head of Inclusion (Items 1-3)

Balraj Singh Jagdev (observing governor)

James Taylor, Bishop Fleming

Louise Tweedie, RSM (from Item 3)

Andrew Woodford, CFO & Vice Principal

APPROVED MINUTES

Item	Discussion	Action
1	Welcome The Chair opened the meeting and welcomed all in attendance, in particular K. Penn and J. Taylor, the college's incoming audit partner. It was noted, due to the apologies received, the meeting was not quorate and would proceed on a discussion/informational basis only.	
2	Procedural matters	
2.1	<u>Apologies</u> Apologies had been received from S. Chagan and A. Jarrett.	
2.2	<u>Declarations of interest</u> There were no declarations of interest for this meeting.	
2.3	<u>Confidential item(s)</u> There were no confidential items for discussion.	
2.4	<u>Minutes of last meeting and actions/matters arising</u> The approval of the minutes of the last meeting was deferred to the next meeting. Actions/matters arising: - The actions related to the improvements to the risk dashboard would be covered during Item 5 - FE SORP changes would be covered under Item 4.1 - FOI appeal timescales, confirmed as best practice rather than a requirement All other actions were reported as completed/closed.	SM
2.5	<u>Approvals since last meeting</u> There had been no approvals to report.	

3 Policy and compliance

3.1 Disaster Management & Major Incident Policy (for review)

A. Woodford introduced the item, explaining the policy was presented for feedback rather than recommendation. K. Penn informed the Committee the policy had been updated to reflect Martyn's Law and also learnt experiences following planned drills and incident responses. She confirmed the intent was to streamline the policy document, which would be supported by an operational document – the Playbook.

The Committee asked how the college's preparation for Martyn's Law had been tested. K. Penn explained how the college had been supported by a consultant who had helped to develop the college's plans and procedures, which had been further finetuned following drills, incidents and feedback from staff – the result of which was the Playbook.

The Committee discussed the documents in depth and members shared their feedback. It was agreed, where required, follow-up emails would be sent.

GJ

The Committee asked if high-level feedback from the drills and incident simulations could be shared as part of its oversight role – it was agreed this would be actioned.

AW

The Committee asked if all relevant managers were included in the SMT membership, in particular representatives from operations and marketing – it was agreed this would be reviewed.

AW

The Committee **welcomed** the new approach and **noted** the improvements made to the Disaster Management & Critical Incidents Policy so far.

3.2 Prevent risk assessment update (for review)

K. Penn informed the Committee the risk assessment had been updated to reflect the national terrorism threat level being raised to 'Severe'. She advised discussions had been held with local partners following the increase and that internal briefings had taken place with managers/student-facing staff.

K. Penn informed the Committee of the increases in reported incidents related to extremism, particularly within the EHE cohort. She confirmed disciplinary action had been taken where appropriate and further staff training was planned to ensure staff felt confident and empowered to address this behaviour when displayed onsite or online.

The Committee asked if there had been notable change since the recent local elections. In addition to the increases already discussed, she advised it was notable the number of staff members who were worried/concerned. It was noted the college had not seen the level of increase currently being experienced by other local colleges.

The Committee asked what would happen when extremism-related behaviour had been identified. K. Penn advised the student would be called to a meeting with the Curriculum Director, followed by a meeting with their parents. Often the student was remorseful and the outcome would be educational action; however, in some cases, the matter might be escalated to the college's safeguarding team for review.

The Committee asked for a progress update on the two Amber rated actions. K. Penn confirmed these had both been completed since the publication of the report.

The Committee **noted** the updated Prevent Risk Assessment, including the rationale for the in-year update and the local issues being managed by the college.

3.3 For information:

A. Woodford presented the report and outlined the changes within the recently updated College Accounts Direction and the Framework & Guide for College Auditors.

The Committee **noted** the updated Colleges Accounts and Framework & Guide for College Auditors.

4 **Audit plans and reports**

4.1 External audit plan 2026

N. Coughlin and J. Taylor outlined the external audit approach, as set out in the plan, for the 2025/26 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 relevant statutory guidance documents relevant to the audit process, including the College Accounts Direction and FE & HE SORP
- The personnel involved in the audit from Bishop Fleming
- The timescales involved, from now until the approval/signing of the accounts
- The proposed audit fee

N. Coughlin informed the Committee about the changes introduced by the updated FE & HE SORP, taking effect in August 2027, highlighting one of the main changes as the treatment of leases.

The Committee noted the college would be entering into a number of property leases in the near future (as per the capital programme) and the implications this would have. It was also acknowledged photocopier/printer leases would also be affected and the Committee asked for confirmation this had been taken into consideration – A. Woodford agreed to report this back to the Committee. N. Coughlin confirmed this would also be looked at during the fieldwork for the upcoming external audit.

AW

The Committee discussed the potential treatment of grant funding as revenue and it was noted the final guidance for this was still awaited.

One of the references to responsibility for preparation of the HCE accounts was noted as incorrect and it was agreed this would be amended.

NC

The Committee **noted** and **accepted** the External Audit Plan for 2025/26.

4.2 Regularity self-assessment questionnaire (RSAQ)

A. Woodford presented the RSAQ, which had been updated in preparation for the 2025/26 external audit. He explained the RSAQ was presented to the Corporation for final sign-off, to provide assurance regarding regularity in advance of signing the annual accounts, and then shared with the DfE as part of the annual submission. N. Coughlin also confirmed the document was used by Bishop Fleming to inform their audit work.

The Committee **noted** the RSAQ for 2025/26 and **recommended** its presentation to the Corporation.

4.3 Internal audit:

- (a) **Budgetary control and financial reporting audit report:** L. Tweedie presented the report of the Budgetary Control & Finance Reporting audit, which had been given a 'reasonable assurance' opinion with 1 Medium and 3 Low level identified management actions.

The Committee acknowledged the report and findings, and asked if the response rate for the manager survey was known. L. Tweedie advised out of the 10 managers chosen at random, 9 had responded to the survey.

The Committee highlighted the recommendation regarding the 12-18 months cash flow. L. Tweedie noted this had been a previous request from the college's Finance & Resources Committee and advised 12 months (as a minimum) was best practice across the sector. The Committee acknowledged the recent progress with cash flow reporting and the challenges posed by the lack of certainty regarding the college's funding situation.

The Committee **noted** the outcome of the audit, as set out in the report, and the identified management actions.

- (b) **Progress report:** L. Tweedie presented the progress report, highlighting the upcoming audits in the Summer term and the latest sector risk radar report.

4.4 Internal audit strategy 2026/27

L. Tweedie presented the proposed Internal Audit Strategy for 2026/27, which incorporated the following audit themes:

- Tuition fees
- Value for money
- Cyber security
- Key financial controls
- Capital programme

The Committee welcomed the inclusion of cyber security within the strategy and asked what the audit would entail. L. Tweedie advised RSM's tech team would review the college's IT controls and auditors would focus on the human elements of cyber security, eg training and access management.

The Committee asked if the college was Cyber Essentials certified. A. Woodford confirmed the college was certified at the standard level, as per the requirement for the funding agreement with the DfE.

The Committee asked if the senior team supported the proposed strategy for 2026/27. A. Woodford confirmed management colleagues were supportive and agreed the strategy reflected the college's key priorities, areas for improvement and risks.

The Committee **supported** the Internal Audit Strategy 2026/27 and **recommended** its presentation to the Corporation for approval.

4.5 Audit action tracking

A. Woodford presented the latest audit action tracking report, which had been updated to include the final audit opinion from the annual follow-up audit.

The Committee asked if those actions reported as Amber were still in progress or were awaiting the outcome from the follow-up audit – A. Woodford confirmed this was due to the follow-up audit not yet being finalised.

The Committee **noted** the update provided.

5 **Risk management**

5.1 Risk register developments/new dashboard

A. Woodford presented the new risk dashboard, which had been updated to reflect the agreed new three risk descriptions of inherent, mitigated and residual. He confirmed the number of strategic risks had been reduced and very low level risks removed, as previously discussed, and that action plans were in place for all risks where their residual level were above the acceptable threshold.

A. Woodford referred to the risk register provided and highlighted the main strategic risks to the college at this current time as follows:

- The impact of external factors (primarily curriculum and assessment reform and funding)
- Terrorism threat
- Local tensions

The Committee thanked A. Woodford for the improvements made to the risk dashboard; acknowledged the work still to be done; and **noted** the latest update of the risk register, including the main strategic risks to the college.

5.2 Risk action plan

The Committee reviewed the risk action plan provided and were advised the risk action plan linked to the dashboard required updating before presentation to the Committee at its next meeting.

The Committee **noted** the latest risk action plan and requested the Corporation always received a copy with the papers for its meetings – A. Woodford confirmed this would be provided.

6 **Governance and compliance**

6.1 Governance development plan

S. Morley presented the update report on the delivery of this year's Governance Development Plan, noting the progress made throughout the year.

The Committee **noted** the update provided and **requested** the RAG status for the following actions be upgraded as follows to reflect the progress made:

- 2.3, Governor recruitment - change to Green with positive direction of travel
- 3.5, Raising awareness – change to Amber with positive direction of travel
- 5.3, Governor training and updates - change to Amber with positive direction of travel

SM

6.2 Review against AoC Code of Good Governance

S. Morley presented the latest review against the AoC's Code of Good Governance for colleges, noting the progress made throughout the year. She reported no compliance concerns and advised, where actions had been identified, they were to further strengthen existing practice.

The Committee **noted** the latest review against the AoC Code of Good Governance and the improved position reported.

6.3 Policy framework

The Committee **noted** the update provided regarding the management of policies requiring governor approval and the progress made since the last report.

As link governor for IT & Digital, G. Johnson asked to have sight of the IT Continuity Policy.

AW

7 **By exception reports**

7.1 Cyber security

There was nothing to report at this time.

7.2 Data protection and FOI

A. Woodford presented the report provided and the Committee **noted** the FOI requests, SARs and data protection breaches, in particular those that had occurred since the last report.

7.3 Fraud, bribery and money laundering

There was nothing to report at this time.

7.4 Governance/regulatory compliance

There was nothing to report at this time.

7.5 Health and safety

There was nothing to report at this time. A. Woodford advised there had been no health and safety challenges arising from the college's capital works, which was monitored by the internal group that had met the previous week.

7.6 Office for Students (OfS) compliance

S. Morley presented the compliance audit report, which covered the governance-related elements of the conditions of registration with the OfS. She reported no compliance concerns and advised, where actions had been identified, they were to further strengthen existing practice.

The Committee **noted** the compliance audit report and **supported** the recommendation for similar reports to be presented at each meeting, with a focus on a different condition of registration each time.

SM

7.7 Procurement

A. Woodford presented the waivers report and advised there were no concerns to bring to the attention of the Committee.

The Committee highlighted the number of agency-related waivers and acknowledged the recruitment challenges alongside higher than ever cost of agency staffing.

The Committee asked for confirmation of waiver thresholds – A. Woodford confirmed there was a sliding scale, as set out in the appropriate policy and procedures, with different amounts requiring sign off at different seniority levels.

It was noted there was dual reporting of procurement waivers between this and the Finance & Resources Committee. It was suggested, to remove duplication and ensure alignment with terms of reference, that oversight of compliance should sit with the Audit Committee.

SM

The Committee **noted** the waivers report and the reasons provided for the waiver decisions.

7.8 Whistleblowing

There was nothing to report at this time – all prior reports had been closed down as per the report.

8 **Any other business**

The Committee acknowledged the imminent change in (external) audit partner for the college and thanked N. Coughlin for his input, challenge and support during his time as partner.

There was no further business and the Chair closed the meeting at 7:50pm.

2026/27 meeting dates – to be circulated

Actions from this meeting - See Corporation & Committee action tracker for details and updates

Ref	Item	Action	Owner	Timescale
Audit Committee – 21 May 2026				
1	2.4	Defer approval of March 2026 minutes to next meeting	SM	Aut 2026
2	3.1	DR&MI Policy – report outputs from simulations to the Committee	AW	Aut 2026
3	3.1	DR&MI Policy – send comments and examples to KP	GJ	01/06/26
4	3.1	DR&MI Policy – check group, in particular operations and marketing	AW	ASAP
5	4.1	External audit – check if printer leases are reflected in contracts list	AW	ASAP
6	4.1	External audit – clarify in document who prepares HCE accounts	NC	ASAP
7	6.1	GDP review – update RAG status of identified actions	SM	Jun 2026
8	6.3	Policy framework – share IT continuity policy with GJ	AW	01/06/26
9	7.6	Procurement updates – remove duplication of reporting waivers	SM	ASAP
10	7.7	OfS compliance – finalise template and organise future reports	SM	Aut 2026