

Minutes of the Audit Committee Meeting
held on Thursday 3 July 2025 at 17.30pm, Elm Bank Hotel, York

Present:	Julia Histon Andrew Thomas James Farrar John Ennis Anna Entwistle	Independent Governor Independent Governor Independent Governor Co-opted Governor Co-opted Governor
In Attendance:	David Hawkins Carolyn Barker Martin Ritchie Ken Merry Emma Collis Louise Jones Liam Garside	Finance Representative Director of Governance TIAA (internal audit) – joined remotely Principal/CEO RSM (external audit) Director of Information Services – joined remotely Director of Student and Apprentice Services
1.	Apologies for Absence / Declarations of Interest	Action
1.1	The Chair welcomed attendees to the meeting. A special welcome was extended to James Farrar, who joined as a new member of the committee. Emma Collis from the RSM external audit team, Liam Garside (Director of Student and Apprentice Services) and David Hawkins (Finance representative) were also in attendance. There were no declarations of interest in any of the committee's business items. The Chair of the meeting was Julia Histon. Notice of the meeting was given at least 7 days in advance. The meeting was quorate.	
2.	Minutes of Previous Meeting	
2.1	The minutes of the meeting held on 13 March 2025 were reviewed and approved as an accurate record. <i>The Committee resolved to approve the minutes.</i>	
3.	Matters Arising	
3.1	Action Summary The Committee reviewed the Action Summary from the 13 March 2025 meeting, noting progress on strategic risk monitoring and AI assurance, with one item, Business Continuity Plan review, remaining open pending submission from the Finance and General Purposes Committee. It was noted that the risk register had been updated and is to be submitted to Board for review the following week.	
3.2	Any other matters None.	
4.	Assurance Review – Safeguarding	
4.1	The Director of Student and Apprentice Services presented a comprehensive safeguarding update, supported by a handout	

	summarising key statistics and developments for the academic year 2024–2025. Governors were informed that: • A total of 1,016 cases were triaged through the CPOMS platform, with 662 individual students seen by the Safeguarding and Wellbeing Team. • 58 external referrals were made, and the team participated in 13 multi-agency meetings. • The CPOMS system is now used to collate all wellbeing and safeguarding data, including behaviour management, ESOL-related concerns, and information from external partners such as the police. • The Safeguarding and Wellbeing teams have now merged and are working collaboratively to provide a more integrated service. • The College hosted 41 safeguarding events on topics including hate crime, anti-bullying, sexual violence, knife crime, and Prevent. • Two audits were completed: a TIAA audit in March 2025 (with no recommendations) and a Leaders in Safeguarding review, which resulted in the College achieving the Gold Award. • 11 changes have been implemented, including improvements to CPOMS categorisation, the introduction of Prevent Champions, and IDAS drop-in sessions. • Recruitment is underway for a new Safeguarding and Wellbeing Officer, and awareness sessions and drop-ins continue to be offered. Governors commended the progress made since reports were provided to the Governing Body in 2023 following concerns being raised. They noted the significant improvements in safeguarding provision and the quality of appointments made to the team. Governors highlighted the importance of a strategic approach to prevention and queried how the College ensures that students exhibiting inappropriate behaviour are actively engaged in interventions. It was confirmed that targeted activities take place. Governors also discussed the emotional impact of safeguarding work on staff. The Director confirmed that staff have access to paid supervision sessions with trained counsellors, alongside mentoring support, to help manage the demands of the role. The Committee welcomed the clarity of the one-page summary and the continued focus on proactive and preventative safeguarding measures.	
5.	External Assurance – Internal Audit	
5.1	Internal Audit Recommendations Implementation The Committee reviewed progress on the implementation of internal audit recommendations from 2022 to 2025. Members noted continued improvements in assurance and compliance practices, with a declining risk profile and strengthened governance processes.	
5.2	Internal Audit Progress Report 2024–2025 The Committee received the Internal Audit Progress Report for 2024–2025, presented by the Finance representative. It was noted that the following audits had been completed: • Governance Reclassification • Safeguarding	

	• Bursaries • Student Experience The audit of Curriculum Planning is currently underway, and the Performance Management audit is scheduled for July 2025. The Committee welcomed the positive assurance levels and noted that internal audit continues to be a valuable tool in supporting the College's compliance with regulatory and legal obligations, despite not being a statutory requirement. <i>The Committee resolved to note the progress made with the 2024–2025 Internal Audit Programme.</i>	
5.3	Internal Audit Reports TIAA presented an overview of the internal audit reports for 2024–2025 covering the following areas: • Bursaries – Reasonable assurance • Governance Reclassification – Substantial assurance • Safeguarding – Substantial assurance • Student Experience – Substantial assurance The Performance Management audit, previously delayed, is to be scheduled for review at the September 2025 meeting. In relation to the Bursaries audit, the Committee welcomed the reasonable assurance rating and noted several examples of good practice, particularly in policy and procedure design and financial oversight. Key recommendations included improving the consistency of reporting and incorporating student feedback. Additional recommendations related to clarifying segregation of duties and ensuring policy reflects practice. Governors discussed the operation of the bursaries discretionary fund. It was confirmed that thresholds are set cautiously at the start of the year but adjusted flexibly as the year progresses. The Committee noted that previous underspends are no longer permissible under revised rules, which limit carry-forward to one year. The potential for voluntary donations to support bursaries was raised as a future opportunity. It was agreed that bursary provision should remain under review to ensure responsiveness to student need. Governors asked whether the bursary report could be shared with the Quality and Curriculum Committee as they have oversight of the allocation and take up of bursaries. TIAA advised that the Governance Reclassification and Safeguarding reports were presented in final form, having been shared in draft at the previous meeting. No significant concerns were raised. In response to a question from a governor regarding indemnity wording, it was confirmed that there was no underlying issue being signalled. The Student Experience audit received substantial assurance, with good practice noted in careers support, student wellbeing, and feedback mechanisms. The Chair expressed some concern about	CB

	reports with no recommendations, but TIAA confirmed that there were no missed opportunities and that the assurance rating was robust. The Chair also asked TIAA about their experience working with the College team. They reported constructive and positive engagement, acknowledging some initial delays but no significant concerns. <i>The Committee accepted the internal audit reports and noted the findings and recommendations.</i>	
5.4	Internal Audit Plan 2025-26 The Committee reviewed the proposed internal audit priorities for 2025–2026. The paper presented by the Finance representative included a summary of audits conducted over the past five years, alongside other sources of assurance. A reference document from TIAA outlining potential audits through to 2027 was also provided to support discussion. Governors were invited to suggest additional areas for inclusion in the upcoming audit plan. The Finance representative confirmed that Strategic Leadership Team members had also been asked to contribute suggestions. Initial proposals included: • Procurement – suggested as a sensible area for review. • Cyber Security – identified as a key risk area. The Finance representative and TIAA commented that this would involve a deep dive by a specialist team using National Cyber Security Centre principles, with qualified and experienced auditors. They also highlighted the ongoing penetration testing activity at the College. • Apprenticeship Funding – suggested as an area for consideration however it was noted that the area had been subject to several external audits. Governors agreed that further internal audit coverage was not required at this time. • Income and Debtors – Governors queried whether this would be covered. The Principal confirmed that it had been deferred but would be addressed under a broader Income Management audit. • Professional Development – rolled over from the 2024-25 plan. It was agreed that the management team would take the feedback away and return with a proposed internal audit plan for 2025–2026 at the next meeting. The Director of Information Services joined the meeting at 6.30pm. The Chair welcomed the Director of Information Services to the meeting. TIAA left the meeting at this point.	DH
6.	External Assurance	
6.1	External Audit Plan The Committee received and reviewed the External Audit Plan for the year ending 31 July 2025, presented by Emma Collis of RSM UK. The plan outlined the scope, key audit risks, materiality thresholds, audit timeline, and assurance procedures. She confirmed that the plan had been developed in consultation with the College management team and reflected the latest guidance, including the updated College Financial Handbook and the new	

	framework for external auditors. The audit is to include both the financial statements and a regularity review, with the final report addressed to the Secretary of State for Education. Key points noted included: • Significant audit risks identified were: - Management override of controls - Income recognition (including DfE recurrent grant income, apprenticeships, ASF, and 16–19 study programme funding) - Defined benefit pension scheme valuation - Capital grant funding • RSM are to use specialists to review complex areas such as income recognition and pensions and will conduct detailed testing of journal entries and funding claims. • The audit timetable has been agreed with management, with fieldwork scheduled for September/October and reporting in November/December. • Materiality for the audit has been set at £665,000, with a threshold of £33,250. • The regularity review will include scrutiny of severance payments and compliance with public sector requirements following the reclassification of colleges. In discussion governors queried whether the assessment of significant risks was based on a general management view. RSM confirmed that there were no specific concerns at York College and that the risks were standard for the sector. Governors raised a question about team capacity. The Principal assured the Committee that the process was well managed by the Finance Manager in collaboration with RSM, and that the College was well prepared. <i>The Committee noted the report and confirmed acceptance of the audit plan.</i>	
6.2	Subcontracting External Audit Report The Committee received the Subcontracting Audit Report for 2024–2025, presented by the Director of Information Services. The audit reviewed the College’s compliance with the Department for Education’s Subcontracting Standard, following an increase in subcontracted provision above the £100,000 threshold due to the addition of Blackpool F.C. Community Trust. The director explained that this was the College’s first audit under the new standard introduced in 2022. The process had been a significant undertaking and prompted a review of policies and procedures. The audit outcome was positive, with strong overall compliance and only three minor recommendations: 1. Develop an overarching subcontracting framework to consolidate existing documentation. 2. Ensure all contracts are signed prior to the commencement of provision. 3. Formalise and complete annual due diligence checks for subcontractors. The Committee noted that the issue of contract timing was a one-off occurrence in the previous year and is not expected to recur. The	

	report had been submitted to the Department for Education, and the College anticipates confirmation that no further audit will be required for three years. RSM confirmed that this was a particularly strong outcome compared to other providers. The Principal added that the College expects that this particular risk will be retired from the strategic risk register after Board consideration, although it may be reinstated if subcontracting levels increase. The Chair queried whether the monetary value of subcontracting is expected to rise. The Principal confirmed that it likely will over the next few years. <i>The Committee welcomed the report and congratulated the team on the positive outcome.</i>	
7.	Internal Assurance – College Assurances	
7.1	Strategic Risk Monitoring The Principal presented the updated Strategic Risk Register to the Committee. No new risks had been raised by colleagues at the time of reporting. It was noted that cyber security remains the highest-rated risk, reflecting its ongoing significance and potential impact. He highlighted that there had been some movement within the register, including a change to the core purpose risk, which is now considered to be on a downward trajectory due to anticipated improvements in achievement outcomes. Governors welcomed the new format of the risk register, commenting positively on its clarity and usability. The Chair identified a numerical error on the final page of the register, related to mitigated risk scores that should be corrected. This was noted for amendment. <i>The Committee was satisfied with the report and noted the updates.</i>	KM
8.	College Insurance	
8.1	Insurance Renewal The Finance representative presented an update on the College's insurance renewal arrangements. The Committee was informed that the original insurance agreement with Aviva was structured as a three-year contract with a two-year extension, potentially running to October 2026. Due to a dispute over minor cost increases in October 2024, Aviva had initially only agreed to a one-year renewal. However, following further discussions with the broker, Aviva had now confirmed that the College may proceed with the full extension to October 2026, in line with the original contract terms. The College's Procurement Team had confirmed that this approach is compliant with procurement regulations.	

	It was noted that the College will retender for insurance in summer 2026, with Aviva likely to remain a strong contender due to their dominant position in the Further Education sector. The Chair invited questions from committee members. Anna Entwistle noted that she works for Aviva but did not believe this presented a conflict of interest. <i>The Committee noted and endorsed the proposed renewal approach.</i>	
9.	Policy and other matters	
9.1	Policy reviews The Committee reviewed and recommended for approval the following updated policies: • Financial Regulations – the Finance representative explained that the procurement section had been revised to better reflect operational practice, particularly in relation to finance systems. Amendments included clarification on the process for single tender actions, which now require notification to the Chairs of both the Audit and Finance & General Purposes Committees. The threshold for Governor approval remains at £214,905, in line with EU procurement thresholds. Governors queried the presentation of the procurement table, and the Principal agreed to add an additional column to clarify which transactions require Board approval. The section allowing CFO discretion for urgent maintenance up to £50,000 was retained, reinstating previous provisions. A governor queried the removal of a clause before section 20.3, and the Principal confirmed it could be reinstated if preferred. • Risk Management Policy – The policy was updated to include a revised risk appetite statement, reflecting recent discussions at a governor seminar. • Fraud Prevention Policy – Updates included job title changes and amendments to reflect the Economic Crime and Corporate Transparency Act 2023 and feedback from the Director of Governance. <i>The Committee was satisfied with the updates and recommended all three policies for approval by the Board of Governors.</i>	KM
	Summary of Other Matters	
10.	Other Matters	
10.1	Additional Services from Audit Providers There were no additional services provided.	
10.2	Review of internal audit service performance The Committee considered the current status of internal audit provision and the upcoming contract renewal with TIAA. The Finance representative advised that the College is approaching the end of its current agreement and recommended a one-year extension of TIAA's appointment through to July 2026, with a full tender process to be undertaken in Autumn 2025 for services from August 2026. Governors recalled that the College had previously selected TIAA due to restrictions preventing the same provider from delivering both	

	internal and external audit services, which had ruled out RSM from delivery both internal and external audit services, at the time. The Chair queried whether a further extension was permissible under procurement rules. The Finance representative confirmed that it was, and the Committee was satisfied with the proposal. <i>The Committee approved the one-year extension of TIAA's internal audit contract and noted the Chair's offer to support the retendering process if needed.</i>	
10.3	2024-25 Regularity Self-Assessment Questionnaire The Committee reviewed the 2024–25 Regularity Self-Assessment Questionnaire (RSAQ), a mandatory document required to support the external audit process. The Finance representative confirmed that the format of the questionnaire remained largely unchanged from previous years, and that the evidence sections have been fully completed. He advised that the RSAQ will be signed by the Chair of Governors and the Principal/Chief Executive at the same time as the Financial Statements are approved by the Board. The Chair raised a minor point regarding section 1.9, noting that while the College follows guidance, there is no explicit reference to heightened risk. The Principal responded that the College had submitted a lessons learned report to the DfE, and that the Chair of Audit had been involved in the process. The Finance representative clarified that the RSAQ is submitted to RSM as part of the audit process but is not shared beyond that. <i>The Committee noted the contents of the RSAQ.</i>	
10.4	Committee Schedule of Business and Terms of Reference The Committee reviewed the updated Terms of Reference for the Audit Committee, which now reflected the change in oversight from the Education and Skills Funding Agency (ESFA) to the Department for Education (DfE). The Committee approved the revised Terms of Reference for approval by the Board. The Committee also reviewed the Schedule of Business for 2025–26, confirming that it remains unchanged in structure. However, it was agreed that the schedule should be updated to reflect the inclusion of two deep dive sessions during the academic year. Governors suggested postponing the September deep dive, noting that time would be limited to plan a meaningful session. The revised schedule will therefore include two deep dives spaced across the year. It was further proposed that the topics for deep dives be agreed by the Chair and then circulated to all Committee members for input and awareness. <i>The Committee recommended to the Board the approval of the updated Terms of Reference and the Schedule of Business (subject to the changes being made).</i>	CB CB

	Summary Matters	
11.	Key meeting outcomes and/or actions	
11.1	Matters for report to the Governing Body (if any) - Subcontracting audit - Policies – financial regulations, fraud prevention and management policy, risk management - 2 x internal audit reports receiving no recommendations (safeguarding and governance reclassification)	
12.	Any Other Business	
12.1	RSM FE Emerging Issues Report – Spring 2025 The Committee received a copy of RSM's Spring 2025 Emerging Issues briefing highlighted key developments in the FE sector, including updates to financial reporting and governance, changes in apprenticeship funding and assessment, the growing impact of AI in education, and emerging risks such as cyber threats and regulatory shifts.	
12.2	Post-Meeting Note It was noted that this meeting marked the final attendance of Anna Entwistle as a member of the Committee. The Chair expressed appreciation for Anna's contributions throughout her term, particularly her thoughtful engagement and support for the Committee's work. There was no further business noted.	
13.	Date of Next Meeting – 18 September 2025	