

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Audit Committee of the Board of Governors held on Wednesday 26 November 2025 at 5pm via Microsoft Teams

PRESENT

Mr John Bradford (Chair)
Ms Dionne Barrett
Mr Trevor Dutton (Associate Member)
Mr Darren Shaw

IN ATTENDANCE

Mrs Alison Buick (Head of Governance)
Mr Paul Davies (Assistant Principal Finance, IT and Commercial)
Mr Mark Munro (Bishop Fleming – External Auditors) – until 5.30pm
Ms Clare Parkes (TIAA - Internal Auditors)

01/26 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST (ITEM 1)

There were no apologies as all Governors were present.

There were no declarations of interest.

02/26 MINUTES OF THE PREVIOUS MEETING (ITEM 2)

Resolved:

That the minutes of the meeting held on 25 June 2025 be approved as a correct record.

03/26 MATTERS ARISING (ITEM 2)

The actions agreed at the last meeting were reviewed and most would be covered during the meeting. The GDPR updates would be carried forward. A new GDPR Manager had been appointed with effect from December so points from the previous audit would be picked up by them in due course.

04/26 CHAIRS'S ACTIONS (ITEM 3)

None.

05/26 CORRESPONDENCE (ITEM 4)

There was no correspondence to report to this meeting.

It was agreed that a recently received Emerging Issues document from RSM would be circulated to committee members for information. Action: Head of Governance.

06/26 FINANCIAL STATEMENTS 2025/26 (ITEM 5)

The Assistant Principal Finance, IT and Commercial made some introductory comments regarding the recent WMCA funding review. This was ongoing and would impact on the ability of Bishop Fleming to sign off the accounts before 31 December 2025. This was not an unusual situation, as many colleges had funding reviews that were in progress during their external audits. An application would be made to DfE for an extension to the submission deadline until the end of February 2026. In respect of the funding review, some background to this was provided. The scope of the work had been extended and the college had commissioned Blueprint to undertake additional sample testing.

The Chair asked if there were any penalties for late submission of accounts, any impact on the financial health score and what would happen if the work was not completed by the agreed deadline. The Assistant Principal confirmed that there were no penalties. There was a potential impact on the health score in the event of a funding clawback. DfE would be informed if there was any concern about not meeting the new deadline.

Mark Munro, Partner at Bishop Fleming, added that the ongoing review presented some material uncertainty as there was potential for an accounting adjustment. This could not be confirmed or quantified at this time, hence the decision to request the extension. Having the extension effectively deferred the completion of the external audit. He agreed that this did happen relatively often with colleges that had funding reviews overlapping with their external audit.

Mark Munro went on to comment on the audit process and the Key Issues for Discussion Document (KIDD). It was in a similar format to last year and outlined the work completed in relation to the key audit risks identified. Governors were asked to note the following:

- The audit had again gone smoothly and was substantially complete. As well as the matters discussed earlier, there were only a small number of matters requiring final checks.
- Unmodified opinions on the financial statements and the regularity work were expected.
- The key indicators outlined in Section 3 of the KIDD were all RAG rated as green so there were no concerns to report.
- Section 4 outlined the testing on the significant risks identified at the planning stage. These related to standard risks of management override of controls and income/revenue recognition. There were no matters to report from this.
- The LGPS pension asset had increased significantly in year, but as per last year, this had been capped at nil value. The assumptions around the pension matters were explained. Bishop Fleming were happy that the assumptions were reasonable and in line with those seen in other college clients. Reduced pension contributions were expected from April 2026.
- There had been one technical audit adjustment in relation interest income on plan assets. This was an Income and Expenditure adjustment that did not affect the overall outturn.
- The audit insights section had been provided for information.
- There was one management letter point regarding authorisation and evidence of learner ID checks. This was rated as a low priority action.
- The final KIDD section gave a number of sector updates, including the new SORP published earlier in November. The transition for this would start from 1 August 2026. Bishop Fleming would discuss the impact of this with the senior college staff in due course. Training could also be provided for Governors if required.

The Chair would consider whether Governor training on the SORP would be beneficial.

Questions and comments were invited.

The Chair asked how much information would be ready for the Board meeting on 11 December. This would be confirmed by the Assistant Principal, but at this stage the plan was to proceed with the presentation of accounts as usual with the caveat that a further final meeting would be needed for approval once the outstanding issues

were resolved. It was anticipated that if any adjustment was needed after the funding review was complete this would only be a single transaction that was straightforward to process.

The Committee noted the reports and agreed to recommend the External Audit Key Issues for Discussion Document to the Board of Governors for approval, subject to the completion of the funding audit.

The Chair thanked Bishop Fleming and the college Finance team for the work done to complete the accounts and audit. All reports were clear and helpful.

Mark Munro left at 5.30pm.

07/26 INTERNAL AUDIT REPORTS (ITEM 6)

Clare Parkes, Manager at TIAA, presented the reports that had been finalised. Governors noted the following:

Business Continuity Planning 2024/25

The overall conclusion gave reasonable assurance over the design and application of the controls to manage risks in this area. There were two important and four routine recommendations made, all of which management had accepted. The scope of the audit had covered the arrangements for business continuity planning including policy, strategy and procedures, organisational responsibility and plan details for various scenarios and testing.

The two important recommendations were explained.

Follow Up 2024/25

The audit had assessed progress against recommendations made in eight reports issued in 2023/24 and one issued earlier in 2024/25 where implementation dates were already due. The results showed:

- 14 recommendations had been completed.
- Three recommendations were superseded. All of these related to GDPR and had been picked up in the subsequent audit of the area.
- Two recommendations were outstanding.
- One recommendation had not been implemented.

Governors noted the details as set out in the written report. Those which were outstanding and not implemented related to Student Finance and had since been reviewed.

Summary Internal Controls Report

This was a new progress report provided by TIAA and showed updates since the last Audit Committee. It was confirmed that there had been no changes to the agreed internal audit programme for 2025/26. The report included an appendix on developments in governance, risk and control, with links to further reading if of interest.

The Chair thanked TIAA for their comprehensive reports.

The Committee noted the reports.

08/26 INTERNAL AUDIT ANNUAL REPORT 2024/25 (ITEM 7)

The Internal Auditor introduced the report and highlighted the Head of Internal Audit's annual opinion which was based on the reviews that had been carried out during the year.

The report identified the reviews that had been completed in 2024/25 together with the levels of assurance and number of recommendations.

The key element of the Opinion was as follows:

'TIAA is satisfied that, for the areas reviewed during the year, City of Wolverhampton College has reasonable and effective risk management, control and governance processes in place'.

The report included the assurance levels provided, number of recommendations made by category and by risk/audit area, performance measures and actual versus planned days delivered. The majority of recommendations made related to aspects of compliance.

Resolved:

that the Internal Audit Annual Report be recommended to the Board of Governors for adoption.

09/26 RISK REGISTER AND RISK MANAGEMENT ANNUAL REPORT 2023/24 (ITEM 8)

The Chair noted the changes made to the risk register format and contents for this year. There was no direct read across to the last report due to the changes made.

The Assistant Principal Finance, IT and Commercial gave an update on the changes made. RSM had been engaged in the previous year to undertake a full review of processes in place. EMT and the Audit Committee had subsequently agreed to implement a new model which identified strategic and operational risks.

Inherent and residual risks, risk appetite and risk scoring were all explained.

The strategic risk register had the Board Assurance Framework included. This gave the Board reassurances that controls were in place at different levels and were working effectively. There were three levels of assurance, with controls assessed at departmental level, by college management and through third parties (such as auditors). Governors could therefore be confident that the risks within the register were being managed.

There was a significant amount of detail being shared at this meeting, to ensure that the committee members were fully aware of changes. For future meetings, key issues and changes would be highlighted. These were likely to include areas with residual risk scores greater than 20 or where there had been a movement in score of five or more between meetings. The heat map information would be provided to each meeting. It would build a picture of risks over time.

The risk scoring matrix was shared on screen. Risks were now scored on a scale of one to five for impact (insignificant to critical) and likelihood (from rare to almost certain).

It was confirmed that there would be regular discussions about risks at EMT meetings and information shared with the full Board. Scores would be regularly

reviewed in the light of the assessments of the adequacy and operation of controls in place.

Governors were happy to see the improvements made to the process and agreed that it should be straightforward to monitor.

A Governor asked who would decide the scores. It was confirmed that it would be a collaborative process of EMT working together.

A Governor asked about the risk of financial failure and this was discussed. The mitigating controls around student numbers improving were noted. There was also a discussion about the weighting of scores by impact. The Governor suggested some additional information about controls in place, such as production of timely management accounts, would be beneficial. The Assistant Principal agreed and would action this. Action: Assistant Principal Finance, IT and Commercial.

Risk Management Annual Report and Policy

The Risk Management Annual Report had been provided for information. It confirmed that risk management processes were robust, with termly updates provided to the Audit Committee and active oversight by the Executive Management Team (EMT). There were two key priorities for next year, relating to ongoing monitoring of partnerships and the further embedding of risk management throughout the senior management team and wider college.

The Audit Committee continued to strengthen its capacity through continuity of experienced governors and scheduled development sessions.

The Risk Management Policy had been reviewed, reaffirming the Board's role in setting risk appetite, monitoring significant risks, and annually reviewing the approach to risk management. The Risk Appetite Matrix was now integrated into regular reporting to align strategic objectives with risk tolerance, as discussed earlier in the meeting. There were no significant changes to the Risk Management Policy.

The Chair acknowledged the amount of work that had been completed to update the risk management processes and thanked the Assistant Principal for leading this.

Resolved that:

- **The Risk Management Policy be approved.**
- **The Risk Management Annual Report be forwarded to the Board of Governors.**

10/26 AUDIT RECOMMENDATION TRACKING REPORT

The Assistant Principal Finance, IT and Commercial referred to his written report, which gave a management update on progress made against the outstanding recommendations. Of the 24 recommendations, 20 were due for completion by the committee date and four were outstanding pending the start date of the new GDPR Manager in December.

The new GDPR Manager was to be tasked with reviewing the framework in place and this would naturally pick up the associated audit recommendations. A further update would be brought to the next meeting.

11/26 AUDIT COMMITTEE ANNUAL REPORT (ITEM 10)

The Head of Governance presented the report and noted that it formed part of the assurances provided by the Committee in relation to the College's audit arrangements, its framework for governance, risk management and control processes. It would be forwarded to the Board for review alongside the financial statements for approval.

The report provided a summary of the work undertaken by the committee in 2024/25, and the reports received from the internal and external auditors, as well as members of the college management team.

The overall opinion of the report was that the College's audit arrangements and its framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets were adequate and effective.

Resolved:

That the Audit Committee Annual Report be recommended for Board approval.

12/26 ANNUAL REPORT ON FRAUD AND WHISTLEBLOWING (ITEM 11)

The Head of Governance presented the report and highlighted that there had been no instances of fraud, bribery, corruption or whistleblowing during the 2024/25 academic year.

13/26 POLICIES FOR REVIEW (ITEM 12)

The Counter Fraud Strategy had been reviewed as required. There were no significant updates as there had been no changes to legislation in these areas.

Resolved:

That the Counter Fraud Strategy was approved.

14/26 CONFIDENTIALITY

There were no items to be withheld from public access.

15/26 DATE AND TIME OF NEXT MEETING

Wednesday 25 March 2026 at 5pm.