

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Audit Committee held on

Wednesday 25 June 2025 at 5pm via Microsoft Teams

PRESENT

Mr John Bradford (Chair)
Ms Dionne Barrett – from 5.15pm
Mr Darren Shaw
Mrs Amanda Tomlinson

IN ATTENDANCE

Mrs Alison Buick (Head of Governance)
Mr Paul Davies (Director of Finance)
Mr Jason Folkett (Blueprint Education Services) - part
Mr Dan Harris (Head of Procurement and Facilities) - part
Mr Mark Munro (Bishop Fleming – External Auditors) - part
Ms Clare Parkes (TIAA - Internal Auditors)
Mr Olivier Playe (Blueprint Education Services) - part
Mr Conrad Taylor (Business Learning Technologies Manager) - part

The Chair welcomed all to the meeting and thanked them for attending.

35/25 MEETING WITH AUDITORS WITHOUT MANAGERS PRESENT

Members agreed that this was not necessary.

36/25 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST (ITEM 1)

There were no apologies. Trevor Dutton was not present.

37/25 MINUTES OF THE PREVIOUS MEETING (ITEM 3)

Resolved - that the minutes of the meeting held on 26 March 2025 be approved as a correct record.

38/25 MATTERS ARISING (ITEM 4)

The actions agreed at the last meeting were reviewed and agreed as complete or to be covered on the agenda.

39/25 PRESENTATION ON USE OF AI IN COLLEGE (ITEM 2)

Governors were introduced to Conrad Taylor, Business and Learning Technologies Manager, who had been invited to give a presentation on the use of AI at the college.

A presentation was shared on screen. The key points noted from this were:

- The potential for staff to save time.
- That Copilot and Gemini were the tools approved for college use. These were felt to be compliant, to be effective in managing risk and aligned to sector standards.
- An AI policy had been drafted and was awaiting EMT approval. This would replace the guidance noted previously in place. The policy was framed around principles of fairness, transparency, accountability and affordability. It

- also took account of best practice from DfE, AOC, JISC and the Information Commissioner's office.
- It was very clear that AI would be used to support and not replace staff. How it could be incorporated into daily workflows and how it was used by teachers and support staff was explained.
- The college was one of two colleges in a national AI in education group, and was also involved with some research at the University of Glasgow.
- It was confirmed that all tools were trialed and tested for security before approval for use.
- There was a two tier governance process, with the IT and Business & Learning Technologies staff overseeing strategic risk and the AI working party monitoring, reviewing and auditing the use.

(Dionne Barrett arrived at 5.15pm)

Questions and comments were invited.

Governors commented on the following:

- The link between the policy and college risk register.
- The need to maintain security of the systems.
- The need to ensure all staff are trained and comfortable to use AI where it may be appropriate.
- The need to ensure that staff understand the legal complexities in use of AI, including copyright issues, ethical use and creation of original content. This was conformed as covered in training.
- The emphasis on staff fact checking information generated and not relying on AI generated documents to be fully accurate.
- Their own experiences of using AI in their workplaces

The Business and Learning Technologies Manager was thanked for his presentation and left at 5.25pm.

40/25 CORRESPONDENCE (ITEM 3)

DfE had recently published a Framework and Guide for external auditors and reporting accountants of colleges. This covered audit and regularity reporting in the FE sector. A copy had been provided to the committee for information.

41/25 INTERNAL AUDIT REPORTS (ITEM 5)

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

Estates Management

The overall conclusion gave limited assurance over the design and application of the controls to manage risks in this area.

There were eight recommendations, two of which were categorised as urgent and four as important. In overview, these related to aspects of:

- The level of detail in the Safety, Health and Environment and Fire (SHEF) Management Manual.
- The lack of a tracker to monitor regulatory compliance, when due and actions arising.
- Monitoring of legionella, electrical and asbestos surveys.
- Key Performance Indicators (KPIs) and actions reported to the Board.

The detail of the recommendations was explained.

Questions and comments were invited.

The Chair asked whether a tracker had now been created and it was confirmed that this had been started during the audit. One of the issues had related to the fact that the legionella testing reports went to the contractor and not directly to the college, meaning that issues were not promptly notified.

The Head of Procurement and Facilities had been invited to attend this meeting to comment on the management responses. He confirmed that he felt that the audit recommendations were fair and had been accepted. Progress had been made so that checks and balances had been enhanced to ensure legal compliance. It had been identified there were some issues with the contract management. The Estates Manager had now received contract management training. A formal improvement notice had been issued to the contractor.

It was also explained that the SHEF management system was being updated and the proposal for this would be taken to the Board meeting in July for approval.

(Mark Munro arrived at 5.50pm)

A Governor noted the significant responsibilities Governors had for health and safety and asked if there was more oversight required by this committee. This needed further consideration. Action: Head of Governance/Chair of the Board.

A Governor commented that the actions from this audit and others needed to be reported via the Audit Recommendation tracking report previously provided. The Director of Finance agreed. This report had not been included for this meeting as TIAA were giving a verbal update on their follow up work. It would be on the agenda for the next meeting. Action: Head of Governance/Director of Finance.

There was a short discussion about the tracking of audit recommendations. It was felt that a management report in this to every meeting should be provided. This would give Governors reassurance from managers. TIAA's annual follow up work would supplement this and confirm if the management view was correct.

A Governor expressed concerns about the knowledge and training of college staff on specialist areas versus the use of external expertise, and whether the split of this was appropriate or effective. The Head of Procurement and Facilities responded that some blurring of responsibilities had been identified during the review of the SHEF management system, which had not kept pace with staff changes. However, a full review was now taking place. The Internal Audit Manager agreed that the work now being done was expected to improve the controls and the reporting taking place.

A Governor noted that the Board needed to be assured that the control framework, management structure and contract management arrangements in this area were robust. Management were asked to consider how to provide this. Action: Director of Finance.

(The Head of Procurement and Facilities left at 6pm)

GDPR

The overall conclusion gave limited assurance over the design and application of the controls to manage risks in this area.

The scope of the audit work was outlined.

There were ten recommendations, seven of which were categorised as important and three as routine. In overview, these related to aspects of:

- The potential for perceived or actual conflict of interest in the role of Data Protection Officer, an issue identified at the last audit.
- The Information Asset Register.
- The CCTV policy.
- The Privacy Notice.

The Internal Audit Manager noted that there were several recommendations made at the last audit which were unactioned. The college had not recruited a new GDPR Officer. The issues and recommendations were explained. A Data Protection policy was in place.

The Chair expressed concern at the lack of appointment of a Data Protection Officer and asked what the plan to address this was. The Director of Finance outlined the previous unsuccessful recruitment activities and noted that the role had been reviewed. The position had been changed to 0.5 FTE and this would be advertised again during the summer. If this was unsuccessful, consideration would be given to outsourcing.

The Chair requested an update to the November committee meeting and hoped that positive progress would be seen. Action: Director of Finance.

A Governor commented that the college appeared to be covering the compliance aspects of GDPR but that there was a need for a higher level of aspiration on data governance.

Subcontractor Controls

The overall conclusion gave substantial assurance over the design and application of the controls to manage risks in this area.

The scope of the audit work was outlined. The purpose of the review was to provide a report and certificate in accordance with the requirements of the ESFA that the College has satisfactory assurance arrangements in place to manage and control subcontractors.

There were no recommendations made. All standards had been met and all areas were RAG rated as green.

Follow Up

A verbal update was given as the final report was not yet available.

All recommendations made during 2023/24 had been reviewed, as had those in the 2024/25 limited assurance report on Student Finance. The following was noted:

- Actions for 14 recommendations had been completed.
- There were two outstanding recommendations for Student Finance, but one related to the updated policy for 2025/26 and the other to a reconciliation

exercise to be completed in the summer. A further recommendation was in progress and would be actioned once the changes to the bursary payments system were complete.

- Three of the GDPR recommendations from 2021/22 had been superceded.

It was agreed that the report would be circulated to the committee once finalised.

Action: Director of Finance.

The Chair thanked TIAA for their comprehensive reports.

The Committee noted the reports.

42/25 INTERNAL AUDIT STRATEGY 2025.26 TO 2027.28 (ITEM 6)

TIAA had drafted an updated strategy and an audit plan for 2025/26 based on their review of key emerging college and sector themes, the college risk register, meeting with the Director of Finance and update of last year's plan document. A three-year indicative plan had been prepared. Appendix C showed year one of this, which was the proposed plan for 2025/26. The rationale and indicative scope for each area was included as was the Internal Audit Charter.

The areas within the 2025/26 plan were discussed.

A Governor stated their expectation that areas that had previously received limited assurance should be in the plan again, but some were not in the three year plan. She also questioned the Strategic Control audit, which appeared similar to the external governance review in 2024.

Areas previously covered by internal audit were considered. The Director of Finance had a document outlining the coverage and assurance levels received so would share this with the committee. He also confirmed that EMT had reviewed the proposed plan earlier in the week and wished to make some changes.

There was a discussion about potential changes and it was agreed that an update would be provided. This needed to be as soon as possible to ensure adequate time for review ahead of the Board meeting on 11 July. The plan required Board approval. Action: Director of Finance.

43/25 EXTERNAL AUDIT PLAN YEAR ENDED 31 JULY 2024 (ITEM 6)

Mark Munro, Partner, presented the external audit plan on behalf of Bishop Fleming. Governors noted the following:

- The document outlined the key risks identified through the initial planning meetings and the knowledge of the college that Bishop Fleming had built up in previous years, as well as other matters that auditors were required to highlight.
- Section 1.1 set out the scope of the audit assignment, which was to review whether the financial statements:
 - give a true and fair view of the state of affairs of the Group at the year end and of its net incoming resources and application of resources, including its income and expenditure for the year then ended;
 - have been properly prepared in accordance with UK GAAP; and
 - have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

Some new guidance had been issued in year but fundamentally there were no changes to Auditing and Reporting Standards.

Bishop Fleming had considered changes to the risk assessment and to the sector generally to determine whether there were any heightened risks.

There were two significant audit risks. These were significant by default and related to the potential for management override of controls and potential for fraud in income recognition. The audit would look at the design and application of controls and also carry out analytical procedures and substantive testing of a sample of transactions.

Pension assumptions for the LGPS would be reviewed by Bishop Fleming specialist staff and by benchmarking against their other FE sector clients.

The audit would report on any adjustments and also any audit differences that management did not propose to change.

Section three noted the new Framework and Guide for external auditors and reporting accountants of colleges ('Auditor Framework and Guide') which had been released in March 2025. This replaced the Post-16 Audit Code of Practice (ACOP) for accounting periods ending on or after 31 July 2025. The new Auditor Framework and Guide incorporated the existing requirements and guidance of the ACOP for audit and regularity requirements for colleges. It had a more prescribed list of work in respect of the regularity review. Bishop Fleming expected to report this in more detail this year.

Section three also included details of other guidance in the College Financial Handbook, College Accounts Direction 2024/25 and the new FE/HE Statement of Recommended Practice (SORP), effective from 2026/27. The SORP had some changes relating to income recognition and accounting for operating leases.

Questions and comments were invited.

A Governor noted that Section 1.5 did not refer to any specific risks around impairment and asked if Bishop Fleming would form a view on this. It was confirmed that the carrying value of assets and depreciation charges for Paget Road would be reviewed as part of the audit.

The Committee noted the report and agreed to recommend the External Audit Plan to the Board of Governors for approval.

44/25 FUNDING ASSURANCE AUDIT (ITEM 8)

Governors were introduced to Jason Folkett and Olivier Playe of Blueprint Education Services, who had been commissioned to carry out a funding assurance audit.

It was confirmed that the audit had been completed using the DfE's required format. The findings from the testing completed (based on the RO9 return) did not indicate any financial risks to the college.

The written report set out the findings and recommendations by income stream. There were some management letter points relating to controls for learner evidence packs and the ILR, all of which had been discussed with management. It had been noted that the college had moved to greater electronic systems this year but the

audit had identified some differences between information on electronic and manual enrolment forms.

There was a short discussion about the audit findings. The Director of Finance confirmed that recommendations were all being considered. Online enrolment had been new this year so the audit had provided useful early feedback on this. Blueprint had confirmed that key information was being captured as required, but the issue related to reporting.

The Chair commented that the report had been very useful and asked when the final version would be available. College responses would be provided and the report circulated thereafter. Action: Director of Finance.

(Mark Munro, Jason Folkett and Olivier Playe all left at 6.45pm)

45/25 RISK MANAGEMENT UPDATE (ITEM 8)

The Director of Finance presented the risk management information provided in the written reports.

There were currently eight risks rated as red, 31 as amber and five as green. This meant that there were no significant changes to the high level risks since the last committee meeting in March. The curriculum plan was now finalised and finances had improved so risks were lower.

The highest rated risk continued to be cyber security.

A new Risk Group had been set up in the college and nine key areas of strategic risk had been identified. Risks around Ofsted also needed to be considered so preparation work for this would start in the summer.

The CLQ risk register was noted.

The Chair commented on the good progress made in this area. The CLQ risk register was in the format suggested at the training session previously held with RSM, which was felt to be appropriate.

The Director of Finance explained the work done by EMT to review the risk scoring process. Consistency of risk scoring was important. An example of the strategic risk register was shown on screen. There were further discussions needed with EMT around inherent risks, mitigating controls and three lines of Board assurance. Residual risk scores were to be confirmed so that additional mitigating actions could be identified. Actions would have deadlines and reporting plans.

Operational and project risk registers would be in the same format as the CLQ register. There would be an operational register for each of the strategic risks. A heat map of residual risks was being developed. Further work was needed to determine risk appetite.

Governors were pleased to see that there was good connectivity between strategic and operational risks. The work of the staff to date was recognised. The Director of Finance stated that there was much still to do but that an update would be brought to the next meeting in November.

The Chair asked if there were any specific issues to be noted about CLQ. The Director of Finance responded that residual risks about capacity would reduce once timetabling was complete.

46/25 CONFIDENTIALITY (ITEM 13)

There were no items to be withheld from public access.

47/25 DATE AND TIME OF NEXT MEETING (ITEM 14)

Wednesday 26 November 2025 at 5pm.