HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held virtually on MS Teams on Thursday 09 October 2025

Membership   Matt Braund
                                        *Ray Levy (Chair)
                                        *Julia Fillary
                                        *Ian Tompkins

*denotes present

In attendance   Ryan Pearce, Scrutton Bland
                                          Paul Whitehead, Deputy Principal
                                          Kirstie Craig, Vice-Principal
                                          Ruth Lucas, Head of Governance

1   Apologies for Absence

Apologies for absence were received from Matt Braund due to personal reasons, Shachi Blakemore, Buzzacott, Paul Goddard, Scrutton Bland, Deanne Morgan and Ben NIcholl.

2   Declarations of Interest

There were no additional declarations of interest.

3   Minutes of the Previous Meeting

The minutes of the Audit Committee meeting held on 25 June 2025 were agreed as an accurate record of the meeting, subject to two typographical changes, and were signed remotely by the Chair.

4   Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

There were no matters arising.

5   Internal Audit

5.1   Internal Audit Risk and Assurance Report 2024–2025 – Funding Assurance

The Audit Committee received and considered the 2024-2025 internal audit report on funding assurance, presented by Ryan Pearce, Scrutton Bland.

Governors were informed that the internal audit report on funding assurance provided Governors with significant assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively.

Five low level recommendations were raised by Scrutton Bland, four for classroom-based provision and one for apprenticeship provision.

Governors' attention was brought to the following recommendations: recommendation one around study programme hours and funding bands due to the College underclaiming hours in one instance; recommendation three which identified 2 instances out of 25 where it could be justified that the learners could be fully funded rather than co-funded; and recommendation five which details improvements in processes that could be made rather than weaknesses being identified.

Ryan Pearce reported that usually apprenticeship provision receives more recommendations that classroom-based provision in this type of audit therefore this audit was positive with only one apprenticeship recommendation being made.

A Governor highlighted that the due date for implementing the recommendations was November 2025 and asked if this was realistic. Paul Whitehead reported that monthly checks and processes are being put in place and was confident that these will be in place by November 2025.

Paul Whitehead reported that the College is in the process of completing a full DfE funding audit. The audit is nearing completion, with very minor findings being raised to date. The College's position in this area is very strong and significant improvements have been made to apprenticeship systems and processes. Funding assurance is a very complex area of work, however there have been minimal findings with both the internal audit and the DfE audit.

The Audit Committee noted the 2024-2025 internal audit report on funding assurance.

5.2   Internal Audit Risk and Assurance Report 2024-2025 – Right to Work

The Audit Committee received and considered the 2024-2025 internal audit report on right to work, presented by Ryan Pearce, Scrutton Bland.

Governors were informed that this was an additional piece of work undertaken at the request of management.

Governors were informed that the internal audit report on right to work provided Governors with significant assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively.

Three low level recommendations were raised by Scrutton Bland, which were around minor improvements to systems and processes rather than weaknesses in processes and there were no areas of concern identified.

Ryan Pearce reported that there are strong controls and a good process framework in place and a 100% sample test was completed in the audit. Appropriate records for all staff were in place where required.

A Governor reported that given the current climate, this was a good piece of work to have undertaken which highlights the good work being done by the College.

The Audit Committee noted the 2024-2025 internal audit report on right to work.

5.3   Internal Audit Annual Report 2024-2025

The Audit Committee received and considered the internal audit annual report for 2024-2025, presented by Ryan Pearce, Scrutton Bland.

Governors were reminded that this Annual Report informs the Annual Report of the Audit Committee.

Governors noted the following opinion as stated in Scrutton Bland's Annual Report:

"In our opinion, for the year ended 31 July 2025 the College:-

- *has adequate and effective risk management processes;*
- *has adequate and effective governance processes;*
- *has adequate and effective control processes; and*
- *has adequate and effective processes surrounding efficiency and effectiveness.*

These opinions are designed to assist the Audit Committee when preparing their own Annual Report."

Governors' attention was brought to the following sections:

- Key Observations which provides a summary of the audits completed throughout the year.

- Section 5 which outlines Scrutton Bland's requirement to comply with the Global Internal Audit Standards and confirmation of their independence.

- Section 6 which covers KPIs which were agreed at the time of appointment and how they have been achieved.

- Section 7 which provides a summary of all the audits completed and the number of recommendations raised in each audit, along with the level of the recommendations, for 2024 – 2025 and 2023 – 2024 for comparison.

- Sections 8 and 9 which provide sector benchmarking and the College is in a positive position compared to the benchmarks.

The Audit Committee noted the Internal Audit Annual Report for 2024-2025.

5.4 Internal Audit Progress Report 2025–2026

The Audit Committee received and considered the internal audit progress report, presented by Ryan Pearce, Scrutton Bland.

Governors were reminded that the progress report is presented each time the Audit Committee meets and provides Governors with a snapshot of progress against the internal audit plan throughout the year.

Governors were informed that the payroll audit has been completed and will be presented at the December Audit Committee meeting.

Ryan Pearce highlighted the audit universe section which is now included in the report which provides information on the audits that have been completed in previous years, those confirmed for this year and potential areas for next year. A Governor asked if the 2026 – 2027 audits had been confirmed and Ryan Pearce confirmed that they have not been however potential areas were included in the audit planning document for this year.

Governors noted the section on notable sector risks.

The Audit Committee noted the internal audit progress report.

6   Teachers' Pension Scheme Audit

The Audit Committee received and considered the Teachers' Pension Scheme (TPS) audit, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that the audit is a statutory requirement that is required annually which provides a summary of all payments made.

Governors were informed that there were no actions required as a result of the audit.

The Audit Committee noted the Teachers' Pension Scheme audit.

7   Internal Audit Tracker

The Audit Committee received and considered the audit tracker, presented by Paul Whitehead, Deputy Principal.

Governors were informed that the format of the report had been updated following feedback from Governors after the last Audit Committee meeting. Governors reported that the new format is good and the summary very useful.

Paul Whitehead reported that the tracker sets out actions still to be completed and that in the main, good progress is being made with the actions and that actions from the internal audits presented earlier in this meeting and the DfE audit will be added onto the tracker.

Governors' attention was brought to the apprenticeship debtor and Paul Whitehead confirmed that this will be resolved by the end of the year. A Governor asked if management was confident that this would be closed off this year. Paul Whitehead reported that the opening balance was £389k which is what the College is perceived it is owed. Management are working their way through all the residual issues and ensuring that the financial reporting coming through is accurate. Apprenticeships are now reconciled on a monthly basis based on funding coming into the bank. This ensures that the College is confident what the income will be this year, less the £389k. The College is looking to change the way it accounts for the apprenticeship funding based on a cash point of view rather than a reporting point of view, as this is where there can be margin for error. With a change in the method, no debt can be created as the College is only accounting for cash being received. Management are confident with the systems that are in place which eradicate the chance of debt being accumulated. Paul Whitehead reported that he is very confident that this will be finalised by the end of the 2025 – 2026 year and this will not be a residual year-on-year issue.

Paul Whitehead reported that a number of actions have been undertaken from the cyber security audit and that a regular cyber security report is presented each time the Audit Committee meets. A Governor asked about the training status, with 104 out of 526 staff currently having undertaken the training. Paul Whitehead reported that this figure is not as high as wanted however work has been undertaken on awareness raising, such as through emails. It is anticipated that the training will be completed by all staff by the end of this term. A Governor asked about the time commitment for completing the training. Paul Whitehead reported that it is not a long piece of work however the first term is always busy for staff. It will however now be made a priority.

A Governor asked about the updates for recommendation 1 and the delay in implementation. Paul Whitehead reported that some recommendations are ongoing and work is being undertaken with teams so that closing off actions is clearer. With this particular recommendation, the applicant tracker system was taken over by another company therefore all the work almost had to start again. Ruth Lucas reported that responsible managers are asked to provide a monthly update on progress towards implementing recommendations however the Audit Committee receives a summary report of progress and that due to the timing of producing Committee reports, more progress could have already been made than is reported.

A Governor asked about the risk of students and staff being off sick heading into the winter months, how this would be managed and how it would impact on the 540 hours of study. Paul Whitehead reported that this is something that people suffer with both at the start of the academic year and during winter. Discussions are held with teams were staff are absent to ensure delivery can take place where possible. The College still needs to deliver the required hours of training and some of this can be done from home if required and possible. There is still the need to ensure the required hours of training has been accessed in order for students to achieve their qualification. This is being mapped and monitored at an operational level and currently would not meet the threshold to be added to the College's strategic risk register.

The Audit Committee noted the audit tracker.

8   **Regularity Self-Assessment Questionnaire**

The Audit Committee received and considered the Regularity Self-Assessment Questionnaire, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that the Regularity Self-Assessment Questionnaire is a template issued by the DfE and colleges are required to complete it to assess regularity and provide narrative around how they have complied with the requirements and the evidence they have to support compliance. It is considered each time the Audit Committee meets, with changes since the last Audit Committee in purple font, and is submitted annually as part of the external audit.

Governors were informed that this version is the final version for 2024-2025, which, if approved, will be signed by the Chair and the Accounting Officer and submitted with the annual accounts.

The Audit Committee approved the Regularity Self-Assessment Questionnaire and recommended that the Corporation approve its signing by the Chair and Accounting Officer, at its meeting to be held on 23 October 2025.

9 Risk Management

The Audit Committee received and reviewed the risk register, presented by Paul Whitehead, Deputy Principal.

Governors were informed that the risk register is reviewed by management on a regular basis and is a live document.

Governors noted that Risk 16 – IT: Multiple system upgrades/installations is a new risk has been added to the register, with a risk score of 4.

Governors were informed that the following risks have been revised:

- **Risk 2 – Finances: Adult Skills Fund (new AEB) not earning the full ASF contract.** This risk score has reduced from 15 to 10, to reflect that the College has earnt 97% of the Adult Skills Fund in 2024/25 and the College is confident delivery is currently meeting the contracted allocation.

- **Risk 9 – Quality (Apprenticeships).** The score has reduced from 9 to 6 as the College made significant progress during 2024/25 in improving the achievement rate from 54% in 2023/24 to 63% in 2024/25 for these learners.

- **Risk 10 – Finances: Maintenance of Good Financial Health.** This risk has been reduced from 9 to 6 due to the College having maintained good financial health for a number of years, is on track to maintain it for this and forecast financial health is good going forward.

A Governor highlighted the need to ensure that teams are not overwhelmed with the system upgrades and that additional support should be provided if required. Paul Whitehead confirmed that strong teams are in place however team levels will be increased if required and management will ensure the priorities of the team are managed.

The Audit Committee noted the Risk Register.

10 Anti-Fraud Update

10.1 Fraud Report

The Audit Committee received and considered the fraud report, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that there have been no new instances of fraud since the last Audit Committee meeting.

The Audit Committee noted the report on fraud against the College.

10.2 Fraud Risk Assessment

The Audit Committee received and considered the fraud risk assessment, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead informed Governors that the template has been provided by the College's external auditors and will be submitted to Buzzacott as part of the external audit.

The risk assessment provides an overview of the areas more susceptible to fraud and irregularity alongside existing controls and mitigating actions.

The Audit Committee noted the fraud risk assessment.

10.3 Anti-Fraud Checklist for Post-16 Providers

The Audit Committee received and considered the anti-fraud checklist for post 16 providers, presented by Paul Whitehead, Deputy Principal.

The checklist was previously provided by the ESFA and Governors noted the responses provided by the College which provides assurance of the controls that are in place.

The Audit Committee noted the anti-fraud checklist for post 16 providers

11 Data Breach Report

The Audit Committee received and considered the Data Breach Report, presented by Ruth Lucas, Head of Governance.

In 2024-2025, there were four data breaches in total, all of which have been reported to the Audit Committee. The data breaches were categorised as follows: 1 x student details – single record, 1 x student details – multiple records, 1 x staff details – single record and 1 x stakeholder details – multiple records. None of the data breaches reached the threshold to report to the Information Commissioner's Office.

To date in 2025-2026, there have been two data breaches. The data breaches are categorised as follows: 1 x student details – single record and 1 x staff details – single record. Neither of the data breaches reached the threshold to report to the Information Commissioner's Office.

The Audit Committee noted the Data Breach Report.

12 Cyber Security Report

The Audit Committee received and considered the report on cyber security, presented by Paul Whitehead, Deputy Principal.

Governors were informed that there have no reportable incidents since the Audit Committee last met.

Paul Whitehead highlighted that Cyber Essentials has been achieved, multi-factor authentication has been implemented for all students, a complete review of back ups has been undertaken and a company has been appointed to undertake penetration testing.

The Audit Committee note the report on cyber security.

13 Any Other Business

There were no items of any other business.

14   Dates of Future Meetings

Autumn Term 2025   Tuesday 09 December 2025   9.30am
                          (including joint meeting with Resources Committee)

Spring Term 2026   Tuesday 03 March 2026   9.30am

Summer Term 2026   Thursday 25 June 2026   9.30am
                          (including joint meeting with Resources Committee)

Key Points From The Meeting For Corporation:

1. Regularity Audit
    To receive and approve the Regulatory Audit for signing by the Chair and the
    Accounting Officer.