

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## AUDIT COMMITTEE

### Minutes of the meeting held virtually on MS Teams at 9.30am on Tuesday 9 December 2025

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

\*denotes present

In attendance                      Paul Goddard, Scrutton Bland  
   Paul Whitehead, Deputy Principal  
   Kristie Craig, Vice-Principal  
   Ben Nicholl, Executive Director – IT and Systems  
   Ruth Lucas, Head of Governance

#### **1 Apologies for Absence**

Apologies for absence were received from Ian Tompkins and Matt Braund due to work commitments.

#### **2 Declarations of Interest**

There were no declarations of interest.

#### **3 Minutes of the Previous Meeting**

The minutes and the confidential minutes of the Audit Committee meeting held on 9 October 2025 were agreed as an accurate record of the meeting 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 Payroll Internal Audit Report**

The Audit Committee received and considered the internal audit report on payroll, presented by Paul Goddard, Scrutton Bland.

Paul Goddard reported that there has been a change to the assurance ratings in internal audit reports from strong, significant, reasonable and limited to substantial, reasonable and limited. Substantial is now the only green rating.

A Governor asked if the changes to the ratings were across the industry or just for Scrutton Bland. Paul Goddard reported new Global Internal Audit Standards were introduced in January 2025 and Scrutton Bland used this as an opportunity to

review this approach to assurance ratings and definitions.

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

Paul Goddard reported that no inaccuracies with payments being made were found. One medium level and one low level recommendation have been made, along with four added value points and positive management responses were received. The medium recommendation is an added control around introducing a monthly variance check report which justifies any variance over a set threshold.

The Audit Committee noted the internal audit report on payroll.

## **5.2 Marketing Internal Audit Report**

The Audit Committee received and considered the internal audit report on marketing, presented by Paul Goddard, Scrutton Bland.

Governors were informed that the internal audit report on marketing prioritised adult and higher education marketing and provided Governors with substantial assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively.

Paul Goddard reported that the marketing department is pro-active, well-organised and transparent and four low level recommendations have been made. The first recommendation was around creating a Marketing Strategy with performance measures and aligned to the College's Strategic Plan. The second recommendation is around producing a consolidated digital marketing performance report to include how effective activities are, with all the information being held in one place. The third recommendation is to set out a clear approach to enquiry and conversion reporting for adult and higher education provision. The fourth recommendation is around monitoring and evaluating any significant marketing activity to identify what went well and what lessons could be learnt. Paul Goddard reported that the management responses demonstrate management engaging proactively with the process.

A Governor highlighted that the recommendations are valid and helpful however there is a lot of work to be undertaken to fully implement the recommendations. Paul Whitehead reported that it is a balance of working within existing systems and what needs to be implemented. Marketing needs to be reflective and effective and there is a need to ensure that it continues to be so. The points raised are valid and will be taken on board.

A Governor highlighted that the implementation dates of July 2026 are realistic. Paul Whitehead reported that a lot of work will be needed from the marketing and IT teams. There is new functionality on the College's website and there is a need to ensure that all actions fit into the College's direction of travel.

The Audit Committee noted the internal audit report on marketing.

## **5.3 Internal Audit Progress Report 2025-2026**

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

Governors were informed that two audits have been completed to date, both having been presented to the Audit Committee today. All other audits have had the dates confirmed and will be presented to subsequent Audit Committee meetings.

Governors' attention was brought to the section on notable sector risks and highlighted the article on fraud prevention. Paul Whitehead reported that the risks highlighted here are covered in the College's risk register, are reviewed on a regular basis and action taken where appropriate. A significant amount of work has been undertaken on cyber security and staff recruitment in some areas remains a challenge.

The Audit Committee noted the internal audit progress report 2025-2026.

## **6 DfE Funding Assurance Review**

The Audit Committee received and considered the DfE funding assurance review, presented by Paul Whitehead, Deputy Principal.

Paul Whitehead reported that the College had been randomly selected by the DfE for this review and the outcome is satisfactory across all areas, which is the highest possible outcome.

Governors' attention was brought to Annex A which is a summary of the funding errors identified. The only area with an error was the Adult Skills Fund. The error was very small and equated to approximately 2.5%.

Paul Whitehead reported that apprenticeship provision is the most technically difficult funded provision and Governors noted that there was a zero-error rating for apprenticeships. The College has previously never had a zero-error rating. A significant amount of work has been undertaken by the MIS team, the wider apprenticeship teams, delivery teams and support staff and major improvements in processes have taken place over the years.

Governors were informed that the actions listed in the report are all low level and will be added to the audit tracker for monitoring.

A Governor asked what the issue was with the Adult Learner Loans. Paul Whitehead reported that one learner in the sample had not claimed the funding therefore there was an underclaim on the College's part and an error was flagged. The issue itself was minimal. Advanced Learner Loan funding is funding the College draws down if the learner applies for it. If there is any issue, the College does not receive the funding and there is no clawback.

The Audit Committee noted the DfE funding assurance review.

## **7 Internal Audit Tracker**

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

The report was taken as read and Paul Whitehead highlighted the summary which demonstrates where the College is at with implementing audit recommendations.

Governors' attention was brought to the two recommendations with limited / delayed progress. This is due to the implementation of a new finance system not taking place until 2026. The recommendations cannot be achieved with the current system therefore they are on hold until a new system is in place.

The cyber security recommendations were noted and further detail is available in the Cyber Security report covered in agenda item 13.

A Governor reported that the new structure of this report is very helpful.

The Audit Committee approved the audit tracker.

## **8 Annual Report of the Audit Committee 2024-2025**

The Audit Committee received and considered the Annual Report of the Audit Committee 2024-2025, presented by Ruth Lucas, Head of Governance.

Ruth Lucas reminded the Committee that it is obliged to present an annual report as part of the College's audit process and provide an opinion on its own effectiveness, how it has fulfilled its terms of reference and the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets.

Ruth Lucas highlighted the sections included in the report, the proposed Audit Committee opinion and the resolution.

The Committee agreed the following opinion of the Audit Committee:

*“It is the opinion of the Audit Committee, based on the reports it has received and considered, and drawing upon the knowledge and expertise of its members and its audit services, supported by the work and views of College management, that during 2024-2025 Harlow College:*

- *had adequate and effective assurance arrangements;*
- *had an adequate and effective framework of governance;*
- *had adequate and effective risk management and control processes for the effective and efficient use of resources, solvency of the College and the safeguarding of its assets;*
- *had adequate arrangements for securing economy, efficiency and effectiveness;*
- *had adequate and effective key internal controls;*
- *had adequate and effective arrangements for data quality;*
- *had, overall, systems and controls that are adequate and effective for carrying forward the objectives of the College.*

*The Audit Committee met in private with the internal and external auditors on 25 June 2025 and 9 December 2025 and no issues impacting upon matters of internal control were raised. Buzzacott did not identify any matters of material irregularity throughout their audit work to bring to the attention of the Audit Committee.*

*The Audit Committee considers that it operated effectively in 2024-2025 and that it met its terms of reference and the requirements of the Audit Code of Practice and the DfE's publication "the scope of work of audit committees and internal auditors in college corporations".*

A Governor reported that the change in the format of reports has made it easier for members of the Audit Committee to fulfil their duties.

The Audit Committee approved the draft Annual Report of the Audit Committee 2024-2025 and agreed to recommend it to the Corporation at its meeting on 18 December 2025.

## 9 Risk Management

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

Governors were informed that a new risk had been added to the risk register as follows:

- **Risk 16 – IT: multiple system upgrades/installations could lead to financial, reputational and productivity issues.**

This risk has been added as a low-level risk, due to the transitioning and upgrading of a number of College systems and services, including HR, finance and systems development, and effective plans need to be in place to manage this.

A Governor asked if the College is recruiting additional staff to support the implementation of these new systems. Paul Whitehead reported that resource in the finance team would be looked at to identify if additional resource is required as this will be the biggest change in the system. There is a need to have someone who understands IT and digital workflows but also has the accountancy knowledge. The work on the finance system will not commence until another area of work has been completed. Ben Nicholl reported that initial discussions have been had with the finance team to identify what the current system is lacking. Plans for IT are looking five years ahead. The systems development team is strong with junior developers having been recruited who have developed their skills. Longer term planning and website requirements will also be looked at. Governors were informed that risk is being managed proactively and there is a focus on how resource and provision will be allocated.

Two risks have been revised as follows:

- **Risk 1 – Local Government Policy.**

This risk score has been increased from 10 to 15 to reflect the likelihood of this risk to the College. This is due to local government reform in which unitary authorities will be created. The number in Essex is not yet known and will be decided by central Government in the new year. Harlow's geography and location are a challenge and the

preference is for Harlow to be in a unitary authority with Epping and Uttlesford. Devolution for Essex has been delayed. Devolution will see Essex County Council ceasing to exist and a combined mayoral authority will be created. There is uncertainty around this and priorities for the mayor once appointed, therefore there is a risk associated with this.

A Governor asked if this could lead to a delay in funding. Paul Whitehead reported that the College does receive funding from Essex County Council and the College needs to ensure that this is confirmed before the mayoral authority takes control. There is a possibility that funding might become more difficult to manage under the mayoral authority.

- **Risk 3 – Finances: Adult Skills Fund**

The score has been decreased from 15 to 10 due to the College meeting the full allocation in 2024-2025 and significant increased delivery in the employability area in the first 3 periods of 2025-2026. The College is confident at present that the allocation will be met.

A Governor asked if any additional GLA funding had been secured. Paul Whitehead reported that the College has not had a response to its request yet however funds are limited and restricted therefore an increase is not likely. The College is therefore working to its current allocation.

The Audit Committee approved the risk register.

## **10 Regularity Self-Assessment Questionnaire**

The Audit Committee received and considered the Regularity Self-Assessment Questionnaire, presented by Ruth Lucas, Head of Governance.

Governors were reminded that the self-assessment questionnaire is reviewed by the Audit Committee each time it meets and is an DfE template. The final version of the 2024-2025 questionnaire was considered at the October Audit Committee meeting and was signed off by the Chair and Accounting Officer at the Corporation meeting held on 23 October 2025. Governors noted that this report is the Autumn 2025 review and the first of this academic year. Further updates to the questionnaire will be shown in a different coloured font at future Audit Committee meetings.

The Audit Committee noted the Regularity Self-Assessment Questionnaire.

## **11 Fraud Report**

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

The report was taken as read.

Governors noted that one instance of fraud had taken place since the Audit Committee last met and Paul Whitehead provided further details on this, along with actions taken by the College.

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

## 12 Data Breach Report

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

The Committee noted that there have been no new data breaches since the last Audit Committee meeting.

The Audit Committee noted the Data Breach Report.

## 13 Cyber Security Report

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

Governors noted that aspects of this report had been covered in agenda item 7 – Audit Tracker and agenda item 11 – Fraud Report.

Paul Whitehead reported that pen testing and phishing training are the current priorities for the College.

A Governor asked if the outstanding training would be completed as a priority. Paul Whitehead reported that the majority of the outstanding staff are those without regular access to IT therefore the threat is less, however it is still important that the training is completed. A Governor asked if there is a way of facilitating them to access the training and Paul Whitehead confirmed that there is. Ben Nicholl highlighted that there is a staff development day on 19 December 2025 and completing the training will be a focus for the outstanding staff.

The Audit Committee noted the report on cyber security.

## 14 Any Other Business

There were no items of any other business.

## 15 Dates of Future Meetings

Spring Term	Tuesday 03 March 2026	9.30am
Summer Term	Thursday 25 June 2026 <i>(including joint meeting with the Resources Committee)</i>	9.30am

*Following this meeting the Audit Committee met privately with Buzzacott, external auditors, and Scrutton Bland, internal auditors. The Head of Governance was informed that no issues of concern were raised.*

### Key Points From The Meeting For Corporation:

#### 1. Annual Report of the Audit Committee 2024-2025

To receive and approve the Annual Report of the Audit Committee 2024-2025.