

## BOARD OF GOVERNORS

### AUDIT COMMITTEE

#### Part I Minutes

Wednesday 26 November 2025 at 5pm  
Online via Zoom

PRESENT:	Nathan Garat Tony Haines Rob Lewis Ian Thomson	(Chair)	<u>Meeting Attendance</u> (2 out of 2) (2 out of 2) (2 out of 2) (2 out of 2)
IN ATTENDANCE	Gillian May Lucy Gill Tracy Reeve Wendy Stott Carina Rolfs Holly van de Merwe	Group Principal and CEO Group Finance Director Group Director of Governance Group Management Accountant Client Relationship Manager, External Auditors, MHA Audit Manager MHA	

<u>MINUTE</u>		<u>ACTION</u>
<u>No</u>		
1.	<b><u>Chair's Agenda Item</u></b> There was no Chair's Agenda item.	
2.	<b><u>Apologies for Absence</u></b> There were no apologies. The Chair welcomed the college's external auditors from MHA Audit Services LLP to the meeting.	
3.	<b><u>AOB</u></b> The Group Director of Governance informed the meeting that there were two items of urgent 'other business': WFCG Conflicts of Interests Policy; and notification of a breach of the Treasury's Managing Public Money rules.	
4.	<b><u>Declarations of Interest</u></b> No Member declared a conflict of interest with the agenda.	
5.	<b><u>Minutes of the Previous Meetings</u></b> The meeting considered the minutes of the TWFCG Audit Committee meeting of the 24 September 2025. These had previously been circulated to all members and <b>were agreed as a true record. They would be taken as signed by the Chair.</b> <b>All Members were agreed.</b>	
6.	<b><u>Matters Arising of the Previous Meetings</u></b> The Group Director of Governance (TR) presented a report which confirmed that all matters arising had been actioned or were on track for timely completion when due. <b>The Report was NOTED.</b> ➤ <b><i>WFCG Anti-Fraud and corruption policy</i></b> The meeting considered this new policy which had been updated after governor comments in September 2025. The group Principal and CEO (GM) confirmed that this had now been slimmed down and was more user-friendly. It was also noted that responsibilities were more clearly defined. <b><i>The WFCG anti-fraud and corruption policy was APPROVED as presented and would be recommended to the Board for approval.</i></b> <b>All Members were agreed.</b>	Refer to Board

7.

**WFCG External Audit: 2024/25 Financial Statements and Audit Findings Report**

➤ **Financial Statements 2024/25**

The Group Finance Director (LG) presented the draft financial statements 2024-25 and thanked Senior Independent Governor (RL) for his review for typos and consistency. RL suggested that management should develop a 'house-style' template which would give college authors guidance on the correct consistency terminology to be used across WFCG documents and publications e.g. Group Principal and CEO, and College Group. The meeting noted that the narrative was in line with the accepted format for FE colleges and had been drafted with input from the wider SLT.

***ACTION: Develop a 'house-style' guidance note for formal college documents.***

TR

Members noted that the narrative within this document was not yet finalised as a legacy accounting error had recently come to light and there would need to be a prior year adjustment as a result of audit findings. However, the numbers for FY25 were finalised and were very unlikely to change; the historical accounting error would impact the prior year column which would need to be headed as 'Restated'. Members were pleased to note that the current financial position presented for FY25 was a small operational surplus.

***Prior-year adjustment:*** LG explained the detail of the recent historical accounting error that had been discovered by MHA during the external audit relating to an inconsistent treatment of deferred capital grants and the related depreciation. The meeting considered the detailed briefing paper which had been circulated in advance of the meeting. A review of historic capital grants for Strode's College and East Berks College (EBC) had identified misalignment between grant income recognition and depreciation of related assets. The errors related to grant receipts from 2004 to 2009 for EBC and prior to the 2017 merger for Strode's, where income had been recognised faster than the associated assets had been depreciated. The meeting considered the detailed paper explaining this. For Strode's, £0.680m had been recognised too early and for EBC, £0.977m had been recognised in advance of depreciation. LG confirmed that in total, £1.659m needed to be reinstated to the WFCG balance sheet as a long-term liability, reducing opening reserves as at 1 August 2024 by the same amount. Governors were assured that the impact on the current year (FY25) would be a reduction of deferred capital grants of £0.154m for both grant adjustments; there would be no impact on the cash position or financial health for FY25 which would remain at 'good'. In FY26 there would be a reduction of £0.229m to capital grant revenue prior to any new grants being recognised. LG confirmed that these adjustments would address audit concerns and realign grant recognition with asset lives. Governors were reminded that further work had been undertaken in 2025 to ensure that there was a clear link between assets held in the college's fixed assets register and the deferred capital grants held. LG informed the Audit Committee that this technical accounting error had been discussed at the Resources Committee on 25 November and Members were content with the proposed accounting amendment. The meeting agreed that this proposed 'one off fix' was preferable to waiting five or six years for the correction to take effect. The Chair (AH) referred back to discussions last year on one element of this error which was known then (the Strode's element) and was pleased that this would now be remedied in one year. AH sought confirmation from management that they had confidence in current systems which would enable grant income and assets to be clearly linked for future review. LG confirmed that previous knowledge and detail was now included on an excel system with clear links between projects. LG confirmed that additional improvement would be sought over the next few months but considerable progress had been made during the last year. The meeting agreed that a manual process could work well but relied on being clearly documented.

LG also highlighted that there would need to be a reference in the narrative to the accounts to reflect a breach of Managing Public Money rules discovered by MHA during the external audit. This had occurred with a severance payment paid to a junior member of staff in July 2025; the detail would be discussed later in the meeting (under Any Other Business).

***The Audit Committee AGREED to RECOMMEND that the Board (10 December 2025) approves the:***

Refer to  
Board

***i) reinstatement of £1.659m of previously recognised capital grant income to the balance sheet as a long-term liability, reflecting the corrections required for grant receipts for EBC in the period to 2004 to 2009 and for Strode's prior to 2017.***

*ii) revised amortisation schedules for both the Strode's and EBC capital grants to ensure that grant income was recognised over the remaining useful lives of the related assets, thereby addressing audit findings and restoring alignment with accounting standards.*

➤ **Audit Findings Report (MHA)**

The client relationship manager from MHA Audit LLP (CR) presented the audit findings report for WFCG. CR thanked the Group Finance Director (LG), Management Accountant (WS) and the finance team at WFCG for their input to the audit. Communications had been good between the auditors and the finance team and the on-site element of the work went very well. CR highlighted that an element of the audit findings report was still not finalised – shown in red text - due to the prior year adjustment. This would be updated and finalised once the team had completed testing on the updated financial statements.

CR highlighted the Executive Summary and the key audit risks that had been flagged during the audit planning; she confirmed that no additional risks had been identified during the audit. The level of materiality had been set at £1.005m at the planning stage but had now been updated to £1.042m based on the actual figures. A number of control recommendations had been raised which would be discussed later in the meeting. The matrix of likelihood and impact and the audit approach was also highlighted, CR went through the audit approach and resolution of each of the key risks in detail. It was noted that the final 'going concern' judgement would not be finalised until the Auditors Report was in final form and signed off by MHA.

The meeting noted that the Local Government pension Scheme (LGPS) had moved to be an asset during 2024-25 but FRS102 only allowed recognition of a pension asset if there was evidence of a realisable refund or reduction in future contributions. As there was no likelihood of either happening, the advice from actuaries (Barnett Waddingham) had been to keep this at a break-even position.

CR confirmed that the audit work on the accounts was now substantially complete and MHA anticipated issuing an unqualified audit opinion and a modified regularity audit opinion (due to the identified breach of the MPM rules). CR confirmed that the Letter of Representation would be drafted to include two non-standard clauses in relation to:

- Regularity – special severance payment breaching MPM rules.
- LGPS – implementation of an asset ceiling.
- The prior year adjustment (depreciation versus release of capital grants) as discussed earlier in the meeting.

The meeting was pleased to note that no adjusting misstatements had been noted. However, the prior period error of £1.659m was noted. The meeting noted the non-adjusting misstatements including an extrapolated error over calculation of accruals (£382,653); the factual error noted within accruals in relation to 'gas' was noted as £39,134.

The meeting went through the detailed Audit Findings which were classified under three key headings: Individualised Learner Records (ILR), Regularity and Key Financial Controls. There were also advisory recommendations.

**Testing of ILRs:** No new issues had been identified but an error in relation to source document checks identified in the 2023-24 audit was still not fully actioned (grade B recommendation).

**Regularity audit findings** (two grade A recommendations): The severance payment which exceeded three-times salary was included here and the regularity opinion would have to be qualified with very specific wording to reflect the MPM breach.

There was also a tender awarded for work on the Alms Houses at Strode's – above the £375,000 threshold – which had not been approved in final format by the Corporation.

**Key Financial Controls:** HvdM presented this section of the report and highlighted that some contracts for lettings had not been signed and there were instances of lettings with no formal contract in place (grade B recommendation).

**Payroll controls:** There were three instances where employment contracts had not been signed by the college or the employee (grade B recommendation). LG confirmed that

checklists were now in place and HR had moved forward with a digital process.

**Authorisation of journals:** the recommendation for the Group Finance Director to approve journals with junior staff processing them had been recommended and would be implemented moving forward (grade A recommendation).

**Repairs and maintenance classification:** (grade C recommendation). Management had fully accepted the recommendation to review the potential capitalisation of repairs and maintenance where transactions were above the threshold.

**Capital Expenditure and Fixed Asset Register:** (grade A recommendation) This important recommendation on the annual review of the Fixed Asset Register and the requisite tightening of descriptors was discussed. The recommendation flagging the need to tighten controls on disposals was also noted. Some of the assets had also been depreciated outside of the timeframes stated in the college accounting policies. The meeting noted that this recommendation was a difficult point to fully clear as some of WFCG's assets very old and there was only so much that the finance team could deal to resolve this legacy issue. The scale of the project across the four campuses was also a factor. The detailed management response was noted and the clear acceptance of the need to review the rates of depreciation applied to all assets and correct them where necessary during FY26. Governors sought assurance on how descriptors would be made in a consistent and transparent way moving forward and stressed the need for a clear college protocol for the future logging of assets. HvdM cited the importance of this in relation to MPM rules as there was sometimes the need to seek permission from DfE for write-offs (if over a certain threshold). LG highlighted the ongoing work to improve the WFCG Financial Regulations so that the college protocols fully aligned with MPM rules; an updated version had been taken to Resources Committee on 25 November (for Board approval in December).

HvdM highlighted the two recommendations from the previous year in relation to reconciliation of payroll reports and accounting system access. Both of these were fully resolved for 2024-25.

The meeting considered the advisory recommendations:

- **Formal Reserves Policy:** This was accepted and a draft WFCG Reserves Policy had been approved by Resources Committee on 25 November (for Board approval 10.12.25).
- **Employee Mileage:** Fully accepted and now monitored automatically through iTrent HR system. LG confirmed that the system was working well as one employee had already claimed more than 10,000 miles so the payment had reduced to 25p a mile.
- **Conflict of Interest Policy:** a draft policy was being presented to the Audit Committee under AOB.

The meeting noted the assurance on MHA's independence and the fees summary. The Chair of Audit Committee (AH) thanked MHA for their detailed presentation and sought clarity on the next steps in terms of approval of the financial statements and receipt of the audit findings report. LG informed the meeting that at Resources Committee held the previous day (25 November) it had been agreed that a complete version of the narrative and numbers would be circulated to Resources Committee members and Audit Committee members as soon as possible. Any comments and questions could be taken before Wednesday 3 December and Audit Committee Members could provide written approval of the financial statements. This would allow oversight of the final version and enable the recommendation for approval from Audit Committee when the Financial Statements were taken to the Board on 10 December.

- *Going Concern Judgement*

The meeting noted a report which gave governors assurance around the going concern judgement for WFCG. LG reminded the meeting that this judgement had to cover a twelve-month period from the date of signing of the accounts (to 10 December 2026) and evidence had to be provided to MHA to support this judgement. The meeting agreed that as detailed in the paper the key financial aspects supported the judgement that WFCG was a 'going concern'. These included:

- *Financial Position:* FY25 ended with a £6.816m cash balance and loan repayments had been met. The cash balance included £2.295m held as 'yet to be spent' capital grants. The meeting commended the 'hockey-stick' recovery achieved in-year and the actual position being in line with the College Financial Forecasting return (CFFR) as submitted

<u>MINUTE</u>	<u>ACTION</u>
<u>No</u>	
<p>in July 2024.</p> <ul style="list-style-type: none"> <li>➤ <u>Covenant</u>: The loan covenant had been met at 31 July 2025 and reported to DfE as compliant.</li> <li>➤ <u>Improved Outlook</u>: FY26 had started well, with enrolments exceeding budget, stable cash levels and positive EBITDA projected.</li> <li>➤ <u>Future Stability</u>: Financial controls and forecasting supported WFCG's status as a going concern. The college was moving steadily towards the FE Commissioner benchmark of 40 days cash.</li> </ul> <p>The Chair thanked the external auditors at MHA and all of the Finance Team at TWFCG for their work to date on the external audit.</p> <p><b>Members REQUESTED a clean version of the Financial Statements with a confirmed narrative to be circulated to all Audit Committee members before they could agree to recommend the Financial Statements to the Board for approval.</b></p> <p><b>ACTION: Final version of the Financial Statements to be circulated to Audit Committee Members (and Resources Committee Members) by Friday 28 November 2025.</b></p>	Refer to Board
<p>➤ <b>Regularity self-assessment questionnaire (SAQ)</b></p> <p>The meeting was reminded that the Regularity Audit report from MHA would be within the Audit Findings Report. The meeting noted and considered the draft Regularity Audit Self-Assessment questionnaire 2024/25 which had been completed by the Exec Team. This detailed report which had been updated to reflect reclassification into the public sector was noted as a useful source of assurance for Governors and a clear reminder of the necessary 'checks and balances' that should be in place. The meeting noted that this questionnaire was 99% complete and the 'highlighted figures' would be provided by the Finance Team in advance of the final version being taken to the Governing Body on 10 December 2025. The template would also be updated to reflect the MPM breach on severance pay (to be discussed under AOB). Governors (RL) sought and were given confirmation that this template was standard across the sector and had been comprehensively reviewed by the Exec Team to update from the prior year.</p> <p><b>The Regularity Self-Assessment Questionnaire 2024-25 for WFCG was NOTED and would be updated (as above) and taken to the Board for final approval (10.12.25).</b></p> <p>➤ <b>Audit of Teachers Pension Scheme 2025</b></p> <p>The meeting noted and received the report from MHA in relation to their audit of the Teachers' Pension Scheme (TPS) for the year ended 31 March 2025. The end of year certificate (EOYC) for the TPS was noted and LG confirmed that there was nothing to draw out of the audit report. The meeting commended the clean audit which provided assurance for governors on the tight control by the college payroll officer.</p> <p><b>The EOYC dated 31 March 2025 and the audit report from MHA was NOTED and RECEIVED.</b></p>	LG/ TR
<p>8. <b><u>Annual Report of the Audit Committee 2024/25</u></b></p> <p>The Group Director of Governance (TR) presented the Annual Audit Committee Report 2024/25 which had been agreed in draft format by Audit Committee at their last meeting (24 September 2025). The changes suggested at this meeting in relation to Audit Committee action on the procurement audit recommendations were now included. The meeting was reminded that the purpose of this report was to provide assurance to the Corporation from the Audit Committee on the adequacy and effectiveness of controls and risk mitigation in place. Governors noted that the Annual Audit Committee Report was a mandatory requirement within College Financial Handbook; TR highlighted that this annual audit committee report would be submitted to the DfE to accompany the WFCG financial statements. TR also informed the meeting that she would add a paragraph under 2.7 Regularity Audit to reference the Managing Public Money breach and the resulting qualified regularity audit opinion.</p> <p>TR informed the meeting that the performance of internal and external auditors against the stated KPIs (including their self-assessment) would be considered in the Part II meeting. TR confirmed that the assessment of the auditors would be appended to the Audit Committee Annual Report before it was submitted to the DfE.</p>	

**Members APPROVED the WFCG Audit Committee's annual report 2024/25 – subject to the amendment under 2.7 Regularity Audit - which would be taken to the Board for assurance on 10 December 2025 and submitted to the DfE to accompany the Financial Statements.**

Refer to Corporation

**All Members were agreed.**

➤ **Audit Committee Terms of Reference**

TR presented the WFCG Audit Committee terms of reference for biennial review. Changes had been made to reflect the DfE taking over college monitoring from the ESFA, the new College Financial Handbook replacing the Joint Audit Code of Practice and job title changes.

Refer to Corporation

**Members APPROVED the WFCG Audit Committee's terms of reference which would be taken to the Board for approval.**

**All Members were agreed.**

9.

**Risk Register**

The CEO and Group Principal (GM) presented the updated Strategic Risk Register and Assurance Framework for WFCG 2025/26. This had been updated since considered at the last Audit Committee meeting. Audit Committee members discussed the highest scoring risks and the updated narrative explaining current risk scores, mitigation and assurance levels.

- **Risk 1 Failure to meet budget forecast (risk score reduced to 16 'amber')**: Acute risk linked to financial health; the upwards pressure on pay was still a very real concern. GM reminded the meeting that lagged funding, increased funding rates, additional adult and apprenticeship income and tight control of costs had returned the College to a positive EBITDA and financial health in 2024/25. The pay costs as a percentage of income were still above the 68% target at 70% for FY25 but had shown improvement since the prior year. The possibility of sensitivity in relation to industrial relations and pay disputes was noted. GM highlighted the financial turnaround and the small operating surplus for 2024-25 which was a massive improvement on the prior year. This risk had been reduced from a score of 20 in September 2025. FY26 first quarter was on track to meet the budgeted operating surplus at year-end.
- **Risk 2 IT Failure with loss of data for staff or students (risk score remains at 16 'amber')**: Governors were reminded that capital continued to be ringfenced during 2025/26 for essential IT improvements. The systems upgrades (in IT, HR and Finance) to increase efficiency and resilience had been discussed at recent committee meetings and were now being actioned as a priority. GM informed the meeting that recent progress included cyber essentials renewal and comprehensive staff training on phishing and other cyber threats.
- **Risk 3 Uncertainty and risks associated with emerging national curriculum reforms (risk score remains at 9 'green')**: This key 'acute' risk was being well managed and senior staff continued to be engaged in advisory groups linked to reform. The T level roll out across WFCG was now confirmed and costed with a clear curriculum plan in place. Senior Staff were working to evaluate future strategies in light of the recently published White Paper and government guidance and sector updates were being closely monitored. The Audit Committee Chair informed the meeting that Strategy Governance & Search Committee had asked the CEO to put together a presentation on the White Paper so that WFCG governors could understand the strategic impact and possible changes to the governance role moving forward. GM confirmed that this would be presented to the Corporation in spring 2026.
- **Risk 4 Loss of vehicular access to Slough & Langley (S&L) campus (risk score remains at 12 'amber')**: The meeting noted this risk which recently emerged but noted that mitigations were now in place.
- **Risk 5 Uncertainty and risks associated with devolution of the Adult Skills Fund (ASF) and future funding arrangements (risk score remains at 12 'amber')**: The meeting was reminded that a growth in the ASF allocation of 10% had been confirmed for 2025-26.
- **Risk 6 External Safeguarding Risks (risk score remains at 12 'amber')**: The meeting was

assured that the Executive Team continued to work with all relevant agencies in relation to any safeguarding incidents.

- Risk 7 Poor student outcome data in some curriculum areas results in a challenge to the Good Ofsted rating and the resulting impact on quality and reputation (risk score increased from 8 'green' to 12 'amber'): The CEO confirmed that this continued to be a focus for management to ensure consistency across the four campuses. The increased risk score was predicated on a dip in achievement for apprenticeships to 51% (against a national benchmark of 60%). GM confirmed that the college had self-reported this dip in achievement for Apprenticeships to the DFE and were now working with a specialist from the FE Commissioner's Team. The intervention work and action plan had been discussed in detail at the recent Quality & Curriculum Committee (25.11.25). The CEO reminded the meeting that a more detailed Curriculum Risk Register was a standing report to the Quality & Curriculum Committee.

***The meeting NOTED and APPROVED the updated WFCG Risk Register.***

All Members were AGREED.

➤ Funding Update 2025/26:

Governors noted a report which confirmed that the college was meeting or exceeding all elements of its DfE and Adult Skills Budget for 2025/26. The meeting noted the progress against the targets in the strategic plan.

**Apprenticeships** funding was ahead of the prior year by £84k. The number of current learners compared to this time last year had risen by around 176. The reason the funding has not gone up in proportion to the learner increase is because the college was carrying more unfunded learners this year than last. The current projection for the whole year was £3,101,537 compared to the 2024-2025 final output of £2,606,279. GM highlighted the need to remain mindful of the issue on Apprenticeship quality and balance any growth with ensuring quality improvement.

**Adult Skills Fund (ASF)** was currently generating £200k more than this time last year. To match the full year 2024-2025 the group would need to earn a further £336k by the end of the year; this was in hand with enrolments due in January 2026 (which would be carefully managed to avoid over-delivery).

**Adult Skills Fund (Free Courses for Jobs)** was currently projecting to finish the year on £99,294 against an allocation of £59,233. Enrolments were being carefully managed on this funding line moving forward as the college was eligible and would apply for growth funds.

**Greater London Authority (GLA)** was currently £203k ahead on this time last year. This was due to Community ESOL and Adult English and Maths enrolling earlier this year. Current predictions were for year-end to be £23k over the allocation for 2025-26. Any further enrolments to GLA provision currently would not be funded.

**DfE 16-18** learner numbers were currently 4760 compared to the 2024-25 R04 figure of 4674. If at R04 the Colleges learner count is 4760, the growth amount for the year would be 10 learners; this would be used in the allocation calculation for 2026-27. On the basis of this profile WFCG would not be eligible for additional in year growth funding but would receive the growth in lagged funding in 2026-27.

**T-Levels** There were 127 T-level learners in November 2025 compared to 52 at the same time last year. However, this was still short of the 268 learners allocated; if this picture did not change the DFE clawback (based on 127 T level learners) would be £202K. GM confirmed that this had been accrued for in the budget and management accounts.

**Tailored Learning** currently had 350 enrolments against an allocation of £398,088 compared to the same point last year of 333 enrolments against an allocation of £336,698.

***Members NOTED the funding update.***

10.

**GDPR Annual Report and Action Plan**

The meeting noted a GDPR Annual Report and Action Plan which had been produced by the College DPO (Data Protection Officer) (YHM). The meeting noted that there had been fewer data breaches compared to the previous year (35 versus 48). The data breaches were mainly due to errors while sending emails. The College had received 14 subject access

requests during the year and 16 Freedom of Information requests.

The Group Director of Governance (TR) confirmed that the decrease in breaches had been facilitated by better staff training and the DPO securing an increased awareness of GDPR issues across staff. The DPO had delivered four refresher training sessions to 499 staff. All WFCG staff were required to attend at least one training session per year, whilst new staff were required to complete two mandatory online training modules during their induction which were tested, via the GDPR Sentry software system.

The meeting was reminded that WFCG had a GDPR Action Plan in place which provided a framework of what was required to enable the College Group to achieve compliance with data protection regulations. This action plan was being taken forward by a college GDPR Working Group with membership from SLT. The meeting took the detailed GDPR Action Plan as read.

***The GDPR Annual Report and Action Plan were NOTED and RECEIVED.***

11. **Register of Outstanding Audit Recommendations**

The Group Finance Director (LG) presented a report which summarised the progress against the recommendations from the 2024/25 internal audit programme. The report detailed the College's response to identified risks in learner records, payroll and HR, cyber security, business continuity and risk, financial controls and procurement. The meeting noted the updates to the high and medium risk areas as shown below.

➤ *Financial controls: Crediting Petty Cash Payments*

In November 2025 all cash transactions were up to date and posted within the finance system. Cash purchases were minimal, and all bursary travel tickets were now purchased weekly via credit card. Cash continued to be accepted at the BCA shop for curriculum teaching purposes; this was counted daily and banked weekly.

➤ *Procurement Document Storage and Retention and Reviewing Supplier Spend Profiles*

WFCG had now engaged CPC Procurement Services to support with procurement across the Group. CPC started their support in October 2025 and had already presented to SLT. Their first specific activity was advising on a route to procure a cloud-based finance system; the intention was to update the current finance system in Spring 2026.

➤ *Procurement Policy*

This had started with the appointment of CPC Procurement Services. Work on the current purchase ledger and contracts list had started with a focus on the highest value suppliers and full compliance with the regulations. As discussed earlier in the meeting, WFCG Finance Regulations had been updated and now covered procurement. However, LG highlighted that a separate Procurement Policy for WFCG would be drafted with advice from CPC to ensure that it met all the Procurement Act 2023 requirements.

➤ *HR: signed contracts*

Contract issue and return was now part of the new starter tracker and the file checklist. The recruitment team had been reminded about the need to ensure signed contracts were received no later than the first day of employment. LG confirmed that the college was moving towards digital signatures for contracts via the recruitment platform Tribepad. This would provide both the candidate and the college with automated reminders and the timeline for full implementation was by the end of March 2026.

➤ *Learner Records: negotiated price*

A check had been carried out on the remaining apprentices and TNP2 costs corrected and amended on the ILR with the appropriate agreement from the apprentices employer. In-year checks had been taking place to confirm the TNP2 costs recorded in the ILR. The College was conducting an internal sample based audit of paperwork and electronic records across its apprenticeship provision in November, to confirm processes were working.

➤ *Learner Records: off-the-job training delivery for apprentices on programme*

The College now had a report in place that totalled all learners off-the-job training records, ensuring the number of actual hours recorded in the ILR matched the total on apprentices' time logs.

➤ *Cyber Security: supply chain security*

Supply chain was now explicitly referenced in the new Cyber Security Policy. A framework

<u>MINUTE</u>		<u>ACTION</u>
<u>No</u>		
	<p>and 'checklist' to be implemented by January 2026.</p> <p>➤ <u><i>Cyber Security: tabletop exercise for incident management</i></u></p> <p>Enterprise-grade Nessus procured, to be run before December 2025, then establish regular protocol replacing current open-source solution. A tabletop exercise for SLT took place in November 2025.</p> <p>➤ <u><i>Cyber Security: proactive monitoring and alerting</i></u></p> <p>In discussion with JISC to implement managed SIEM at earliest opportunity - currently discussing costs around legacy infrastructure. Next intended step would be a managed SOC. Critical Services protection being procured for core on prem infrastructure (MIS) with the aim to complete this by January 2026.</p> <p>LG confirmed that for the March 2026 Audit Committee meeting the external audit FY25 recommendations would be included in this report. The meeting thanked LG for the comprehensive update and agreed that this report ensured that appropriate governance and oversight remains in place via the Audit Committee to monitor and review the impact of improvements made.</p> <p><b><i>The Audit Recommendations Report would be brought to the next Audit Committee meeting.</i></b></p>	
12.	<p><b><u>Fraud, Irregularity and Whistleblowing Report</u></b></p> <p>The Group Finance Director (LG) presented the report which confirmed that there had been no incidences of fraud, corruption or irregularity perpetrated against the College during the year-to-date 2024/25. The meeting noted that the Whistleblowing report was also a nil return since the last meeting (October to November 2025). TR reminded the meeting that the recent case of whistleblowing (an incident at BCA in September 2025) had been investigated and findings reported to the Board on 8 October 2025.</p> <p><b>Members NOTED the report.</b></p>	
13.	<p><b><u>Dates and Times of Future Meetings</u></b></p> <p>The date and time of future meetings in 2025/26 were noted as:</p> <ul style="list-style-type: none"> <li>• Wednesday 11 March 2026</li> <li>• Wednesday 24 June 2026</li> </ul> <p><b>Members NOTED the 2025/26 meeting schedule and verbal update.</b></p>	
14.	<p><b><u>Any Urgent Business</u></b></p> <p>There were urgent items of business raised.</p> <p>➤ <u><i>Conflicts of Interest Policy</i></u></p> <p>TR presented a draft WFCG Conflicts of Interest Policy which had been suggested by MHA during the financial statements audit. TR confirmed that she had based this on the Eversheds' template.</p> <p><b>The meeting APPROVED the WFCG Conflicts of Interest Policy as presented (this would be recommended to the Board for approval).</b></p> <p><b>All Members were agreed</b></p> <p>➤ <u><i>Breach of Managing Public Money rules</i></u></p> <p>The CEO informed the meeting that a breach of the Managing Public Money (MPM) rules had occurred in July 2025; this had only been discovered during the financial statements audit. A junior member of staff had received a severance payment which had been more than three-times their monthly salary (the payment was £23,282). GM informed the meeting that this had been identified as an issue across the FE sector and the MPM rules had now been amended to raise the limit for severance payments to £50,000. However, this change was not enacted until November 2025 so WFCG had breached MPM regulations with the payment</p>	Refer to Board

<u>MINUTE</u>	<u>ACTION</u>
<u>No</u>	
<p>made in July 2025. The meeting noted that the breach was due to an oversight in HR and Finance who agreed and co-ordinated the payment. The decision to make the severance payment was taken as the perceived costs of the alternative - going to an employment tribunal – were assessed as being higher than the £23k severance payment. GM confirmed that once the breach had come to light the college had informed the DfE and sought retrospective approval for the breach. However, the college had heard received formal notification earlier in the day that the DfE would not grant this retrospective approval. The DfE were asking for a number of remedial steps and new controls which WFCG had put in place immediately. The letter from DfE was noted by the meeting. GM informed the meeting that any future severance payments would have to go via the Executive Team and then be approved by the Resources Committee before final approval.</p> <p>The meeting discussed the ongoing importance of Value for Money considerations (which WFCG believed it had adhered to). The importance of making a stand and not taking the 'easy option' was a key factor for DfE who did not want examples of severance pay to be used as a precedent.</p> <p>The Audit Committee Chair highlighted the importance of ensuring that there were no future breaches as this would be serious and could ultimately result in intervention. GM assured the meeting that clear controls were in place to ensure that MPM rules were adhered to.</p> <p><b><i>The meeting NOTED the MPM breach and AGREED that the College should seek advice from colleagues at DfE on the likely timeline before any sanctions were decided.</i></b></p>	
	GM

**The meeting closed at 6.50pm.**

Chair..... Date.....

## BOARD OF GOVERNORS

### AUDIT COMMITTEE

**CONFIDENTIAL** Part II Minutes

Wednesday 26 November 2025 at 5pm  
Online via Zoom

		<u>Meeting Attendance</u>
PRESENT:	Nathan Garat	(2 out of 2)
	Tony Haines	(2 out of 2)
	Rob Lewis	(2 out of 2)
	Ian Thomson	(2 out of 2)
IN ATTENDANCE	Gillian May	Group Principal and CEO
	Lucy Gill	Group Finance Director
	Tracy Reeve	Group Director of Governance
	Wendy Stott	Group Management Accountant

<u>MINUTE</u>	<u>No</u>	<u>ACTION</u>
	15.	<p><b><u>Auditors Key Performance Indicators</u></b></p> <p>The meeting considered the self-assessment against the key performance indicators that had been received from external auditors (MHA) and internal auditors (wbg).</p> <p>➤ <i>External audit (MHA):</i> The Group Finance Director, Management Accountant and CEO confirmed that they agreed with the MHA gradings as presented. MHA had been very thorough in their audit approach and the team had built a good relationship with WFCG over the last two years. Their approach had been helpful and measured. The quality of reporting was very strong – as evidenced in the audit meeting – and the CEO confirmed that she felt all aspects of the college finances had been thoroughly scrutinised. LG concurred that the consistency of the audit team over the last two years had been very valuable and their work on site had gone very well. While raising any relevant issues the audit team understood operational factors and worked with management to look for sensible and useful recommendations for improvement to systems and controls.</p> <p>➤ <i>Internal audit (wbg):</i> The meeting discussed the relationship with 'wbg' as internal auditors and the lack of a strong relationship at the end of the first year of the contract. The slippage in internal audit reports 2024-25 – although largely due to college delays – had created a slightly adversarial approach. However, LG and WS confirmed that the internal audit team were communicating well and planning for 2025-26 had gone well. The meeting agreed that they were largely happy with the 'wbg' responses but might need to change one or two from a grade 1 to grade 2 to reflect the experience of staff involved.</p> <p><b>The Audit Committee AGREED that the management team would finalise the approved KPIs in relation to the self-assessments from MHA (agreed as presented) and wbg (some answers to be moderated down from top score).</b></p> <p><b>ACTION: The final assessment for audit KPIs would be finalised after the audit meeting. (Final version to go to the Board in December 2025 with Annual Audit Committee Report.)</b></p>

GM/ LG/ WS/  
TR