



BOARD OF GOVERNORS: AUDIT COMMITTEE

Minutes

Wednesday 11 March 2026 at 5pm

Online via Zoom

PRESENT:	Tony Haines	Governor (<i>Committee Chair</i>)
	Kirsten Ashman	NEW Governor
	Rachel Fowler	NEW Governor
	Nathan Garat	Governor
	Alasdair Lenman	NEW Governor
	Ian Thomson	Governor
APOLOGIES:	Rob Lewis	
IN ATTENDANCE	Dan Fairbairn	Group Director of IT, Marketing and Admissions
	Lucy Gill	Group Director of Finance
	Gillian May	CEO & Group Principal
	Tracy Reeve	Group Director of Governance
	Wendy Stott	Group Management Accountant
	Carla Tamagnini	Audit Director, internal auditors, Wylie Bissett Group (<i>WBG</i>)

PART I

MINUTE

No

ACTION

1.

Chair's Agenda Item

The Chair (AH) confirmed that there was nothing specific to raise under this item and welcomed Carla Tamagnini to the meeting; CT would be presenting the internal audit reports on behalf of WBG. AH also welcomed the new governors – KA, RF and AL - to their first Audit Committee meeting since their appointment earlier in the year. The meeting noted that DF was in attendance to talk to the cyber-security and IT item on the Risk Register.

2.

Apologies for Absence

Apologies had been received from Rob Lewis.

3.

Notification of any other urgent business

No other business was notified.

4.

Declarations of Interest

No Member declared a conflict of interest with the agenda.

RF informed the meeting that she had previously worked with Phoenix Software Limited (tender for MS Licences upgrade approved by written resolution of the Board on 27/02/26).

NOTED

5.

Minutes of the Previous Meeting held on 26 November 2025

The meeting considered the minutes of the WFCG Audit Committee meeting of 26 November 2025 which had previously been circulated to all members and **were agreed as a true record. They would be taken as signed by the Chair.**

(All Members were agreed.)

6.

Matters Arising of the Previous Meeting held on 26 November 2025

The Group Director of Governance (TR) presented a verbal report which confirmed that all matters arising had been actioned, were not yet due for completion or were included on the agenda for the meeting.

The Matters Arising report was NOTED

- Managing Public Money

The meeting noted a letter from the DfE dated 9 January which acknowledged the breach in the HM Treasury's Managing Public Money (MPM) rules that had occurred in July 2025 at WFCG. GM reminded the meeting that a junior member of staff had received a severance payment which had been more than three-times their monthly salary. The meeting also noted an email from the DfE regional team which acknowledged the controls subsequently put in place to ensure that there would be no future breach. Governors were assured that this would include a standing report to Resources Committee detailing any severance payments. GM confirmed that this breach had been disclosed to external auditors and was referenced in the WFCG 2024-25 statutory accounts. GM suggested that new governors could speak to the Group Finance Director to learn more about the MPM Guidelines and the restrictions placed on FE colleges as public sector organisations.

NOTED

ITEMS FOR DECISION/ APPROVAL

7.

Risk Register

The Group Principal (GM) presented the Risk Register for 2025/26 which continued to be reviewed and updated by the Senior Leadership Team; GM assured the meeting that it was very much a 'live' document. The meeting discussed the highest scoring risks and the updated narrative explaining current mitigation and assurance levels. GM informed the meeting that the Group Director of Digital (DF) had attended Resources Committee on 10 March to present the newly focussed risk in relation to digital, IT and cyber security which had now been moved to risk 1 with the highest score on the WFCG Risk Register. GM informed the meeting that Governors had made several suggestions at the Resources Committee meeting which would be updated on the Risk Register before it was presented to the Board on 18 March.

- Risk 1 IT Failure with loss of data for staff or students. Risk of cyber-attacks across FE sector (risk score increased from 16 to 20 but still 'amber'): The Group Director of IT (DF) confirmed that the sector continued to experience a significant increase in cyber threats; the risk remained chronic and high impact. Governors noted that although controls and mitigations had strengthened, the inherent risk remained substantial. The CEO (GM) affirmed that the Executive Team considered that while mitigation was improving the likelihood score, the impact of a major cyber incident remained severe, meaning the risk score remained high and requires continued monitoring. DF also highlighted the new risk factor in relation to the increasing costs of the replacement programme for old equipment. The volatile market and recent shortages and price increases for RAM and chips could threaten the proposed completion date for the replacement programme. Governors (NG) also reminded the meeting that there were circa 2,500 machines reaching 'end of life' during the next twelve months and the increased costs would also affect the replacement programme for classroom display screens.

The meeting discussed the ongoing work in relation to cyber-security and the regular anti-phishing training taking place with all WFCG staff. The recent renewal of the Microsoft licences and the uplift from A3 to A5 also provided extra security controls. The meeting was reminded that the work in relation to achieving Cyber Essentials was now a condition of funding. The meeting discussed the managed SIEM (Security Information and Event Management) and SOC (Security Operations Centre) which could be provided by JISC. DF informed the meeting that the move to the JISC provision was going to cost more than expected due to the large college legacy infrastructure; deemed to be more like a small university than a typical FE college. Governors were assured that the Group IT team would be looking at other providers to check costings and look for any reduction before this managed SOC and SIEM contract was awarded. GM highlighted the input from Resources Committee members who had affirmed the need for the college to leverage vendors and push for keener pricing in the competitive market.

Governors (RF) sought confirmation on what level of assurance the Board currently had on this risk and whether it had been tested by internal audit. DF informed the meeting that cyber security and business continuity/ risk had been reviewed by internal auditors in summer 2025. After these reviews action was put in place to run scenario planning events with managers. The internal audit feedback on scanning software that was being

used had also been taken on board. There was also an ongoing need to check with suppliers that their cyber controls were strong. The meeting agreed that this should be included for further review by internal audit within the 3 year plan.

ACTION: recirculate copies of the June/ July 2025 internal audit reports from WBG – Cyber Security, Business Continuity and Risk – for ongoing assurance.

TR/ DF

- Risk 2 Failure to meet budget forecast or targets to reduce the operating deficit (risk score remains at 16 'amber'): Acute risk linked to financial health; the upwards pressure on pay was still a very real concern. Group Finance Director (LG) 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 college was now building on this 'hockey-stick' recovery to recover cash reserves and generate an additional small surplus for 2025-26. Cash days were now meeting the FE Commissioner benchmark of 40 days for the first time in two years. However, the ongoing pressure of staff costs and the pay dispute with UCU remained a significant risk; pay costs as a percentage of income were still at the very top of acceptable parameters. GM confirmed that the additional £500 had been added to the pay spine-points for all staff (other than for the four senior postholders); this addition had been back-dated to September 2025 and would be paid in April 2026 payroll. LG also highlighted the ongoing threat of rising costs associated with IT infrastructure replacement (as discussed earlier in the meeting); the college was investigating leasing options to maintain cash reserves. The need to maintain a strong cash position was vital for the ongoing financial security of the Group. The meeting was assured that the FY26 mid-year position was on track to meet the budgeted break-even/ small operating surplus at year-end. Although all indicators were positive the risk score had been maintained at 16 in order to maintain caution in an uncertain funding environment with ongoing pay pressures.

The Chair sought additional information on the continuing pay pressures. GM confirmed that the Group remained in dispute with UCU; members had voted marginally against accepting the additional £500 offer and strike action was planned for 17 and 18 March. GM reminded the meeting that there had been no significant disruption of learning across the Group during the January strike action and plans were also in place to ensure continuity during the March strike days. However, the additional £500 was being paid to all staff as approved by the Board and this had been well received and appreciated by staff who were not members of UCU (more than 80% of staff). GM informed the meeting that the regular JCNC meetings continued with union representatives and the executive team had informed them that the college would start negotiations as early as possible to look at a pay award for 2026-27 but there was just no more funding available for 2025-26. The meeting agreed with the imperative of maintaining the small operating surplus and cash reserves for 2025-26, the clear response was commended.

- 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. Senior Staff were working to evaluate future strategies in light of the recently published Skills White Paper and government guidance and sector updates were being closely monitored. Curriculum planning for recently announced reforms including new Vocational (V) Level qualifications from September 2027 would be taken forward. The Chair affirmed his belief that the changes required in 2027 would only be the start of much bigger wholesale reforms from 2028 onwards. GM informed the meeting that it was hoped that the V Level content would be available later in 2026 and the new qualifications would be finalised in parallel with the start of defunding existing qualifications where there was an overlap. This new landscape would reflect a significant change in 16-19 qualifications with three pathways for Level 3 study: A levels, V Levels or Technical (T) Levels. GM reminded the meeting that the T Levels were large technical programmes with an equivalence to three A levels. V Levels were two-year qualifications with guided learning hours of 360 per year (same as an A level). This would mean that learners could undertake a V level alongside one or two A Levels. This mix-and-match approach would work well at Strode's College but would be more of a challenge in the FE colleges where there was no A level offer. There was a risk that enrolment at BCA and Slough & Langley College would be adversely affected if V levels were offered by schools; this would be especially true where delivery was not resources intensive e.g. business. GM assured the meeting that WFCG was already planning its marketing position. The meeting agreed that the concept of slimmer

qualifications with more focus was good. However, in order to study a subject like agriculture properly it needed to be done within a large programme including an industrial placement. Under the new regime this could only be done as a T Level but the academic nature of the T level would not suit the typical BTEC student. The same was true in subjects such as construction.

GM informed the meeting that all FE colleges were required to submit a Strategic Transition Plan Statement to the DfE by 30 June 2026 which outlined headline plans for delivery under the new qualification landscape. The timeline for change was tight with the first subjects moving across to V Levels in September 2027; there was an imperative to get the new specifications and get staff trained. GM also outlined the changes that were planned for level 2 qualifications with a smaller vocational programme available to those learners who had not yet achieved a grade 4 in English and maths GCSE. They would have to continue to study English and maths but there would only be two vocational pathways available to sit alongside this; getting ready for work (e.g. City and Guilds) or getting ready for a Level 3 programme.

Governors talked about the risks of this change with the need for the curriculum to be financially viable, meeting skills needs, and meeting employer needs. The meeting sought clarification on the Group's point of differentiation in an environment where competition with schools would increase. DF – who was also Director of Marketing – confirmed that the Marketing Team were already thinking about this new pressure and the likelihood of schools making it harder for colleges to access Year 11 students to provide Information and Guidance. Governors (AL) sought confirmation that the college was going to financially evaluate that risk. GM confirmed that management were modelling funding for 2026-27 and the following years to assess the impact. GM reminded the meeting that funding for 2026-27 would include the uplift of 0.5% to base funding rates as well as the lagged funding of £1.3m to £1.5m reflecting learner number growth secured in 2025-26. However, this would be offset by the ongoing upward pressure on pay through pay progression costs and any cost of living increase for 2026-27. The meeting agreed that it would be imperative to stress test the budget to reflect the known and possible changes and the Chair asked for a sensitivity analysis to be included in the College Financial Forecasting Return for July 2026.

- Risk 4 Loss of vehicular access to Slough & Langley (S&L) campus (risk score remains at 12 'amber'): The meeting was reminded of this risk which had recently emerged but noted that mitigations were now in place. There would be an annual review of the standstill agreement with Stevenson Harwood now in place (next due autumn 2026).

Members APPROVED the updated College Risk Register.

ACTION:

- i. Management to refresh the IT Risk following input from Resources Committee governors.**
- ii. Update the Risk Register based on recent announcements regarding curriculum reform to reflect potential risk.**
- iii. Include a sensitivity analysis in the CFFR for July 2026 to reflect the potential impact of curriculum changes and increased competition from schools for level 3 provision.**
- iv. Marketing to consider strategy and WFCG's 'point of difference' from a V Level offer in schools sixth-form.**

DF/ GM

GM

LG

DF

8. **Internal Audit Reports**

- o Estates Management (January 2026)

The meeting noted the formal report from WBG which was presented by CT from WBG. CT informed the meeting that during the review, the WBG audit team visited Slough & Langley College and Berkshire College of Agriculture (BCA) and received a tour of the College sites. Estates management arrangements were discussed with the Head of Estates (S&L), the Director of Estates & Facilities (BCA), and the Director of Health & Safety and Transport. The audit had resulted in two recommendations - 1 medium and 1 low priority – and had generated a 'substantial' opinion on the level of assurance. The Group Director of Finance (LG) assured the meeting that the management responses had now been agreed and the recommendations had been accepted. CT confirmed that the number of recommendations

made was lower than sector benchmarks for this area. The meeting was also pleased to note that a significant number (14) of good practice points had also been noted in the report. This included a '*comprehensive and well-structured Estates Risk Register*'. The meeting was also pleased to note the good practice point in relation to governance of this area: '*The Group demonstrates strong estates governance through regular, structure reporting from Senior Estates Leads to the Chief Executive Office, Resources Committee, and the Board. This is also supported by a well-established Capital Development Steering Group that shows strategic oversight and informed decision making.*'

The meeting considered the medium priority recommendation in relation to training of estates staff and the maintenance of clear training records. The management response and the action was noted; the very low number of estates staff was a key factor. The low priority recommendation in relation to a Compliance Maintenance Register was also discussed; the responsibility for this sat with the Director of Health and Safety who would continue to update and review all four site registers for compliance to ensure that there was better consistency across the Group. Governors (KA) suggested that the management responses in the report simply echoed the recommendations and sought clarity from CT whether WBG as internal auditors were content with these responses. CT confirmed that WBG were content that all necessary documentation was in place but it needed updating and enhancing for the current academic year. **Governors (RF) asked that in future internal audit reports the management responses were very clear in terms of what actions would be put in place.**

SLT

AL sought confirmation on whether progress against the management responses came back to the internal auditors and Audit Committee for review. CT confirmed that WBG conducted an annual follow-up audit on prior year recommendations to confirm that agreed actions had been put in place.

The Chair (AH) highlighted the statement from WBG on page 25 of the report which asserted that '*The curriculum is not considered when the Group is planning its estates strategy.*' CT confirmed that this was within a list of 'potential risks' in the area of estates management. GM confirmed that whilst not a specific risk at WFCG there could probably be better evidence of consideration of the curriculum within the WFCG estates strategy; the link might be made more explicit in future iterations of the Estates Strategy.

The meeting RECEIVED the report from WBG on the audit of Estates Management at WFCG.

o Safeguarding (January 2026)

The meeting noted the formal report from WBG. The audit had resulted in one low grade recommendation and one 'observation' for consideration as well as a number (18) of good practice points. The meeting was pleased to note that the audit had generated a 'strong' level of assurance in relation to safeguarding at WFCG and the associated policies, procedures and controls. CT outlined the one low level recommendation in relation to the review of the Group's Single Central Register (SCR) which had identified administrative gaps; five employees were listed on the SCR as having no DBS confirmation date recorded. CT highlighted that this administrative error was due to the fact that the HR Team were relying on a manual process. GM confirmed that maintenance of the SCR post-merger had been a challenge; this had been raised by Ofsted in their most recent inspection of WFCG. She suggested that a repeat of the SCR audit should be undertaken in summer 2026 and then timetabled to be undertaken on an annual or biennial basis as there was no room for error in this key document.

Governors (AL) asked for confirmation on comments in relation to the hiring process for staff. The meeting was assured that the Director of HR Planning & Delivery (JB) was currently undertaking a project looking at safer recruitment. Governors also noted that WBG would be undertaking an internal audit of Staff Recruitment and Retention in the summer term which would be brought to the Audit Committee in June 2026.

The meeting commended the strong level of assurance which reflected the maturity of controls in place.

The meeting RECEIVED the internal audit reports from WBG on Estates Management and Safeguarding at WFCG.

ACTION: Follow-up audit on SCR to be commissioned for summer 2026 with this to be commissioned on a biennial basis moving forward for assurance.

9. **Register of Outstanding Audit Recommendations**

The Group Management Accountant (WS) presented the Audit Committee with an update on progress against internal and external audit recommendations and previously raised audit findings. The meeting took the detailed updates as read and considered the following summary.

- **External Audit recommendations:** The meeting noted that most recommendations raised by the external auditors for the 2025 year end audit review had now been addressed or closed. Key areas addressed included improved ILR documentation checks, strengthened financial controls (including payroll contracts, lettings agreements and journal approvals) and updates to capital and fixed asset accounting processes. WS confirmed that, where relevant, controls were now embedded within routine financial monitoring processes.
- **Internal Audit recommendations:** The meeting noted that previous internal audit reviews had covered procurement, cyber security, financial processes, HR controls and apprenticeship funding compliance. Key progress included:
 - **Procurement:** the appointment of CPC Procurement Services to strengthen procurement governance, development of a new Procurement Policy for Board approval in June 2026 and work underway to implement a cloud-based finance system in Spring 2026.
 - **Cyber security controls** had been strengthened through vulnerability scanning software, incident response testing through tabletop exercises and ongoing work with JISC to implement a managed SIEM monitoring solution.
 - **Finance and HR** control improvements included updated bank reconciliation sign-off procedures, continued review of the Fixed Asset Register, and strengthened recruitment documentation processes including the introduction of digital contract signing.

The meeting was pleased to note that most audit recommendations were now closed or implemented. Remaining actions primarily related to system improvements, policy development, or ongoing monitoring processes. Governors were assured that no significant control weaknesses requiring escalation had been identified.

The Audit Committee NOTED the progress made against internal and external audit recommendations and CONFIRMED that the actions taken provided sufficient assurance.

ACTION: Follow-up audit of previous recommendations by WBG in June/ July 2026 would provide additional assurance for governors.

10. **Fraud, Irregularity and Whistleblowing Report**

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 2025/26.

The meeting noted that the Whistleblowing report as presented in the papers was also a nil return for the period since last reported in November 2026.

Members NOTED the Fraud Report (nil return).

Members NOTED the Whistleblowing Report (nil return).

11. **Dates and Times of Future Meetings**

The dates and times for the Audit Committee meetings in 2025/26 were noted as:

- Wednesday 24 June 2026, 5.00pm

Members NOTED the remaining Audit Committee date for 2025/26.

[This meeting was subsequently move to Wednesday 17 June.]

MINUTE
No

ACTION

12. Any Urgent Business
There were no urgent items of business raised.

The Audit Committee meeting closed at 6.40pm.

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