Bradford College

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: on Thursday 15 May 2025 at 16.00 via MS Teams

Present	In attendance
Sharon West (Chair)	Richard Lewis (RSM)
Barbara Mangan (Vice Chair)	Tausif Taj (TIAA)
Tony Bullock	Sarah Cooper (Director of People Services (DPS))
Kimberley Rape	Chris Malish (Vice Principal Finance & Corporate Services (VPF&CS))
Gavin Hamilton	Allison Booth (Governance Director (GD))
	Rachel Henry (Deputy Governance Director (DGD))
Apologies	

The quorum was two committee members

L/J   Denotes the time any individual left/ re-joined the meeting.

Item		Action/ Report Item
Closed session		
1.	**Members to meet with Auditors in the absence of management**	
1.1	A closed session took place between the Audit Committee members and the auditors, internal auditors TIAA (Tausif Taj) and external auditors, RSM (Richard Lewis).	
1.2	The Chair informed the Committee that an issue of concern had been raised by the DPS and reported to the GD. This was in relation to the discovery of a number of audit actions, which had been reported as completed, which appeared to have not been actioned and therefore remained outstanding. It was agreed that the DPS should be allowed time to fully review the Internal Audit Action Plan to determine if there were any more actions marked as completed that were not. The Chair had also sought advice from Mr Lewis who had advised that a specialist Audit team could be commissioned to investigate, if further cases were discovered. The Committee agreed that the DPS would conduct an initial investigation over the Summer, which would be reported back to the Audit Committee.	
1.3	Mr Taj advised that the ICT - Data Governance audit had identified a number of gaps in process and that this would be a focus in the upcoming follow up audit.	
Open session		
2.	**Introductions, Apologies for Absence and Disclosure of Interest**	
2.1	The Chair welcomed everyone to the meeting.	

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2.2	There were no apologies for absence.	
2.3	There were no disclosures of interest.	
2.4	As the auditors were not required for item 9, it was agreed that this would be discussed further down the agenda.	
3.	**Chair's action**	
3.1	There had been no use of Chair's actions since the last meeting.	
4.	**Minutes of the meeting held on 27 February 2025**	
4.1	**RESOLVED:** That the Minutes of 27 February 2025 be approved as an accurate record and signed by the Chair.	
5.	**Matters arising**	
5.1	The Matters Arising Report was reviewed. Item 7.4 - It was noted that this matter had now been completed.	
Internal Audit		
6.	**Internal Audit Reports**	
6.1	6.1 ICT – Data Governance • The ICT – Data Governance report had an overall conclusion of LIMITED assurance. • There were 8 recommendations, 4 graded as urgent and 4 graded as important. • There were 2 areas of good practice identified.	
6.2	**Q. Have the urgent actions been implemented?** A. The Freedom of Information and Data Protection mailboxes were now consistently managed and the corresponding action trackers were being kept up-to-date. The Data Protection Impact Assessments (DPIAs) were being reviewed and managed. All related procedures were being followed satisfactorily.	
6.3	**Q. Have there been any complaints on any Freedom of Information requests not being responded to within the deadlines?** A. It was difficult to ascertain if there had been any complaints due to the lack of recording of the initial requests. An assumption had therefore been made that if no follow up queries had been received, that the request had been responded to.	

6.4	Members raised concerns as to whether the steps taken on following up on potential missing data were sufficient and if the actions complied with the Data Protection and Freedom of Information guidelines. Mr Lewis recommended that provision of a comprehensive response to all action points within the 2024-25 academic year was integral in providing the required level of assurance, as this would be reported within the Annual Accounts. Members agreed that requests which had no corresponding evidence of a response be followed up, as it was vital for the College to provide evidence that all outstanding matters had been resolved.	
6.5	**ACTION:** The DPS to ensure all that all recommendations and actions were either completed or positively updated before the end of the academic year.	**DPS**
6.6	**Q. When will we have oversight of the GDPR policy which was due to be presented to the Audit Committee in May?** A. Due to the findings within the Data Governance Internal Audit, it was agreed that the review of the GDPR Policy would need to be deferred. This would now be presented at the next Audit Committee meeting in September.	
6.7	The Committee was concerned about the lack of phishing testing. The DPS confirmed that penetration testing had been undertaken and that now the relevant staff were in post within IT that phishing testing would now take place.	
6.8	Mr Taj advised that the next Data Governance audit was planned for 2027-28, due to the sheer number large volume of recommendations that had been made, which would take time to implement. The Data Governance recommendations would also be reviewed during the follow up process for 2024-25.	
6.9	The DPS advised that the GD had added a GDPR update to the Audit Schedule of Business to ensure that the Committee would receive regular updates.	
6.10	<u>6.2 Estates – Property Compliance</u> • The Estates – Property Compliance report had an overall conclusion of REASONABLE assurance. • There were 3 recommendations, 1 graded as important and 2 graded as routine. • There were 2 areas of good practice identified.	

6.11	**ACTION:** That the Internal Audit Reports be shared with the Corporation for information and assurance.	**GD**
7.	**Internal Audit Recommendations: Follow Up (management)**	
7.1	The DPS provided an update on the outstanding Internal Audit Recommendations. The previous overdue action from 2020/21 had now been completed following the signing of a joint statement between UCU and the College on the updated AWAM. The two outstanding queries from 2022/23 related to Cyber Security and the Procurement processes. With the removal of the CIO role, these actions had been allocated to the CEO. With a new Head of IT Services joining the college on 15 January 2025, the CEO had requested a further extension until 31 March 2025 for completion. The DPS had now reviewed both actions with the newly appointed Heads of IT Services and Procurement. During the review, concerns had arisen regarding the completion of recommendations made in the original audit and a lack of corresponding evidence that these had been acted on. The DPS requested a further extension to complete the outstanding actions from the original audit and suggested, in light of the lack of evidence found, that it would be prudent for the Cyber Security Maturity Assessment to be re-audited within the 2025/26 audit schedule. Members agreed that progress on the 2 outstanding actions relating to the Cyber Security Maturity Assessment would be reportable at the next meeting and that the Cyber Security audit be brought forward from Spring 2026 to Autumn 2025 within the Internal Audit Annual Plan.	
7.2	**ACTION:** TIAA to bring the Cyber Security Internal Audit forward to Autumn 2025 in the Annual Plan.	**TIAA**
7.3	The DPS advised that the remaining actions for 2024/25 were currently in progress. Year to date audit actions had been added to the tracker, as well as a new page with the recommendations from the external audit completed by RSM. The ownership of outstanding actions from the external audit was with the VPF&CS; these would be reviewed ahead of the next meeting.	
7.4	**RESOLVED:** The Committee noted the report and approved the proposed revised delivery dates.	

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8.	**Internal Audit Plan 2025-26**	
8.1	Mr Taj apologised for the late submission of the Indicative Audit Strategy 2023/26 and Annual Plan 2025/26, which had been delayed due to changes in the International Audit Standards that had necessitated some amendments to the existing templates.	
	TIAA provided an overview of the Indicative Audit Strategy 2023/26 and Annual Plan 2025/26. The Annual Audit Plan for 25-26 would cover:	
	• Safeguarding • Risk Management • Succession Planning - Board and Senior Management Team • Business Continuity • Procurement • Cyber Security • Key Financial Controls – Creditor Payments and Debtors • Income Funding – (stream to be agreed)	
	The total number of days required to deliver the Audit Plan 2025-26 would be 55.	
8.2	**Q. As new tech and AI is identified as a key risk consideration, where is it included in the Audit Plan?** A. This would be included within the Cyber Security audits.	
8.3	**Q. Is there a specific audit which covers bribery and corruption?** A. Bribery and corruption was reported as and when it occurred. The financial regulations were clear on the required action to be taken in cases of suspected bribery, corruption and fraud. This also must be declared in the College's annual regulatory assessment ahead of the Annual External Audit.	
8.4	Members discussed the sequence of the audit of funding streams in terms of priority. Mr Lewis suggested the following order for the internal audit of funding streams, based on risk:	
	• Adult Skills Fund – as this had recently replaced AEB funding. • Tailored Learning – new income stream and an area of focus for the DfE and Combined Authorities. • Apprenticeships • 16-19 – due to lagged funding methodology and therefore reduced risk of clawback in that area.	
8.5	The VPF&CS advised that due to there being no formal accreditation associated with tailored learning, it was difficult to audit the impact of it. However, a lot of work had been done with the West Yorkshire Combined	

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	Authority (WYCA) to demonstrate the impact of tailored learning and the value that had been brought to participating students, who often went on to complete subsequent accredited learning. As a result of these efforts, the College's tailored learning funding was due to increase next year.	
8.6	The VPF&CS suggested including an audit on bursary funding might be prudent. Mr Lewis advised that bursaries were a current area of Department for Education (DfE) focus, including consideration of clawback. The requirement in the Financial Accounts for 2024/25 was to disclose any unused bursary funds. The VPF&CS advised that the spending of any bursary funding carried over was checked every quarter with Heads of Department (HoDs).	
8.7	**ACTION:** The VPF&CS to confirm any necessary changes to the Internal Audit Plan timeline as appropriate.	**VPF&CS**
8.8	**RECOMMENDATION**: That the Internal Audit Plan 2025/26 be recommended to Corporation for approval.	
8.9	The VPF&CS advised that the recent audit of apprenticeships, which had been conducted by Forvis Mazars on behalf of the DfE, had been completed, the outcome had been graded as satisfactory and the error rates were graded as minimal. The completed report would be circulated to the Audit Committee when received.	
External Audit		
10.	**RSM Funding and Risk Update**	
10.1	Mr Lewis drew the Committee's attention to RSM's Emerging Risk Radar: Emerging Risk Considerations and the FE 2025 Risks and Opportunities Placemat which summarised key risks and opportunities in the sector under the following categories: • The new norm • Financial / Environment • Policy • Governance	
10.2	RSM provided an overview of lessons learnt in Further Education Funding for the 2023-24 funding year which incorporated: • 16-19 study programmes • Adult Education Budget (devolved and non-devolved) • Advanced Learner Loans • Apprenticeships • Off-the-Job training requirements • Bursaries and Free School Meals	

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10.3	Mr Lewis emphasised that the lessons learnt related to bursaries were key when considering compliance with the funding rules.	
10.4	The Committee agreed that RSM's Emerging Risk Radar report, including the FE 2025 Risks and Opportunities Placemat and FE Funding report should be shared with the Corporation.	
10.5	**ACTION**: That the Funding Assurance Reviews – Common Issues report and FE 2025 Risks and Opportunities Placemat be shared with the Corporation. *BM/L*	**GD**

	Governance and Strategic Risk	
11.	**Report on Whistleblowing, Fraud and Other Irregularities**	
11.1	The DPS summarised the Report on Whistleblowing, Fraud and Other Irregularities: There had been no whistleblowing claims since the last report. Since 1 August 2024, there had been no fraud or irregularities with regards to the College bank account. However, there had been a fraudulent attempt using the College credit card details on 18 September 2024 which was previously reported. In the last report presented to the Committee, there were three open insurance claims. One new claim had since been made. This had been submitted to the insurers, supported by the Head of Health and Safety; the claim details were not yet known. This was the result of an employee accident in early January 2025, caused by slipping on ice/snow at the edge of DHB campus. A response was awaited from Companies House on the complaint the College had raised on 9 October 2024 on Professional Training Limited being linked to Bradford College, this was currently being followed up. Pro-active mitigation of cyber-attack continued to take place through daily patching and regular upgrades to servers. There had been no significant cyber security issues or attacks since the last report. Penetration testing had been carried out in September 2024 and a retest following some patch updates had taken place. The retest confirmed that all issues had been resolved, except:	

	• Three accounts, relating to legacy systems, were identified as having vulnerabilities. The security of these accounts was being updated, while avoiding disruption to the related systems. • Security vulnerabilities remained in one legacy business system, which the College was in the process of replacing.	
12.	**Strategic Risk Management**	
12.1	The Committee reviewed the strategic risks for which it had oversight. The DPS advised that updates to the commentary had been added to the Risk Register and that there were no proposed changes to the scoring.	
12.2	**Q. How are emerging risks captured in the risk register?** A. The risks captured in the risk register were generally high-level. The Corporation could opt to add more specific elements as appropriate and as these arose.	
13.	**Committee Self-assessment against Terms of Reference**	
13.1	The GD had reviewed the Committees Terms of Reference against the requirements set out in the: • Framework and guide for external auditors and reporting accountants of colleges • Accounts Direction • The College Financial Handbook The proposed changes to the Audit Committee Terms of Reference were to reflect: • The change of the Clerk's role title to Governance Director. • The removal of reference to college subsidiaries, as no longer relevant. • The Post 16 Audit Code of Practice Requirement was replaced with the Framework and guide for external auditors and reporting accountants of colleges in April 2025. • The Education and Skills Funding Agency became part of Department for Education in April 2025. A checklist showing compliance against the Committees Terms of Reference had been produced and was reviewed by the Committee, concluding that all elements of its remit were being satisfied.	
13.2	**RECOMMENDATION:** That the updated Audit Committee Terms of Reference be recommended to the Corporation for approval.	

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14.	**2025-26 Schedule of Business**	
14.1	The Chair, DPS and GD had previously reviewed the Schedule of Business, which covered each meeting for the coming academic year.	
14.2	**RESOLVED**: That the schedule of business for 2025/26 is agreed.	
Policies		
15.	**Anti-Fraud, Bribery and Corruption Policy**	
15.1	The Committee reviewed the Anti-Fraud, Bribery and Corruption Policy, which had undergone an annual review. No changes had been proposed.	
15.2	Mr Lewis advised that the DfE would be publishing a good practice guide on Counter Fraud Awareness which would be of interest to Committee members. This would be circulated once available.	
15.3	**Q. Are the 6 principles relating to bribery covered in the Policy?** A. The Policy is high level and the Financial Regulations have the finer details. These are updated annually. The VPF&CS believed that the Policy was aligned with those principles, but would need to check.	
15.4	**ACTION:** The VPF&CS to provide feedback on the Policy's alignment with the principles relating to bribery.	**VPF&CS**
15.5	**RECOMMENDATION:** That the Anti-Bribery and Anti-Fraud Policy be recommended to the Corporation for approval.	
16.	**Risk Management Policy**	
16.1	The Risk Management Policy had been reviewed and updated to include reference to the performance review process in Section 2.1.5 and the slight adjustment of probability impact ranges in Section 6.	
16.2	**Q. Does the College have a separate risk appetite statement?** A. This is included within the Policy in Section 3. Training sessions on risk appetite were delivered to the Corporation this year, and should any changes to risk appetite be approved, this would be reflected on the Strategic Risk Register.	
16.3	**Q. Has the risk appetite session delivered at the Strategic Planning Event led to any changes?** A. Not as yet. A session on risk is to take place with the Senior Leadership Team (SLT) to work through the risk appetite statements. The College remained cautious in its risk appetite, however an increased openness to risk was demonstrated in the undertaking of more capital projects now that the College was out of financial intervention.	

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16.4	**RECOMMENDATION:** That the Risk Management Policy be recommended to the Corporation for approval.	
Any other business		
17.	<u>**Items for report to the Corporation**</u>	
17.1	• Minutes of meeting – 15 May 2025 • Internal Audit Reports • RSM Funding Assurance Reviews – Common Issues • Internal Audit Plan 2025-26 • External Audit Retender report • Committee Self-assessment against Terms of Reference • Anti-Fraud, Bribery and Corruption Policy • Risk Management Policy *RL&TT/L*	
9.	<u>**External Audit Retender Update**</u>	
9.1	The GD provided an update on the progress of the External Audit Retender, which included the tender timescales and asked for volunteers to join the External Audit Retender Scoring Panel. Two members indicated that they would be available for the Panel and the GD advised that they would be joined by the Audit Chair, the VPF&CS and the Chair of Corporation.	
18.	<u>**Any other business**</u>	
18.1	There was no other business.	
18.2	The Chair closed the meeting at 17:31.	
19.	<u>**Meeting Evaluation**</u>	
19.1	To be circulated by the Deputy Governance Director.	**DGD**

Approved by the Committee:

S. West   **04.09.25**

Signed by the Chair   Date

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Agreed actions

No	Minute	Action	Who?
1	6.5	The DPS to ensure all that all recommendations and actions were either complete or positively updated before the end of the academic year.	DPS
2	6.11	That the Internal Audit Reports be shared with the Corporation for information and assurance.	GD
3	7.2	TIAA to bring the Cyber Security Internal Audit forward to Autumn 2025 in the Annual Plan.	TIAA
4	8.7	The VPF&CS to confirm any necessary changes to the Internal Audit Plan timeline as appropriate.	VPF&CS
5	10.5	That the Funding Assurance Reviews – Common Issues report and FE 2025 Risks and Opportunities Placemat be shared with the Corporation.	GD
6	15.4	The VPF&CS to provide feedback on the Policy's alignment with the principles relating to bribery.	VPF&CS
7	19.1	Meeting Evaluation to be circulated by the Deputy Governance Director.	DGD