

AUDIT COMMITTEE MEETING
MACCLESFIELD COLLEGE
TUESDAY 17 JUNE 2025 – 9:30AM
ELT MEETING ROOM/TEAMS

Clerk: Ms S Gardiner

Director of Finance to join the meeting once the Committee has ascertained whether there are any matters that the internal auditor wishes to pass to the Committee, whilst no College staff are in the room.

The Internal and External Auditors confirmed that there were no matters to pass to the Committee from their perspective.

Attendance	M Wright (Chair), I Lees, G Bristow
Attendance Non-Committee Members	Internal Auditor Validera – Daniel Hassan External Auditor Wylie & Bissett – Sandy Hogg (SH) A Farrar –Director of Finance
Apologies	P Hunter, N Hodgkinson

ACTIONS	RESPONSIBILITY
AH to review and amend the Current Liabilities overall risk outcome and resend the report to AF.	AH Wylie & Bissett
Business Continuity to be added to the Audit Committee agenda and Corporation agenda.	SG
DH to provide AF with the full audit timeline and areas of review from previous years for Audit Committee review.	DH/AF

MINUTES

Item Title

1. Welcome and Apologies for Absence

Apologies were received from P Hunter and N Hodgkinson.

2. Declaration of Members' Interest

There were no declarations of Members' interest.

3. Minutes and Matters Arising

The Minutes of the Audit Committee meeting held on 18 March 2025, were **approved** as a true and accurate record.

The Director of Governance confirmed that all actions raised at the meeting on 18 March 2025 have been completed.

All papers referred to herein had been uploaded to Decisions one week prior to the meeting.

4. Fraud, GDPR and RIDDOR Reportable Incidents

AF confirmed that there were no matters relating to fraud, GDPR or RIDDOR reportable incidents to report.

5. Financial Statements/Regularity Audits

Sandy Hogg (SH) from Wylie and Bissett presented the External Auditors Report. SH advised that this document sets out the audit approach and focus. The Chair confirmed that there are no real changes to the audit approach or scope for 2025/26.

CHALLENGE: A Member queried the overall risk outcome for Current Liabilities detailed within the report, stating that although the majority of the risk were either low or medium, the overall risk was high. SH confirmed that the outcome was inconsistent with the assessment and will review and resend the report.

CHALLENGE: A Member queried whether the Reserve Funds needs to be reviewed following the DfE's implantation of 40 cash days benchmark? SH advised that there is currently no consequence of not hitting the 40 cash days from an auditor's perspective. If the College cash days are reasonable stated then there will be no going concerns reported. AF added that the College finances are monitored monthly by the DfE, therefore any concerns would be raised by them.

CHALLENGE: A Member queried whether the financial health of the College would be affected by the cash days benchmark. SH confirmed that this would not affect the overall financial health of the College. Wylie & Bissett will undertake their audit based on the College finances. The 40 cash day benchmark would not be an auditing point.

6. Internal Audits

Corporate Governance

DH confirmed that the Corporate Governance audit outcome was adequate, with 4 findings of areas for improvement. These were as follows:

1. No Gifts and Hospitality Policy or Register in place – the absence of this policy decreases transparency and increases the risk of unknown conflicts of interest arising which may impact upon the regularity with which the College conducts its business;
2. Succession Planning Documentation – Succession planning is currently an informal process. Not formally documenting the succession planning arrangements can increase the risk skills or knowledge gaps arising within the Corporation which impact its effectiveness.
3. Pre-appointment Checks – 3 DBS checks were completed following Governors start date and 2 section 128 checks were completed following Governors start date.
4. Version Control for Governance Documents.

The Director of Governance confirmed that all recommendations have been actioned.

Business Continuity

DH confirmed that the Business Continuity audit outcome was adequate, with 3 findings of areas for improvement. There were as follows:

1. Business Impact Assessment – Although the College has held preliminary discussions to inform the development of Business Continuity Plans, it has not undertaken a formal Business Impact Analysis that includes comprehensive risk assessments. Additionally, there is no process in place to review the BIA on an annual basis.
2. Business Continuity testing had not been carried out, although Gallagher (external consultants) had been appointed. Regular testing is required to confirm the effectiveness of the College's Business Continuity plan during an actual disruption.
3. The College does not currently utilise a Post Event Form to document lessons learned and the scope of the event.

In response to the above recommendations, it was confirmed that the development of RTO's and RPO's will be undertaken and added to the Business Continuity and Disaster Recovery Plan before its next review in August 2025. AF confirmed the Business Continuity testing was taking place with the Senior Management Team and IT Management on 17 June and DH confirmed that the Post Event Form had been implemented with immediate effect.

The Chair added that Business Continuity needs to be constantly under review, especially with the growing risk to IT systems. The Chair therefore requested that this be added to the Audit Committee agenda and also to the Corporation Agenda, in order that the full Governing Body are kept fully apprised.

CHALLENGE: A Member queried whether the time given to certain audits needed to be reviewed, given that risk levels are changing. DH confirmed that he would provide a copy of the audit timeframes from previous years, detailing what has been reviewed for the audit committee to review.

DH confirmed that the findings from the Counter Fraud – Quality Assurance, Student Records and Payroll audits will be presented at the next Audit Committee meeting in November 2025.

7. Schedule of Outstanding Recommendations

AF presented the tracker and advised that recommendations from the prior years audit (pre 1 August 2024) are now under review in the Follow Up audit, meaning the status of those recommendations on the tracker will be updated to 'complete' and removed. AF advised that there is one recommendation in relation to 'Risk Management' that remains not yet due, whereby a review and consolidation of three policies into one single risk management framework is to be undertaken. AF confirmed that this review is scheduled to be fully implemented by the end of the academic year.

All recommendations from the recent audits will be added and tracked during 2025/26.

8. Risk Management

AF advised that the Risk Management Group met on 3 June and carried out a full review of the 10 live risks on the Risk Register. AF confirmed the outcomes of that meeting were as follows:

- Risk 2, in relation to the College not maintaining the benchmark of staffing to income ratio of 65%, risk was reduced. Staff retention has improved resulting in lower agency fees.
- Risk 7, in relation to the College not delivering capital projects on time and/or within budget, risk was reduced. There are currently no major capital projects ongoing. There are no grants the College have received with relating credit invoices to pay.
- Risk 8, in relation to the College not having the resources to cope with demands on student and staff mental health and wellbeing, risk was reduced. The College has increased its enrichment support and youth first aid training for students and staff has been introduced. The College have seen zero instances of absence relating to work concerning stress during the academic year.
- All other risk ratings were reviewed and they remained the same.

The Risk Management Group agreed that all risks should be carried forward into 2025/26 and that there were no new risks to add.

CHALLENGE: A Member queried whether the merger should be included as a risk. The Chair advised that the merger was very much in the early stages of consultation and has no immediate risk at the current time.

9. Governance

The Director of Governance advised that the DfE have implemented a new framework and guide for external auditors and report accountants of colleges. This framework and guide is for external auditors and reporting accountants of colleges. It covers the Department for Education (DfE) audit and regularity assurance requirements for Further Education Colleges, sixth form colleges and institutions established or designated under the provisions of the Further and Higher Education Act 1992 ('designated institutions')

The Director of Governance confirmed that this framework replaces the Post-16 Audit Code of Practice for colleges.

10. Date and Time of Next Meeting

Tuesday 11 November 2025 at 9:30am.