

AUDIT COMMITTEE MEETING

MACCLESFIELD COLLEGE

TUESDAY 11 NOVEMBER 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, P Hunter (Chair), I Lees, G Bristow, K Macrae
Attendance Non-Committee Members	Internal Auditor Validera – Daniel Hassan External Auditor Wylie & Bissett – Sandy Hogg (SH) A Farrar –Director of Finance C Johns (for Item 3 only)
Apologies	N Hodgkinson

ACTIONS	RESPONSIBILITY
The Audit Findings Report for the year ended 31 July 2025 will be recommended for approval at the Corporation meeting on 9 December 2025 if above information received and report updated.	AF/SG
The letters of representation will be shared at the Corporation meeting on 9 December 2025 for signing by the Chair of the Corporation and the Principal.	AF/SG
To receive a copy of the draft Report and Financial Statements for the Year ended 31 July 2025. This will	AF/SG

formally be considered by the Corporation at its meeting on 9 December 2025.	
The Chair of the Corporation and the Accounting Officer are required to sign the Self-Assessment questionnaire to meet audit and DfE requirements.	AF/SG
The Annual Risk Management Report for the period 1 August 2024 to 31 July 2025 will be recommended to the Corporation for approval.	AF/SG
Audit Committee Members recommended the Annual Review of Risk Appetite report to the Corporation meeting of 9 December 2025.	AF/SG
The Audit Committee recommended the Annual Report of the Audit Committee to the Corporation meeting to be held on 9 December 2025.	AF/SG

MINUTES

Item	Title
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1.	Welcome and Apologies for Absence
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The Chair welcomed everyone to the meeting and introduced new cop-opted Governor Karen Macrae. Apologies were received from N Hodgkinson.

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

2.	Declaration of Members' Interest
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There were no declarations of Members' interest.

3.	Financial Statements/Regularity Audit (Year ended 31 July 2025)
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i.	To receive from Wylie and Bisset the Audit Findings Report for the year ended 31 July 2025
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The External Auditor, Sandy Hogg, presented the External Audit Findings Report for the year ended 31 July 2025, prepared by Wylie and Bisset.

SH referred to the summary on page 4. SH confirmed that no recommendations have been made in relation to year end 31 July 2025. Two recommendations have been brought forward from the prior year audit. There were no recommendations in relation to the current year.

SH stated that although cash was in a stronger position and the College has adequate resources to continue in operational existence, the auditors were satisfied to continue to adopt the going concern basis in the preparation of the Financial Statements. SH added that cashflow had improved from the previous year. AF commented that should the in year growth payment be received in March, this would improve the cash days further.

A detailed discussion then followed regarding the financial position of the College and how the proposed merger would assist the College in reaching the DfE benchmark of 40 cash days. SH confirmed that from an auditor's perspective, the College's financial position was good and from an audit perspective they had no concerns regarding the cash days, the audit focus being on the robustness and realism of cash flow forecasting over a forward looking period considering a range of factors, not just cash days metric. They advised from an audit perspective there is no specific recommended number of cash days for an entity to satisfy going concern basis for an audit.

SH stated that this was a good audit. The report remains in draft as further information is required from the Director of Finance. It was agreed that the final draft report would be available for approval at the Corporation Meeting on 9 December 2025.

- ii. **To receive a copy of the letters of Representation which the Corporation will be invited to approve at its meeting on 9 December 2025.**

AH presented the Letters of Representation and confirmed that the representation was standard for the sector. **The letters of representation will be shared at the Corporation meeting on 9 December 2025 for signing by the Chair of the Corporation and the Principal.**

- iii. **To receive a copy of the draft Report and Financial Statements for the Year ended 31 July 2025.**

This will formally be considered by the Corporation at its meeting on 9 December 2025.

iv. Annex C Macclesfield College Self-Assessment Questionnaire

A Farrar presented Annex C Macclesfield College Self-Assessment Questionnaire. It was explained that this document is to be accurately followed in order to ensure compliance with the DfE regulations.

AH requested that a final copy be provided prior to final sign off.

The Chair of the Corporation and the Accounting Officer are required to sign the Self-Assessment questionnaire to meet audit and DfE requirements.

4. Internal Audit Reports

i. Counter Fraud Internal Audit

Daniel Hassan (DH) from Validera presented the Counter Fraud Health Check report, stating that the audit outcome was adequate. DH noted that the Economic Crime and Corporate Transparency Act (ECCTA) 2023 introduces new expectations for the College in addressing economic crime risks. DH suggested that the College review and update relevant policies and procedures, where appropriate, to ensure continued alignment with emerging legislative requirements.

There were a number of areas of good practice that were noted in the report:

- Key policies including Anti-Fraud & Corruption Policy, Anti-Bribery Policy, Whistleblowing Policy, Disciplinary Policy & Procedure are all up to date and accessible by all.
- User-Level access to core systems is dependent on job role and delegation.

DH advised that the 3 recommendations had been accepted by the College and AF confirmed that these had all been actioned or were in the process of being actioned.

ii. Student Records (Adult Skills Fund) Audit

DH confirmed the outcome of this audit was substantial with no recommendations of improvement. DH clarified that this report had been reviewed and verified by an expert in funding assurance, as it was rare for this report to have no findings. DH wished to congratulate the team and stated this audit outcome was the best they had seen for this area. A fantastic outcome for the College.

5. Internal Audit Progress Report

DH confirmed that 4 of the 5 internal audits had now been completed, with the Payroll, Expenses and Benefits postponed due to staff absences. This audit will remain in the 2024/25 schedule and will commence w/c 17 November 2025.

DH confirmed that currently there are no individual findings arising that he considers significant enough to impact negatively upon the overall Annual Opinion, in respect of the College's risk management, governance and control processes.

6. Internal Audit Strategy 2025/26 – 2027/28

DH presented the Audit Strategy, confirming that the following audits will take place in 2025/26:

- Risk Managements (4 days)
- Financial Controls (5 days)
- Payroll, Expenses and Benefits (6 days)
- Health and Safety Management (6 days)
- Student Records (Bursary) (5 days)
- Cyber Security (5 days)
- Follow Up (3 days)

The plan included a total of 34 days.

CHALLENGE: A Member shared a concern around cyber security and the risk of an attack on the College and requested that this be reviewed in the Risk Register. DH confirmed that Disaster Recovery can be reviewed and what the College has in place to prevent a cyber attacked DH confirmed that Cyber Security will be audited this academic year, however can be brought forward in the plan.

The Audit Committee reviewed and approved the Internal Audit Plan for 2025/2026.

7. Minutes and Matters Arising

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

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

8. Fraud, GDPR and RIDDOR Reportable Incidents

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

9. Internal Audit Recommendation Tracker

AF presented the Audit Recommendation Tracker and confirmed that all outstanding actions will be removed following receipt of the Follow Up report. All other recommendations are on track.

CHALLENGE: A Member queried recommendation 188 on the tracker, which states the College is to implement a Gifts and Hospitality Policy by September 2026. AF confirmed that this was an administrative error. The policy was approved and implemented as of September 2025.

10. Risk Management

- i. **To receive the Annual Risk Management Report for the period 1 August 2024 to 31 July 2025 and to recommend it to the Corporation meeting of 9 December 2025.**

The Annual Risk Management Report was shared in advance of the meeting.

The Annual Risk Management Report for the period 1 August 2024 to 31 July 2025 will be recommended to the Corporation for approval.

- ii. **To receive the Annual Review of Risk Appetite, in accordance with the requirements of the Risk Management Policy. Members are invited to consider the report, and determine the recommendation to be made to the Corporation meeting of 9 December 2025.**

The 'Annual Review of Risk Appetite' was considered, in accordance with the requirements of the Risk Management Policy.

Audit Committee Members recommended the Annual Review of Risk Appetite report to the Corporation meeting of 9 December 2025.

- iii. **To receive an updated copy of the Risk Register**

AF presented the Risk Register and confirmed it had been condensed to 10 risks. AF confirmed that the financial risk had been reduced to an amber, however there had been no other movements on the register. AF confirmed that the Risk Management Committee will be meeting in December to review and update the register where necessary.

11. Annual Report of the Audit Committee to the Corporation

To recommend the above report to the Corporation meeting of 9 December 2025, for approval. Members should note that the report contains the annual self-assessment of the Committee, in compliance with Audit Committee minutes 9/05.

The Audit Committee recommended the Annual Report of the Audit Committee to the Corporation meeting to be held on 9 December 2025.

12. Terms of Reference

The Director of Governance confirmed that this was the annual review of the Terms of Reference, however no changes had been made, nor were any amendments requested.

13. Date and Time of Next Meeting

Tuesday 17 March 2025 at 9:30am.