



Audit Committee Meeting
Minutes of the Meeting held on
Monday 1st December 2025
At the City Hub, Nottingham

Present

Simon Bedford (SB) (Chair)	)
Andy Batty (AB)	) External members
Craig Elder (CE)	)
Yvonne Kelly (YK)	)
Jon Hawley (JH)	Co-opted member

In attendance:

Andy Comyn (AC)	Deputy CEO / CFO
Cheryl English (CE)	Vice Principal Marketing and the Student Journey
Rachel Robson (RR)	Director of Governance
Jo Welham (JW)	Head of Governance and Corporate Services
Aaron McDonald (AM)	RSM (internal auditors)
Mark Munroe (MM)	Bishop Fleming (external auditors)

	Prior to the meeting the committee held a private meeting with the internal and external auditors.
1	APOLOGIES Apologies were received from Janet Smith.
2	DECLARATIONS OF INTEREST RR – ▪ Governance Consultant Stone King ▪ Daughter employed by Peridot Partners AB - Trustee of the University of Nottingham Students' Union No other interests were declared
3	MINUTES OF THE PREVIOUS MEETING The committee resolved that the non-confidential and confidential minutes of the meeting held on 15 th September 2025 (distributed as AUDIT.011225.002 and 003) be approved as a true record.
4	ACTIONS AND MATTERS ARISING 4.1 Action Tracker

	The committee reviewed the open action tracker (distributed as AUDIT.011225.004). Actions 1 to 5 were noted to be complete or not yet due; the fraud risks were added to the meeting pack at item 9 after the release of papers. Action 6, the deep dive on cashflow will be taken under item 8.3, cyber will be considered at the meeting in February. 4.2 Matters arising There were no matters arising.
5	INTERNAL AUDIT (IA) 5.1 Key financial controls – purchasing and creditors AM presented the IA report on key financial controls – purchasing and creditors to the committee (distributed as AUDIT.011225.005). The scope of the review assessed compliance with controls and processes in place for purchasing and creditors. AM confirmed the outcome of the audit to be substantial assurance with only 1 low priority recommendation placed. AC confirmed that the recommendation has already been implemented. <i>CE joined the meeting at 5.43pm</i> Members of the committee congratulated the college on the positive outcome and were pleased to accept the report. 5.2 Progress Report The committee received the IA progress report (distributed as AUDIT.011225.006). AM explained that the start date for the HE audit had been delayed, as requested by the college, so as to not start at the same time as the DfE funding audit. He confirmed that this would not delay the presentation of the HE report to the committee, which will still be presented at the February meeting as planned. All other reports are on track for the rest of 25/26. The committee accepted the report. 5.3 Emerging Issues Sector Update The committee received the most recent sector updates (distributed as AUDIT.011225.007). AM presented the reports and highlighted the changes to the 25/26 funding rules as a key issue for colleges. A governor queried whether the governance issues included within the emerging risk radar were ongoing or whether there was anything to suggest that these risks were increasing. AM confirmed that RSM are not seeing evidence of anything new but that these remain key risks for the sector. A governor suggested that separating emerging and ongoing risks would be very helpful moving forward.
6	RECOMMENDATION TRACKING The committee received and reviewed the recommendation tracker (distributed as AUDIT.011225.008). AC confirmed that 1 recommendation had been completed since the previous meeting and that the remaining 13 recommendations were on track to be completed by their agreed due date. A committee member noted that it is difficult for the committee to get a sense of progress from the tracker and suggested that milestones and progress made be added. AC agreed to include this information moving forward (Action AC).
7	FINANCIAL STATEMENTS AND REGULARITY AUDIT

AC confirmed to the committee that the college had received a notification from DfE on 30th October that Validera had been appointed to undertake a funding assurance audit of the college's 24/25 funding. The audit worked commenced on 24th November. As a consequence of the funding audit taking place, Bishop Fleming has advised that they will not be able to sign off the college's 24/25 financial statements and accounts until that work is complete due to the risk of potential clawback and material change. AC confirmed that the recommendation from Finance and Assets Committee on the numbers is subject to no changes being required as a result of the funding audit. He also confirmed that a further Audit Committee meeting and Board meeting will be required when it is possible to make progress with the signing of the accounts, an additional Finance and Assets Committee meeting may also be required if the numbers change.

The committee raised queries on the timing of the funding audit, the possible reasons for it, the impact of the signing off of the end of year accounts, the main concerns raised by the delay in signing off and impact of any funding errors that may come to light.

AC confirmed that he had raised queries with DfE on the timing of the audit, the reasons for it and requested an extension on the requirement to submit the college's accounts from the deadline of 31st December to 31st March. To date, he confirmed that DfE have responded to advise that a funding audit can be commenced at any time, that no reason had been given for the audit and that, as yet, the consent on the submission deadline extension is awaited. DfE have queried Bishop Fleming's decision to delay sign-off pending the outcome of the audit. MM confirmed that this is always their response in such a situation and the committee respected that stance.

AC confirmed that the issues arising from the delay to being able to sign-off the accounts are the need for an extension to the deadline of 31st December, the duplication of work and the time this would involve for staff and governors.

AC confirmed details of the funding audit in terms of the data shared current progress and the thresholds for errors that could lead to clawback.

The committee **agreed** to review the key points in the reports shared whilst acknowledging that the final versions of the reports will come back to the committee when the college is in a position to sign off the financial statements and accounts.

7.1 Going Concern Report

The committee **noted** the report setting out the current going concern position of the college (distributed as AUDIT.011225.009). This report will be brought back to the committee in due course.

7.2 Regularity auditor's completion report

MM presented the main points arising in the 'Key Issues for Discussion Document' report (distributed as AUDIT.011225.010):

- Bishop Fleming is pleased with how the audit has gone, MM reflected on good co-operation from the college. Work has largely finished in line with the agreed timetable to this point.
- Section 2 – currently Bishop Fleming anticipates issuing an unmodified audit report subject to the successful conclusion of matters within the report and the receipt of outstanding information. MM noted that as transactions occurred in EMTEC during 24/25 an audit is required. This is not material to the consolidated college accounts.

	• Section 4 – MM took the committee through the significant risks identified in the audit plan and the work completed to address those as set out in the report. • Section 5 – unadjusted items identified during the audit work were noted, MM confirmed that no further work was required as these were not considered to be material. • Section 6 – MM advised that AC has invited him to present to governors at the planned development afternoon in March on the new FE/HE SORP. • Section 7 – MM highlighted the work undertaken on the analysis of journals posting activity. AC confirmed that work would be undertaken to pull out what was manual and what was automated. Governors agreed that it would be helpful to know this. A governor asked whether anyone has 'super-use access'. AC confirmed that he is not aware that anyone accesses all aspects of the system but will confirm at the next meeting (Action AC). • Section 8 – MM drew the committee's attention to the internal control points listed; it was noted that none are considered to be significant. The report will come back to the next meeting for recommendation to the Board. 7.3 Financial Statements and Accounts year ended 31st July 2025 The committee received the annual statements and financial accounts for 24/25 (distributed as AUDIT.011225.011). The recommendation from Finance and Assets Committee was noted. This report will come back to the committee after the completion of the funding audit for review and recommendation to the Board for approval and submission to DfE. 7.4 Financial Statements and Accounts year ended 31st July 2025 for college subsidiaries The committee received the financial statements for the college subsidiaries (distributed as AUDIT.011225.012) and noted that these have been consolidated into the group accounts. Both sets of accounts remain subject to approval by their respective boards and require the inclusion of the Auditor's Report.
8	RISK MANAGEMENT 8.1 Strategic risk register The committee reviewed the updated strategic risk register (distributed as AUDIT.011225.013). AC explained the changes made to risks 4, 10, 11 and 13. The committee resolved to recommend the strategic risk register to the Board for approval. 8.2 Process and Compliance operational risks The committee received the process and compliance operational risks (distributed as AUDIT.011225.014), noting recent changes made to some risk areas. The committee resolved to accept the process and compliance operational risks. 8.3 Deep Dive – cashflow forecasting AC took the committee through a deep dive presentation on cash flow forecasting (strategic risk 7) (distributed as AUDIT.011225.015). He noted that the college had always had a prudent approach to cash forecasting with actual cash being higher than forecast. Following discussions at Finance & Assets Committee and Board in summer 2025 a new cash forecasting methodology has been implemented to better

	reflect the actual monthly cash profile. AC took governors through the impact of the actions to increase 24/25 EBITDA outturn into 25/26 and 26/27. Governors discussed the balance between continuing to grow cash through 25/26 and 26/27, and continued investment in the college. AC highlighted the discussion at the most recent Finance & Assets Committee where governors supported the ELT suggestion to target 'good' financial health by July 2026 noting that remaining at 'requires improvement' could risk eligibility to access potential future funding opportunities. The Chair asked that all future deep dive presentations be shared with the committee in advance of meetings (Action AC).
9	FAILURE TO PREVENT FRAUD AC updated the committee on the progress update on this area since the last meeting (distributed as AUDIT.011225.016). He directed governors to the draft risk register received this week from RSM and confirmed that this would now be reviewed at ELT, mitigations will be identified. Governors noted the length of the proposed document and suggested that risks be RAG rated and considered in relation to probability and likely impact in the same way as other operational risks. The committee asked that an updated risk register be brought to the next meeting (Action AC).
10	FRAUD, BRIBERY, IRREGULARITY, WHISTLEBLOWING AND LEGAL CLAIMS REPORT The committee reviewed the report (distributed as AUDIT.011225.017). No issues relating to fraud, bribery or irregularity have been identified since the last meeting, or in the regularity audit for 24/25. No whistleblowing reports have been made and there are no ongoing investigations. AC also confirmed that there are no Managing Public Money breaches or matters that may require prior approval from DfE that the college is aware of. A summary of ongoing legal claims was presented. The committee agreed to accept the report.
11	AUDIT COMMITTEE ANNUAL REPORT The committee reviewed the current draft of the audit committee annual report (distributed as AUDIT.011225.018). It was agreed that RR would work with SB and AB to complete the report for approval at the next meeting and subsequent presentation to Board and submission to DfE with the annual accounts.
12	POLICY REVIEW Incident Management and Business Continuity Plan The committee resolved to recommend the policy (distributed as AUDIT.011225.019) to the Board for approval.
14	AOB None.
15	DATE OF THE NEXT MEETING The next scheduled meeting of the committee will take place on Monday 23rd February 2026 via Microsoft Teams. An additional meeting will need to be arranged to review and recommend the annual accounts and external auditor's report following the completion of the DfE funding audit.