

College of West Anglia
Minutes of Audit & Risk Committee
Wednesday, 24 June 2026
9:30am – 12.00 noon
Meeting Room – Principal's Suite, King's Lynn Campus

Present	Ray Harding	Governor (Chair)
	Dave Clark	Governor (Vice Chair)
	Sharon Edwards	Co-opted Governor
	James Nash	Governor
	Seb Ivanov	Governor
Attending	Leisyen Cox	Scrutton Bland
	Claire Sutherland	RSM UK Audit LLP
	Paul Harrison	Vice Principal Corporate Services
	Rob Petto	Assistant Principal Funding and Performance
	Jenny Quaif	Head of Finance
	Jules Bridges	Head of Governance

No.		Action
1	Committee Members' briefing with Auditors A confidential discussion was held prior to management attendance.	
2	Apologies for absence There were no apologies for absence from committee members. Apologies for absence were received from Internal Auditor, Paul Goddard and External Auditor, Suzy Harper. In the absence of the Chair the Vice Chair chaired the meeting until their arrival.	
3	Declarations of Interests There were no items of interest declared.	
4	Minutes of the previous meeting held on 25 February 2026 The minutes of the meeting held on 25 February 2026 were reviewed and agreed as being an accurate record.	
5	Matters Arising The progress arising from the previous meeting were summarised in the progress report and all actions reported had either been resolved or, where appropriate, an update had been provided on progress elsewhere on the agenda. All other completed items are to be removed from the report.	HoG
R Petto and J Quaif joined the meeting at 9.35am. Agenda item 9 preceded agenda items 6 to 8		
6	Risk and Assurance Progress Report The Committee considered the internal audit progress report, noting that most audits undertaken in 2025/26 had received substantial assurance (green assurance), with only two receiving reasonable (amber) assurance. Governors noted that key audits completed during the year generally demonstrated a strong control environment. The two audits (T Level preparation, and Apprenticeship Funding Assurance and Onboarding Framework) that received reasonable assurance, indicated clear areas for improvement. It was noted that the lecturer deployment report has since been issued and the business continuity audit work is scheduled for 8 and 9 July 2026 so both will be reported at the next meeting of the committee.	
7	Internal Audit Reports	
1	New Finance System Implementation The objective of the audit was to evaluate whether the implementation of the new finance system is being managed effectively to ensure timely delivery, data integrity, and operational	

readiness. Auditors raised five areas for consideration in the action plan to assist the college in making the decision regarding whether a go-live date of 1 April 2026 is appropriate and achievable.

It was noted that since the audit work was completed the go-live position moved to 1 May 2026 and is now scheduled for 1 August 2026 further to two key factors:

- The data migration and configuration phase has taken longer than originally anticipated, particularly around formatting and uploading data into the new system to ensure accuracy and completeness.
- Moved into a period where planned staff leave across the finance team reduced capacity for testing, validation and issue resolution.

Furthermore, a substantial number of data transfer files delayed the implementation. Deployment of the procurement system for 150 users and import/export communications with EBS have also since been worked through enabling a likely implementation now of 1 August 2026.

R Harding joined the meeting at 9.55am and resumed the role of Chair.

2 Cyber Security and GDPR Compliance

The purpose of the cyber security element of the audit work was to review the controls in place to protect the college's data and to prevent and detect cyber-attacks, including the effective use of software, monitoring and staff awareness. Auditors provided a substantial (green) assurance opinion and made one medium (amber), one low (green) and one added value point for management to action/consider, and these were highlighted to governors in detail around improving password credentials, and penetration testing of the college firewall which was scheduled to be undertaken by the end of June 2026.

The purpose of the GDPR element on the audit work was to confirm the level to which the college is compliant with the UK GDPR. Auditors provided a substantial (green) assurance opinion and made one medium (amber), two low (green) and three added value points for management to action/consider around embedding the new DUAA 2025 into college data protection policies and procedures, and the details around the recommendations made (training, document disposal, and data retention schedule) were highlighted to governors in detail.

Governors asked for assurance that processes were in place to delete/dispose of electronic data. It was confirmed that a project is underway to automate this through Microsoft 365. This is linked to the colleges retention schedule and Register of Processing Activities (RoPA) that details the data that the college is processing and how long the data from those processing activities should be held for. Each activity and retention then needs to be 'tagged' to automate the disposal/deletion when due, but this is a substantial project that will take some time to complete.

Governors noted that the report provided substantial assurance whilst findings around password policies were notably weak and recommendations had been made to strengthen practice and reduce risk exposure. Auditors confirmed that the management response assured them that the findings would be actioned and implemented by the college as soon as possible.

3 Apprenticeships Funding Assurance and Onboarding Framework

The objectives of this audit were to confirm compliance with the 2025/26 DfE Apprenticeship Funding guidance, and to review the colleges approach to apprentice onboarding, programme management, recruitment and enrolments to ensure consistent and robust processes are followed. Auditors provided reasonable (amber) assurance and made one medium (amber), two low (green) and one added value point for management to action/consider.

In summary recommendations made were;

- Ensuring that training plans are signed by the employer by the start date, and where this is not possible evidence of acceptance and general content of the plan should be obtained and retained and the document signed no later than 42 days after the start date.

- Controls over the record maintenance function in Safesmart are to be strengthened, particularly around how off-the-job and on-the-job training hours are categorised,
- Invoices for co-investment payments are to be issued to employers in a timely manner, ideally by the start date and no later than one month after the start date of the apprenticeship.

Governors reaffirmed that apprenticeships has been a focus area for the committee for some time and noting that auditors had provided a reasonable assurance opinion there still seemed to be areas for improvement but how did this compare with other colleges. Auditors confirmed that the issues coming out for CWA were not uncommon and co-investments for example is something difficult that most colleges are facing.

Governors noted that the auditors found 6 training plans that were signed late but 6 out of how many? Auditors confirmed the sample was 25 so that was a quarter which was disappointingly high however it was acknowledged that electronic signatures should secure the improvement required so governors resolved to revisit this position in six months' time to seek the assurance that this has been sufficiently addressed.

S Ivanov joined the meeting at 10.20am

4 Budgetary Control and Bursary

The objectives of this audit were to 1) ensure that the budget setting framework is appropriate and fit for purpose to achieve the objectives of the college and that budgets are adequately controlled and managed in year, and 2) to provide assurance that the college is effectively managing and distributing the bursary fund, including ensuring learners in receipt of the fund are eligible and that evidence is in place to support this. Auditors provided substantial (green) assurance and made just one low rated (green) recommendation and one added value point for management to action/consider

Auditors highlighted that the college experienced a £27k clawback following a DfE funding audit of vulnerable bursaries last academic year and found that the college has revised its processes and found that funding is now applied to evidenced, direct costs, with payments made to suppliers rather than as a flat-rate award to individual students.

5 DfE Subcontracting Standard

The objective of this audit was to undertake an independent review of the college's compliance with the subcontracting reporting requirements, aligned with the DfE's Subcontracting Standards for DfE Post-16 Funding 2025 to 2026. Auditors considered that controls relating to compliance with the subcontracting standard are generally strong, particularly in relation to the monitoring arrangements in place for subcontractors and found that the college has established robust processes for due diligence, contract management, and ongoing performance oversight.

In summary, auditors found full compliance with five of the nine subcontracting standard requirements and made three low rated (green) recommendations to improve areas within the other four requirements (People, Managing relationships), Risk Management, and Contract Development/Termination. The recommendations included;

- Updating the subcontracting policy to include reference to how minor and major changes will be considered.
- Creating a business continuity plan to address risks relating to subcontractor failure.
- Ensuring that all contracts with subcontractors are signed before the delivery commencement date.

It was confirmed that the subcontracting policy and the business continuity plan are both currently under review and will include the points raised by auditors. Contracts for subcontracted works will be issued to partners ahead of delivery commencement. Subcontracted provision for 2027/28 will be tendered next year and contracts then issued.

8 Progress on Implementing Agreed Audit Actions

The committee reviewed progress against previously agreed audit recommendations. The revised format of the tracker was noted although whilst reduced in size still contained many old recommendations still awaiting completion. Auditors confirmed that some would be closed

further to their follow-up of past audit recommendations which is currently underway and several completed actions (44, 59, 74, 76, 78, 83, 84, 89, 90, and 91) were proposed and agreed by the committee could be removed from the tracker.

HoF

Agenda item 10 was taken next.

9 Funding Assurance Report

The Assistant Principal Funding Performance and Projects updated the committee on the outcome of the recent employer engagement and apprenticeship restructure consultation, confirming that line management, role responsibilities and post regrading have been completed. This is a period of change for individuals at risk with opportunities for most to take up roles within the new structure. The consultation should conclude within the coming weeks for the new structure to be implemented soon thereafter.

It was confirmed that the issue highlighted to the committee previously in relation to the Apprenticeship Change of Employers is now mostly concluded. The DfE agreed that historic guidance is unclear and therefore removed the expectation to seek historic co-investment and applied this as of 1 August 2025 only. There are 5 employers for CWA to manage backdated co-investment with but the funding risk associated with this is now significantly reduced.

As reported above the subcontracting standard has been successfully re-achieved with only three administrative recommendations to complete. The CPCA audit is underway. Due to devolved funding arrangements, CPCA operates a local funding assurance approach rather than the DfE national model. Initial queries have been received and responded to, with no significant concerns identified at this stage.

As part of the college accounts sign-off, annual income testing has commenced. A sample is expected shortly, with formal testing scheduled to begin on 13 July 2026.

Finally, it was reported that further to some final data checks, the college is now within the 2.5% tolerance allowed (at 2% currently) under the English and maths condition of funding rules. This position is expected to be maintained to the year-end and therefore no financial penalty expected in 2027/28, under the lagged funding model.

R Petto left the meeting at 9.50am. The Chair then took agenda items 6 to 8.

10 Draft Internal Audit Strategy and Plan 2026/27

The internal audit plan for 2026/27 academic year is proposed to cover the following areas of audit work based on risk exposure, emerging sector themes, and timing of previous audits covered.

- Marketing
- Income diversification/Business Development
- Cash Handling (transactional audit on physical cash held/electronic payments made)
- Fixed Assets and Equipment Management
- Payroll
- Artificial Intelligence
- Gatsby Career Plan (Information, Advice and Guidance for learners)
- Human Resources – Equality, Diversity, Mental Health and Wellbeing
- Human Resources – Staff Satisfaction
- Curriculum Planning
- Learner Assessment and Quality
- Student Satisfaction
- Follow-up of previous recommendations

The committee asked if a post implementation of the new finance system internal audit would be beneficial and it was suggested that the software supplier of the system could be approached to audit if the college is taking full advantage of all the features and functionality possible from the system.

HoF

Management anticipate that the new finance system will improve reporting functionality particularly with the production and compilation of management accounts which will be

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produced for each month. This will be reviewed at Christmas when hopefully a regular cycle of reporting will be in place.

It was noted that an audit of strategic planning was considered not appropriate in the 2026/27 year due to the senior management pending changes and an external governance review is planned in the year so assurances can be taken from other sources. The committee agreed the internal audit plan and will recommend the plan to the Corporation for approval at the meeting to be held on 8 July 2026.

Chair

11 External Audit Plan for the Year Ending 31 July 2026

The plan summaries the scope of works for the year ending 31 July 2026, timetable, materiality, key audit risks, and the planned approach to these, together with details on fees and independence.

The audit approach will again focus on those areas of the college that are considered significant to the results for the period and the position at the balance sheet date. Auditors confirmed that specialists in funding body income will be involved as part of the audit to ensure that complex technical issues are appropriately addressed. Regularity remains in scope with work focused on those areas where auditors consider material irregularity is most likely to arise, informed by the Accounting Officer's statement.

An estimate of group materiality was provided for in the report, and an indicative timeline was presented, covering planning and interim work in May to August 2026, audit fieldwork in October to November 2026, and presentation of findings and signing of the financial statements in December 2026.

The key audit risks and work to be performed were detailed in the report as follows;

Management override of controls – significant risk

Auditors will test journal entries and adjustments, review accounting estimates for bias, and assess significant or non-routine transactions.

Income recognition – Apprenticeships and ASF – significant risk

Work will focus on learner eligibility, existence, activity and funding rates, with detailed substantive testing. Auditors will utilise PDSAT and FRM reports and will involve specialist funding auditors.

Income recognition – 16-19 funding – significant risk

Audit work will focus on the accuracy of ILR data underpinning future funding allocations, including testing learner existence, eligibility and participation.

Going Concern – lower risk

Governors are responsible for assessing whether adopting the going concern basis of accounting for the financial statements remains appropriate. This is reviewed over the period of at least one year from the expected date of approval of the accounts. Auditors will review and challenge management's assessment, including forecasts, assumptions and sensitivities, and consider whether appropriate disclosures are made.

Defined benefit pension scheme – elevated risk

Work will assess whether any pension asset is appropriately recognised and measured, including review of actuarial assumptions such as discount rates and inflation.

Accommodation Strategy – lower risk

Auditors will review capital projects, associated costs and funding, ensure correct accounting treatment and cut-off, and assess the impact on cash flow forecasts and going concern.

It was noted that there are no areas of material irregularity identified at the planning stage that require specific reporting.

The appendices to the plan detailed the proposed audit fees, confirmed personal and auditor independence, and outlined audit-related services including the Teachers' Pension End of Year Certificate (EOYC) service available to the college. It was noted that the emerging issues briefing is to be provided to the Corporation alongside the audit plan at the meeting to be held on 8 July 2026.

Chair

12 Risk and Internal Controls Update

The committee received an update on key risk and control developments covering lockdown practice, Martyn's Law, Whole of Government Accounts (WGA), Colchester Institute VAT case, and AoC HE in colleges survey 2025.

The committee was informed of an emerging insurance claim recently received involving an apprentice who, it is alleged, suffered an injury in college for a potential £235k personal injury claim which will be refuted but could impact the renewal of insurance cover which is currently under review.

Furthermore, the level of cover for cyber security is proposed to be doubled from £1m to £2m in response to increasing threats. Cyber Essentials has been re-achieved, and the college is now working to achieve Cyber Essentials Plus and it is planned that the college will take up the recommendation made by internal auditors to conduct penetration testing to provide an additional level of assurance.

It was noted that the Finance and General Purposes Committee had also been informed on the Court of Appeal decision concerning the Colchester Institute case against HMRC and the VAT treatment of government funding for FE colleges. For CWA this will result in the loss of the preferential (charity) rate on utilities, reducing input VAT recovery and creating an estimated adverse impact of c.£131k per annum. The position remains evolving, with the sector awaiting HMRC guidance to determine the full implications, timing and implementation arrangements.

13 Risk Register Review

The report details the risk movement since the last meeting held in February 2026 with the residual risk score risk increasing for risk R012 (business continuity), two decreasing (risks R015 Subcontracting and R031 Senior Management/Principal succession) and a new risk R033 (reformed Level 3 qualifications) entering the register.

As previously agreed, risk R024 regarding ONS classification has been removed from the register, and it was further proposed to remove risk R029 (LynnSport relocation) now that the Borough Council has confirmed that redevelopment of the site will no longer go ahead. In addition, further to feedback from the Finance and General Purposes committee risk R015 (subcontracted provision) has been adjusted down to a residual score of 3 as the college has achieved the subcontracted standard, provision has been scaled back and S4PL transition completed thus reducing the level of risk exposure. The committee **accepted** both changes proposed.

HoG

It was also agreed that the VAT issue would be kept in focus by this committee and the Finance and General Purposes committee rather than recognising this as an emerging risk. Further to discussion, noting that the success/failure of the implementation of the new finance system is tracked in the strategic plan progress reports received by governors it was agreed that this also does not need to be recognised as an emerging risk on the risk register.

14 Annual Value for Money Report

The committee received a report outlining the arrangements in place to secure value for money (VfM), noting that this encompasses economy, efficiency and effectiveness in the use of resources.

Members were reminded of the Corporation's responsibility to ensure appropriate stewardship of public funds in line with the DfE College Financial Handbook. The ongoing financial context was noted, including continued funding constraints and the need to maintain a strong focus on cost control despite anticipated improvements in the medium-term financial position.

The committee noted the established framework of controls supporting VfM, including

- robust budget setting and monitoring processes, aligned to curriculum planning;
- well-developed controls over non-pay expenditure, including procurement and authorisation arrangements;
- clear oversight of pay expenditure, including recruitment controls and monitoring of staff costs; and
- regular monitoring of performance outcomes against strategic objectives.

Members considered the benchmarking information (ESFA) for 2024/25 and noted that, while the College compares favourably on non-pay costs, performance against comparator groups is mixed across income streams. The limitations of the DfE benchmarking tool were acknowledged, particularly in relation to data consistency, and governors noted that further external benchmarking (e.g. ETIO review) would support continued challenge.

A query was raised regarding benchmarking data showing significantly lower learners per FTE (7 compared to a benchmark average of 13). It was noted that while overall staff and student numbers appear broadly accurate, the benchmarking tool data is considered unreliable, with inconsistencies observed in recent years despite known pay increases. Consequently, limited reliance is placed on these figures, although it was acknowledged that differences may stem from inconsistent categorisation of staff roles within sector returns, as well as structural factors such as college size and fixed costs. Additional complexities arise from estate-related costs due to operating across multiple campuses. Overall, the view was that categorisation issues rather than true performance differences are likely to explain the variance, so the report was noted.

15 Review of Contracts Register, Waivers and Debt Write-Offs

The report detailed the top five value contracts entered since the last meeting of the committee and accepted the rationale for the ten contracts detailed in the report for waivers and write-offs. It was further noted that all bad debt provisions are reviewed at the year-end with nothing to report at this time.

The Head of Finance highlighted that one contract listed has gone past the contract end date because a full procurement benchmark exercise which had to be undertaken prior to agreeing the rates and signing off the contract. Finally, it was noted that the college is currently out to tender for a new HR system to replace iTrent.

16 GDPR/DPO Report (inc. FOI/SAR & Whistleblowing Cases)

The committee received the report which showed the continued progress made against the compliance action plan which has now increased to 82%, moving the college into a 'good' level of compliance with 100 of 156 recommendations now completed. The associated strategic target has been set at 90% compliance for the 2026/27 academic year.

Data breach activity, since the previous meeting, was reviewed by the committee and showed that 13 breaches had been recorded, the majority of which related to technical or procedural errors, predominantly email handling issues (e.g., incorrect recipients or attachments).

Since the last report to the committee, the Head of Governance has dealt with 5 Freedom of Information Requests and 13 Data Subject Access Requests/Individual Right Requests. All were satisfied within the required legislative timeframes.

Finally, the report confirmed and governors acknowledged that there were no active whistleblowing cases and no reported fraud cases.

17 Policy Reviews

1 Anti-Fraud Policy

The policy and new fraud risk assessment has been subject to substantial review to incorporate the new requirements of the Economic Crime and Corporate Transparency Act 2023 (ECCTA 2023). It also addresses the recommendations made by internal auditors in their review of the college's Anti-Fraud framework. The committee **approved** the updated policy as presented but as the changes were substantial it was suggested that this policy was passed through AI for a compliance check to provide governors with the assurance that the legislative requirements were sufficiently covered.

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2 Anti-Bribery Policy

The policy is subject to annual review. The recommendations made by internal auditors in their review of the college's Anti-Fraud Framework have been incorporated with a substantial re-write of the section on reporting requirements. The committee **approved** the updated policy as presented and likewise asked for an AI check of compliance.

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3 Whistleblowing Policy

In line with the Employment Rights Act 2025, the college Public Interest Disclosure 'Whistleblowing' policy has been updated to explicitly include sexual harassment as a 'qualifying disclosure' under the college's whistleblowing framework. Tracked changes, AI informed, identified the new legislative requirements which the committee **approved**.

4 Data Protection Policy

The college Data Protection Policy has been updated to align with the Data (Use and Access) Act 2025 (DUAA 2025). It adopts a proportionate, risk-based approach to compliance, strengthens governance and accountability arrangements, and incorporates modern provisions relating to data use, automated decision-making, and emerging technologies. Tracked changes (AI informed) identify the new legislative requirement which the committee **approved**.

18 Review of Committee's Performance, Terms of Reference & Annual Business Cycle

The committee considered the prepared review and concluded that it provides a fair and accurate summary of the committee's performance during the year.

Likewise, the Terms of Reference were considered and the committee concluded that the terms of reference remain fit for purpose and the annual business cycle reflects the oversight of activities that the committee performs in the year. These will be shared with the Corporation for approval at the meeting to be held on 8 July 2026.

Chair

19 Any Other Business

There were no other items of business.

20 Chair's Items for Briefing to Corporation

Chair

- Strong overall internal audit assurance, with most internal audits rated substantial with limited areas for improvement identified in T Levels and apprenticeships.
- The New finance system implementation is delayed to 1 August 2026 due to data migration complexity and staff capacity constraints.
- Apprenticeship provision received reasonable assurance, with key compliance improvements required (e.g. timely training plans and invoicing).
- The Subcontracting standards have been successfully re-achieved, with only minor recommendations outstanding.
- The funding assurance update was positive, with reduced risk on historic apprenticeship funding issues and no concerns from the ongoing CPCA audit.
- There is an emerging financial pressure from VAT changes (c.£131k annual impact) following the Colchester Institute case.
- Cyber risk response strengthened, including increased insurance cover and further penetration testing.
- GDPR compliance improving (82%, good), with no fraud or whistleblowing cases reported.
- The committee reviewed and approved the updated anti-fraud, anti-bribery, whistleblowing, and data protection policies.
- The internal and external audit plans are recommended to the Corporation for approval.
- The committee terms of reference are recommended to the Corporation for approval and the business cycle shared for information.

21 Date and Time of Next Meeting

Wednesday 23 September 2026 at 9:30am (Remote Meeting, via TEAMS)

Meeting ended at 11.45am