

College of West Anglia
Minutes of Audit & Risk Committee
Wednesday, 25 June 2025
9:30am – 12.00 noon
Meeting Room – Principal's Suite, King's Lynn Campus

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

No.		Action
1	Committee Members' briefing with Auditors A confidential discussion was held prior to management attendance.	
2	Apologies for absence Apologies for absence were received from Russel Liddington and apologies were also received from Paul Goddard of Scrutton Bland and Suzy Harper of RSM UK Audit LLP	
3	Declarations of Interests There were no items of interest declared.	
4	Minutes of the previous meeting held on 26 February 2025 The minutes of the meeting held on 26 February 2025 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. The Assistant Management Accountant has taken ownership of working through the asset register on a by department basis reviewing the old assets for write-off. Currently £67k of old balances have been written off. The internal audit of the New Finance System will be moved into the 2025/26 academic year after the procurement element of the project has been finalised. It was reported that after investigation and discussion it had been agreed that the ALS procedures would not be documented as national guidance is consistently subject to change and the team have other pressing priorities with increasing numbers of high needs learners. It was agreed that this would be reviewed after the restructure of this area had taken place as governors were concerned that this could expose a risk, so this recommendation is to be carried forward. Regarding the learner recruitment internal audit, it was found through testing that the average time between receiving an acknowledgement email and being sent information was unacceptably high. Auditors were asked to review the sample to confirm if this was found across the sample tested or only a few instances. Auditors confirmed that the delay	VPCS

	related to seven individuals as they required individual support plans, so the response times were therefore not considered unreasonable.	
	All other completed items are to be removed from the report.	HoG
6	Internal Audit Charter The Chartered Institute of Internal Auditors updated their Global Standards in 2025 and Scrutton Bland have updated their internal Audit Charter to reflect the amended Standards. They are required to present these to the committee for oversight and information. The committee asked to receive a summary of the updates made and this will be produced with tracked changes showing where change between versions has occurred.	SBland
7	Risk and Assurance Progress Report The report confirmed that eight internal audits have been completed in the 2024/25 academic year. Seven received significant assurance (green) and one limited assurance (red), for Health and Safety. The Follow-up of previous recommendations, Green Skills/Capital Projects and New Finance System are scheduled for completion and reporting to the committee at its first meeting in the new academic year.	
8	Internal Audit Reports	
1	HE Recruitment and Retention The objective of the audit was to review the effectiveness of the HE recruitment framework, including the implementation of the new HE Recruitment Strategy, coordination with other departments, the competitiveness of the course offering available, student feedback, forecasting, monitoring and reporting on recruitment and the new partnership arrangements with the Open University. The audit received significant assurance (green) with just one low risk (green) recommendation made, to align the HE strategy 2025-2035 with the college's strategic plan 2025-2028.	
2	Cash Flow Forecasting Income and Debtors The objective of this audit was to provide assurance that the cashflow forecasting, reporting and framework are sufficient to ensure that the college can support the overall going concern status required, ensure that all debtor income due to the college is properly identified, allocated and accounted for, and to confirm that debts owed to the college are recovered in a timely manner. The audit received significant assurance (green) with one medium (amber) and three low (green) risk recommendations made to improve the performance of the system and internal controls. It is recommended that management accounts are prepared monthly, invoices are raised within a week, relevant authorisations are obtained prior to raising credit notes and writing off bad debts and establish if the new finance system will have the capability to automate the debt chasing process. Governors queried if more resource was needed where processes were delayed which typically seems to have arisen when key staff have been absent. The new finance system once deployed will help automate processes and the team are learning key tasks so that these can be shared in the event of absence. A review of approval limits will also be undertaken as governors suggested this could help alleviate sticking points that are causing the delay of key financial procedures.	HoF
3	Examinations The objective of the audit was to ensure that the examinations systems and processes in place enable learners to be promptly and accurately entered for examinations, examinations are successfully conducted, and examination results are accurately and promptly captured. The audit received significant assurance (green) with two low (green) risk recommendations made to analyse the time taken from identifying learners eligible for exams to completing all bookings, time taken to schedule timetables and invigilators, time between scheduling exams and communicating information to learners, and the time between receiving exam results and communicating these to learners. The other low recommendation was to investigate if any special exam access requirements for learners can be identified at the point of enrolment.	

4 **Student Attendance, Retention**

The objective of the audit was to confirm if there are effective processes in place to provide timely, accurate information on student attendance and progress to enable well informed decision making and higher rates of retention. The audit received significant assurance (green) with one medium (amber) and four low (green) risk recommendations made. Processes are to be reviewed for following up on unreported absences, different categories for reported absences are to be implemented, sharing of good practice for reported absences across the college, investigating whether classes with no students can be removed from the unmarked register report, and develop an attendance policy.

Regarding the amber recommendation made, to review the processes for following up on unreported absences governors queried if this had arisen because procedures were in place but were not being followed or if there wasn't an absence procedure in place and therefore staff were not clear about what to do. The management response to the recommendation was notably weak and therefore the Vice Principal Corporate Services confirmed that this would be taken back to the team for clarification and the outcome would be communicated to the committee (by email).

VPCS

9 **Progress on Implementing Agreed Audit Actions**

The Head of Finance reported that the audit recommendations are progressing well, and the tracker is up to date.

Since releasing the report, the following updates were provided

- | | |
|------------------|---|
| Point 45 | The sickness absence policy has been revised but is currently with the recognised Unions for consideration. |
| Point 47 | A Fit Note tracker will be created and put in place for the new academic year. |
| Point 50 | The fire detection system for the equine indoor arena has been installed and tested. |
| Points 57 and 58 | It is proposed that the examinations team is increased in number which will help to resolve these recommendations made. |

Governors commented for example with points 29 and 41 that these had both entered the register in January and May 2024 respectively and deadline dates January 2025 and September 2024 had both passed. Some progress had been made with both actions, but deadlines missed as plans had changed, and alternative solutions were taking longer to implement. It was agreed therefore that where deadline dates needed to be extended the original date set would be struck through and the new deadline date inserted.

HoF

10 **Internal Audit Plan 2025/26**

The internal audit plan for the 2025/26 academic year is proposed to cover the following work

- Apprenticeship Funding Assurance and Onboarding Framework
- Anti-fraud framework
- Business continuity
- Human Resources – Performance Management
- Cyber Security and GDPR Compliance
- Health and Safety
- Safeguarding
- Lecturer deployment and room utilisation
- Maths and English
- T Level preparation
- Key Financial Controls - Budgetary control and Bursary Funding
- Risk management
- Follow-up of previous recommendations
- New Finance System – procurement aspects

It was agreed that the Human Resources, Performance Management audit would be replaced with Recruitment and Retention as this aligned with the discussions held at the recent governors' strategy session and the college's strategic plan. The committee requested an additional advisory audit covering AI and suggested this for early 2026/27 given that the college is only now about to launch its AI Strategy. After discussion it was agreed that the Bursary Funding elements of the key financial controls audit would still be undertaken as the balance sheet holds £1.3m of funds and governors wanted assurance that the college is distributing the funds appropriately based on prescribed eligibility criteria. The GDPR compliance audit is paired with the cyber security audit and from the DPO's perspective there are recommendations arising from the compliance audit that can only be completed by an internal audit of this area so whilst the committee received assurance from the DPO that good progress is being made assurance from internal audit would validate the college's level of compliance.

The committee agreed the internal audit plan subject to these amendments and will recommend the plan to the Corporation for approval at the meeting to be held on 9 July 2025. The total number of days of coverage will be confirmed between auditors and the HoF so that the appropriate sum can be allocated in the 2025/26 budget.

Chair

SB/HoF

11 External Audit Plan for the Year Ending 31 July 2025

The plan summarises the scope of works for the year ending 31 July 2025, timetable, materiality, key audit risks, and the planned approach to these, together with details on fees and independence.

The audit approach will focus on the areas of the college that are considered significant to the results for the period and the position at the balance sheet date. As part of the audit, specialists in funding body income will be involved, to ensure that complex technical issues are fully addressed. Regularity is in scope again this year and will focus on the areas auditors determine to be of material irregularity. There is a slight change in the scope of irregularity works now that the Post 16 Audit Code of Practice (ACOP) has been withdrawn.

An estimate of group materiality was provided for in the report and an indicative timeline from June to November 2025 to conclude the presentation of the year-end financial statements in December 2025.

The key audit risks and work to be performed were summarised as follows

Management Override – Significant risk

Auditors will test the appropriateness of journal entries in the general ledger and other adjustments made. Significant and non-routine or contentious transactions will be tested if found using data analytics to test higher risk transactions.

Income recognition – Apprenticeships and ASF – Significant risk

Specialists in funding body income will focus on learner eligibility and the level of funding claimed by performing substantive tests of details. They will utilise PDSAT reports and the Funding and Rule Monitoring reports (FRM) to further inform the risk assessed in respect of potential material misstatement of the funding body income due to errors in the data reflected in the final ILR.

Completeness of other income streams – Significant risk

The approach will evaluate the completeness of all income streams by discussing all income receivable in the period and looking at the controls to ensure that all income is recognised. Review post period end bank statements for evidence of unrecognised income receivable and review grant documentation and deferred income to ensure that all income the college is entitled to has been recognised.

Defined Benefit Pension Schemes – Higher risk

Auditors will evaluate the assumptions made of whether the asset should be recognised in accordance with the scheme rules and whether it is appropriately measured.

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. Work will include a review of assumptions and underlying cash flow position from a group perspective (including the subsidiary companies). Auditors advised that a letter of support between the two entities and the college is likely to be required. The Vice Principal Corporate Services confirmed that VAT advisors have been appointed, and they have been commissioned to do work to cease the trading of CWA Developments.

It was noted that the description of this work referred to auditors having sufficient time and that it may be necessary to defer reporting deadlines to ensure that the audit work is not compromised and that management have time to reassess any judgements and estimates. This was queried with auditors in case it was anticipated that the year end financial statements may be delayed. It was confirmed that there are no foreseen issues in this regard.

Accommodation Strategy – Lower risk

Auditors will assess the status of any capital works planned in the year and review the costs incurred, checking the accounting treatment between capital and revenue including retentions. The terms and conditions of any capital grant funding received to confirm income recognition is in line with the FE and HE SORP will be tested to ensure that deferred capital grants are accounted for and released appropriately. Cash flow forecasts and budgets with any external financing of projects in line with disclosures in the financial statements will also be reviewed.

The appendices to the plan included auditors' fees, confirmed personal and auditor independence and detailed the additional Teachers' Pension End of Year Certificate (EOYC) service available to the college. It was noted that the emerging issues briefing provided by RSM has been circulated to governors in the pack of papers for the Corporation meeting to be held on 3 July 2024.

12 FE Emerging Issues – Spring 2025

It was noted that the emerging issues briefing provided by RSM is also to be circulated to governors in the pack of papers for the Corporation meeting to be held on 9 July 2024.

The briefing helpfully highlighted a number of emerging issues in the sector including franchising (threat or opportunity), failure to prevent fraud (countdown to 1 September 2025), balancing the risks and rewards of generative AI, Ofsted consultation (what does it mean?), National Apprenticeship Week, Funding, College Financial Handbook, SORP (accounting for further and higher education) and impact on FRS102, novel contentious and repercussive transactions (including case studies, compliance and audit considerations), and College Accounts Direction (CAD) 2024 to 2025.

Governors were keen to understand the college's approach to failing to detect fraud. This will be a project for the summer to understand the government issued guidance on the new corporate offence of failure to prevent fraud that comes into force on 1 September 2025.

VPCS

13 Risk and Internal Controls Update

Local Exhaust Ventilation (LEV) in Technology Workspaces

The issues reported with the LEV in Technology and remedial works have been commissioned for resolution this term.

Health and Safety

A fire detection system has been installed in the equine indoor arena at Cambridge.

HE Strategy

The college adopted an ambitious 11 year HE Strategy to develop this aspect of the business. The approach depended on a new relationship with the Open University and longer-term registration with the Office for Students (OfS). Both approaches have faltered, and the government has stalled the launch of the lifelong learning entitlement (LLE). The

HE strategy and associated growth plan are therefore both under review and a strategy paper is on the agenda for the Corporation meeting to be held on 9 July 2025.

14 Risk Register Review

The report details the risk movement since the meeting held in February 2025 with three risks that moved up, and two that have moved down.

At a glance the heat map shows that the number of critical risks (red) has decreased from 5 to 4 between the month of February 2025 and June 2025. There is an increase in the number of major risks (amber) which has moved from 7 to 12 and the number of risks in the moderate zone (dark green) has decreased from 8 to 4.

It was noted that risk R004, at the request of the Corporation, has been removed from the register and replaced with Risk R028, 'Inability to afford increased 16-19 student numbers due to lack of in-year growth funding and capacity'. Governors asked if this risk existed because of the lagged funding methodology or if there were other influences to consider. The college has consistently enrolled high numbers of 16-18 learners but has not received in-year growth funding at the full allocation. Announcements about in-year growth funding from the DfE have been received late in the academic year and was also advised would be subject to affordability. The college therefore doesn't budget for in year funding but does budget for the increased costs associated with increased student numbers.

The Board assurance map indicates that the control environment is sound. There are two areas of concern where the assurance level is medium/low (red/amber) which indicates isolated assurance and effectiveness of controls.

It was noted that the report required amendment concerning Risk R005 that had decreased in score, not increased.

HoG

It was agreed that risk R016 given the discussion around the HE strategy and declining student numbers would be reviewed. It was further agreed that risk R027 could be removed as there isn't a latent defect claim concerning the tower block roof to pursue. Repair works to the roof are planned to start over the summer completing late September/October 2025.

HoG

15 Annual Value for Money Report

The report presented an update on the measures in place to ensure that the college achieves value for money (VfM) in its operations.

The Corporation has the responsibility to demonstrate that all transactions achieve value for money for public funds and the college has used the resources provided by the DfE effectively and efficiently. Managing Public Money has specific VfM requirements especially related to 'special payments' such as compensation for loss of employment.

The report confirmed the arrangements and controls in place to restrain expenditure in terms of budgeting, non-pay expenditure controls, pay expenditure controls and outlines how outcomes are monitored. The Vice Principal Corporate Services gave some examples of where in the past the college has restricted spend particularly on pay with many back-office functions, remaining under resourced.

During the 2024/25 academic year the college commissioned ETIO (ex-Tribal) to undertake a benchmarking review of the 2023/24 data. In summary the data indicated that efficiency at CWA is improving however the efficiency is considerably less than any of the comparator groups. Pay is a key driver of the low core margin at CWA, the proportion of spend on salaries is greater than in any of the comparator groups and also spends a greater proportion of its core income on teaching-related activities than any of the comparator groups. Taken together, these results suggest that there is scope at the college to improve VfM and the report detailed the analysis of areas where this potentially could be improved (Exams, ICT, Estates, utility/energy costs for example).

It was noted that the disproportionate teaching support costs compared to other colleges is unique to CWA due to the volume of high need learners and support needed for this specialist provision. The key risk in terms of funding here is any change in government policy rather than any impact of devolution at local level.

The committee received assurance from the report that the college has robust controls in place to support VfM and could challenge the achievement of VfM on a regular basis and take action where there are issues to address. The ETIO review highlighted areas that appear to be relatively high costs, and there were clear steps identified in the report to address these.

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

The report detailed the top five value contracts on the register. It was reported that the waste contract value has been awarded at a slightly higher value than reported by £15k. The contract for the provision of mechanical maintenance is a specialist contract to service all college PSD machinery that requires scheduled service and maintenance.

It was agreed that the Head of Finance will continue to provide the committee with appendices 1 and 2 that detail the total contract values greater than £10k awarded since the last committee meeting, and all active contracts greater than £10k.

HoF

R Petto joined the meeting at 11.25am

17 Funding Assurance Report

The college is not currently subject to any live audits associated with major funding streams. Actions arising from prior audits and RSM 2024/25 income testing are being progressed, and the Employer Engagement Systems Implementation Manager has now completed the internal review of progress on key areas of concern. The RSM income testing audit for the year ended 31 July 2025 has been scheduled to commence week commencing 21 July 2025. The DfE has confirmed the clawback associated with the 2022/23 audit conducted by PwC at the expected value of £8,250.

The college has committed to a significant redevelopment of the Student Portal to encompass more aspects of the apprenticeship lifecycle. This will lessen the workload involved in data integration and improve ease of reporting in some areas that remain difficult, for example Smart Assessor. It is anticipated that learners starting September 2025 will utilise this new approach from the outset, with existing learners to be considered after this, learners close to completing and likely to do so under existing systems/approaches while we seek to migrate those that are further from completion. Initially the focus will be on Employer access, Off the Job Plans (training plans), Off the Job logs, training reviews, BRAGP learner statuses and on-programme tracking of elements of apprenticeship (variation of gradebook).

Governors were informed that the DfE has announced several significant changes to apprenticeships funding rules from 2025/26 which were outlined in the report. While each of these represent a positive change and should reduce some of the challenges associated with apprenticeship delivery/compliance, they have been announced late and somewhat by piecemeal. The removal of the 20% minimum Off the Job is the most significant change and has implications on costing, recognition of prior learning processes and training plans. Therefore, whilst positive, the changes do present some risk in terms of compliance.

Finally, it was reported that the S4PL APAR (Apprenticeship Provider and Assessment Register) application was successful, and they are now able to enrol apprentices directly. Those learners who are not expected to complete (c.25 learners) before September 2025 will transfer to S4PL as their main provider. CWA has negotiated approval with the DfE for those that transfer to do so in a way that doesn't negatively impact the colleges apprenticeship performance data. There is an element of risk associated with this if learners do not transfer to S4PL as planned.

It was noted that Level 7 apprenticeship funding is undergoing significant change and funding is available for all ages until January 2026, after that date, it will be restricted to those aged 21 and under. It was noted that this does not pose a risk to the college as CWA does not have a Level 7 apprenticeship offer.

R Petto left the meeting at 11.40am

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

The college has made good progress, from a starting position of 51% in May 2024, to 62% in December 2024, 70% in February 2025, and now 80%, against the recommendations arising from the compliance audit where the compliance level was judged as 'requires improvement' but has now tipped over into 'good'.

Since the last report in February 2025 there have been 9 data protection breaches reported, none of which were reportable to the ICO. Four DSAR (Data Subject Access Requests) were received in the reporting period and these were all satisfied within the one-month timeframe. The new training module 'pocket guide to the do's and don'ts of GDPR' has been released to all staff. This will help the DPO to identify where further training/understanding/awareness may be needed so that targeted sessions can be delivered.

The Head of Governance has handled and satisfied 5 FOI requests, the broad details of which were contained in the report.

It was reported and noted that there have been no cases of whistleblowing to report since the last meeting of the committee in February 2025.

19 Whistleblowing Policy Review

The college whistleblowing policy is now subject to annual review (previously triennially). The dates of the review have been updated and references to the ESFA have been replaced with the DfE. The committee was content to accept the changes and **approve** the policy as presented. This will be published on the college website.

HoG

20 Anti-Fraud Policy Review

The policy has been updated with tracked changes showing where amendment had been made. In summary the key changes were references to the ESFA being replaced with the DfE. There is now a reference to the college's fraud log (missing from the previous version), and references to the Post 16 Audit Code of Practice (now defunct) being removed. The committee was content to accept the changes and **approved** the policy as presented. Further to the new corporate offence of failure to prevent fraud coming into force on 1 September 2025 it was noted that this policy will require review and update again.

VPCS

21 Review of Committee's Performance, Terms of Reference and Annual Business Agenda

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

The Terms of Reference were considered and agreed remained appropriate.

Similarly, the annual business cycle was considered, and it was agreed that the business items covered in the year would enable the committee to fulfil its responsibilities. This document together with the committee's terms of reference will be recommended to the corporation for approval at the meeting to be held on 9 July 2025.

Chair

22 Any Other Business

There were no other items of business.

23 Chair's Items for Briefing to Corporation

Chair

- Eight internal audits have been completed in the 2024/25 academic year. Seven received significant assurance (green) and one limited assurance (red), for Health and Safety
- The internal audit of the Greens Skills/Capital Builds and New Finance System are scheduled for reporting to the committee at its meeting to be held in September 2025.
- The committee received the updated Internal audit charter from Scrutton Bland.
- All four audits covering HE Recruitment and Retention, Cash Flow Forecasting Income and Debtors, Examinations, and Student attendance and retention all received significant (green) assurance.
- The internal audit plan for the 2025/26 has been agreed by the committee and will be recommended to the corporation for approval at the meeting to be held on 9 July 2025.
- The External Audit Plan for the year ended 31 July 2025 was received and will be shared with the Corporation at the meeting to be held on 9 July 2025.
- The committee received and considered the annual value for money report which concluded that the college has robust controls in place to support VfM and could challenge the achievement of VfM on a regular basis.
- The college has reached a 'good' level (80%) of GDPR compliance.
- The committee approved the updated whistleblowing policy, and this will be published on the college website.
- The Anti-fraud policy has been updated and approved by the committee but will be subject to review again further to the new corporate offence of failure to prevent fraud coming into force on 1 September 2025
- The committee's terms of reference and the annual business cycle were considered appropriate, and these are to be approved by the Corporation at the meeting to be held on 9 July 2025.

24 Date and Time of Next Meeting

Wednesday 24 September 2025 at 9:30am (Meeting, Principal's Suite, KL)

Meeting ended at 11.45am