VARNDEAN SIXTH FORM COLLEGE

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON

THURSDAY 12th March 2026 at 10.15 am, held in the Principal's Office

Present – Paul Herridge (Chair), Carrie Llewellyn, John O'Sullivan, Alan Walker, Brendan Ward,

In Attendance - Elaine French (Vice-Principal Resources), Donna-Marie Janson (Principal) and Louise Pennington

It was noted and agreed that the standing items – Minutes, Matters arising etc, would follow the External and Internal Audit Items to enable the auditors to leave after their items.

1. **Apologies and Welcomes:**

   Apologies: None

The Committee was quorate. (3 Members, 2 of whom must be full Governors and not-co-opted Members)

2. **Declaration of interests –** none

3. **Minutes of the Meeting 27th November 2025 (and follow up note from Chair and Committee Members)**

   The minutes and follow up note were approved and noted, and the Chair authorised to sign these. **ACTION: Chair/LEP**

4. **Matters Arising**

   a) **Action Points Schedule – Progress Report**

The Committee considered the various actions on the schedule, noting those which had been completed and would be removed going forward and others which were on the agenda.

- In response to the request made at the last meeting for a cost breakdown in respect of staff costs to income within the external audit report, etc and the figures included in the minutes in response to this, there was still a query and Elaine French agreed to provide the 3 figures making up the total. **ACTION: ELF**
- The Committee queried the internal audit cost figures added to page 9 of the Minutes (gross including VAT), following the request from the Committee to determine the internal audit cost saving from ceasing to appoint internal auditors for the 2025/2026 academic year. Regarding the internal audit cost savings and comparisons with previous years. In June 25 meeting that the internal audit costs were quoted as approx £15K, the November meeting were advised that the auditors quoted for 12 days at £430 per day, equating to approximately £5K, with a

different figure included in the annual report, which if the latter may have influenced the decision which the Committee made; hence this caused some confusion to the Committee and therefore sought clarification. In conclusion Elaine French agreed to provide a breakdown with explanatory notes for the Committee members. **ACTION: Elaine French**

- The Committee also raised the action agreed at the last meeting for SLT to undertake assurance work to replace some of the work which would have been completed by the internal auditors in 2025/2026, noting that it had been agreed at the last meeting that SLT would review this, identify key areas and circulate the details to the Committee. SLT referenced the details in item 5c below and explained the information therein – refer item 5c below.
- The Committee referred to item 4 and queried whether there was an update on the point raised at the last meeting of whether the College needed separate Finance and Audit Committees. At this point it was confirmed that FE Colleges were required to have an Audit Committee as set out in the I and A but that the Finance Committee was not required, but that most Colleges had a Finance Committee to enable the financial matters to be reviewed in details, prior to papers and documents going to Corporation for consideration.
- In response to a question from the Committee regarding capacity pressures in certain areas of the College including finance and governance, and the fact that this was due to be reflected in the revised risk register, the Principal referred to the broad wording included, rather than individual department areas.
- The Committee queried SLT's recommendations regarding internal auditors for the next academic year and Elaine French advised that it was proposed, subject to Corporation agreement, to reappoint the Internal Auditors and in fact she would be meeting with Wylie Bisset shortly to discussion proposals for the next academic year. SLT's intention is to make recommendations at the next Audit Committee Meeting in the summer term. However, it was confirmed that the internal auditors had been in post for 3 year contract plus 2 years, so 5 in total, so a new proposal will be brought to the Committee, including costs. Bearing in mind the latter and whether the College should be seeking alternative quotes to ensure Wylie Bisset was the best option, it was resolved to consider convening an additional Audit Committee, possibly online, once the proposal is ready, after Easter, as the June meeting will be too late to seek alternative options, or to agree proposals via a resolution emailed to the Committee Members. Should the online meeting be the best option, it was noted that a poll to ascertain availability would be circulated to the Committee members once Elaine French had the information available in order to agree a date/time suitable for all. **ACTION: ELF**

- Reference was made to the Follow up notes from the prepared by the Chair from 27th November Audit Committee meeting, being listed agenda items for further discussion, progress tracking and/or clarification. Paul Herridge reminded the Committee that this was to set out the assurance identified by the Committee required to ensure the appropriate assurance could be given to Corporation, based on the highest risk components. The document had been shared with Committee Members and Elaine French, but the Principal reported that she hadn't received this, for which apologies were offered. It was recorded that the Follow up notes had been attached to the draft Audit Committee meeting minutes from 27th November 2025. Subject to the following correction regarding item 4 in the table and replacing the last sentence "The ILR Consultant's summer report is to be shared with the AC" which should read " Principal's update to be provided". **ACTION: LEP**
- Items 22, 23 and 24 completion dates re additional standards – Elaine French confirmed that this was ongoing work and that relevant aspects would be incorporated into the digital strategy document, currently being drafted; this will also include AI training for Governors to demonstrate what the College has implemented in terms of staffing and Students.

- Item 13 AOB – the reference to the risk register and H & S report and whether this should go to Audit/Finance Committees or directly to Corporation and SLT agreed to review this proposal at the next Risk Register update. **ACTION: ELF/DMJ**
- The Committee also discussed whether there was a need for the Audit Committee to review certain, non-operational aspects of the H & S reports, should there be any impact on the Risk Register and/or ensuring that the Committee receives sufficient assurance regarding mitigation in respect of certain incidents. However, it was confirmed that assurance via the H & S reports did go to Corporation and it was thought that this should suffice.
- Item 6a External Audit tender board – to be removed as already actioned. **ACTION: LEP**

b) Rolling Action Plan – External Audit and Internal assurance (in house)

Notes:

1) *Elaine French will review both a) and b) and ensure that there is no duplication of action records.*
2) *This is the key reference document for recording all audit recommendations*
3) *All the recommendations which have been completed are marked in "green".*

Elaine French presented the rolling action plan the contents of which were noted and highlighted the "green" sections which reflected what actions had been completed since the last meeting.

5. Internal Assurance from SLT

Papers:

a) **Executive Summary**
b) **ILR Assurance Summary**
c) **Internal Assurance Update – Assurance from SLT including Management Reviews in respect of Internal Audit areas which have been identified for improvement and associated action timescale**

Internal Assurance – as per last minutes update to include: additional column entitled "related risk" plus links to RR and RA Map where necessary and/or with further internal assurance detailed in document, with colour coding where necessary and appropriate links to the risk register

The papers were presented by SLT, and summaries provided and the following points were recorded:

- ILR consultant has been recruited by the College for 2 days per week.
- In response to a question from the Committee regarding the reference to strategic change in MIS staffing, the Principal advised that a few years ago the College appointed a Director of MIS and Registry, but noted that the College's Data Analyst had resigned and the work was being covered via a consultant ILR project manager. The latter appointment has been approved until next December (2026) and it was noted that the consultant recruited had been employed by the AoC but was now working for Varndean and another SFC. The appointment will be reviewed in December.
- Feedback was recorded from the Committee regarding the actions recorded in the last minutes relating to risks/internal audit areas which SLT would be managing and reporting and providing assurance on, in the absence of an Internal Auditor during 2025/2026, indicating that the Committee was expecting to see this in the paper. Furthermore, in light of the fact that it's anticipated that internal auditors would be reappointed for the 2026/2027 academic year, it was queried whether this would happen. SLT suggested that in addition to the ILR

assurance report included in the paper, other actions and progress had been incorporated into actions column.'

- SLT suggested that where the Committee required further assurance in respect of any particular areas eg finance and systems, to inform SLT and they would produce a paper for the June Committee. **ACTION: Audit Committee**
- Regarding the new finance system, Elaine French advised that SLT had not yet decided on the preferred system, but suggested that this shouldn't be a specific risk in the risk register as implementing a new system was operational and not strategic. She also confirmed that the intention would be to have the new system in place for September 2026.
- Reference was also made to last meeting's concerns relating to capacity in the Finance area, which had also been raised by the auditors and it was confirmed that this should continue to be monitored and the Committee updated as necessary. Elaine French added that in fact this had been a short term issue as minuted in November due to staff sickness during the audit.
- Financial regulations – it was recorded that the Finance Committee had reviewed the updated regulations which would be recommended to Corporation for approval and it was also agreed to share the latest version with the Audit Committee members prior to Corporation. **ACTION: ELF**
- The Committee also noted the details within the Internal Assurance update paper, which the Principal and Vice-Principal summarised to the Committee. It was suggested that the commentary/judgement column, marked as green (comment) or white (no comment) should be revised for item 12 GDPR to be "white" and also noted that should there be any data breaches this would be reported to Governors via the annual Data Protection report.

6. Risk Management – Key documents updated post last meeting.

a) Summary Sheet

b) Risk Register and Action Plan

Elaine French presented the Risk Management documents to the Committee and the following points were noted and discussed and questions invited from the Committee:

- As requested at the last meeting, arrows had been added to each risk, showing where there has been movement in the risk (up, down or static).
- Risks HR1 (wording revised to reflect capacity issues in key teams) and C3 (add in financial risk relating to potential changes to the funding of certain examinations including the IB) were highlighted having been updated.
- In response to a query from the Committee regarding the risk "inability to create key appointments" HR1, in relation to an earlier discussion referencing a new key appointment, it was realised that the latest Risk Register and Action plan, had not been included in the papers and the Principal uploaded the latest version to the Google docs Audit Committee folder.
- The Committee queried how often the risk scoring matrix was reviewed and what was the decision making based upon in respect of both risk and appetite changing. In response Elaine French confirmed that the document was included in the termly Audit Committee papers but updated annually. At this point, Brendan Ward referenced a recent SFCA Governance webinar on risk which he had found very informative and useful and suggested that the Committee reviewed the risks, accepting the guidance and draft risk register prepared by SLT, but raising questions where appropriate. It was also suggested that it would be useful to review this issue on another occasion to determine strategic and operation factors relating to the Risk Register in terms or risk appetite and ratings, to ensure that the individual risks do not breach the risk appetite. It was also recognised that the Audit Committee which reviews the

process of risk management making recommendations to the Governing Body, would also find it useful to have assurances from other Governing Body Committees in respect of risks resting with the other Committees eg Finance (financial risks), Quality, Curriculum and Student Experience (curriculum risks) etc and it was agreed to recommend this to Corporation with the respective Committee risks, being included in the Committee meeting papers at least once per year from which the Committee would be invited to confirm that assurances are adequate (or not) with respect to those risks, to the Audit Committee. **ACTION: Audit Committee/SLT**

- The Committee was reminded that the list of Significant Risks was included in the Corporation Meeting papers at every meeting, at the same time as the Matters Arising/Actions Schedule was considered, for the Corporation to review and raise questions as appropriate. Ideally, this would also require the various committees to meet before the Audit Committee meeting for the term in which the assigned committee risks are considered. **ACTION: Corporation**
- Following a suggestion, it was agreed to review the reference to risk appetite in the Risk Management Policy with input from the auditors. **ACTION: ELF**
- Referring to the “review” column in the document, it was resolved to clarify that this should identify where, what or whom the assurance was obtained and Elaine French agreed to update this to read “”assigned risks” rather than “review”. **ACTION: ELF**
- In response to a question from Brendan Ward, the Principal confirmed that she had revised the references in the document regarding the increasing pressure and workload on certain key staff and extending this to include other departments which were under pressure (including Finance, HR and IT). The Committee queried how the work pressures should be monitored and reporting to the Committee and the Principal confirmed that actions had been included in the document and advised that external cover would be considered and adopted should this be necessary. The updates on this are reported via the relevant committees (along with updates via HR reporting to Corporation within the Principal’s/Chairs Reports) with reports received from SLT, noting that they would be monitoring this on a regular basis. **ACTION: DMJ/ELF**

c) Risk Assurance Map

The Committee noted the details within the updated Assurance Map as presented by Elaine French, noted that this was reviewed by the Audit Committee/Governing Body on a termly basis. The following points were noted:

- Level of assurances and sources of assurance per key risk were reviewed, with the Committee having the opportunity to confirm that the level of assurance per risk, was satisfactory.
- The columns in the document showing the inherent and residual element per key risk were highlighted.
- The new column entitled internal assurance reporting, was acknowledged.
- The Committee queried the cyber attack risk in light of the current political situation and it was noted that this rested with IT rather than MIS, and that this would be kept under review. **ACTION: ELF**
- Reference was made to the recently issued JISC Report (Joint Information Systems Committee – being the UK’s designated digital, data and technology agency for the FE sector and provides digital infrastructure, IT services, cyber security advice etc), together with webinars provided to Colleges, to give advice and support on how to manage cyber and other issues and developments. It was also noted that further assurance to Governors was provided by the fact that the College has signed up for Cyber Essentials (UK Government backed, industry supported certification scheme, which protects organisations against common cyber threats – focusing on technical controls such as firewalls, secure configuration,

user access control, malware protection and patch management etc), which will mitigate risks from phishing/malware etc. Elaine French agreed to bring the latest JISC report to the next Audit Committee. **ACTION: ELF**

- The College also has cyber insurance in place.

d) Update on Cyber, Digital Strategy and Standards and AI

The Principal referred to the paper providing an update on the above and summarised the key points within the document, noting that AI was in the process of being embedded for the benefits of Staff and Students. It was also noted that the Digital Strategy Group met every half term to review progress and discuss any issues and developments.

Subject to the points made above, the Risk documents were recommended to Corporation for approval. **ACTION: ELF**

7. Performance Indicators – External Auditors

The Committee considered the performance indicators and endorsed the figures proposed by SLT and also agreed that with regard to question 13 (Audit Committee response to the question "what value is derived by the Audit Committee from the Reports received from the External Auditors", that this should also be graded "1"). The document was recommended to Corporation for approval. **ACTION: ELF**

In response to a question in respect of item 12 "Was the fee consistent with budget?", Elaine French advised that the College had agreed with the auditors to cover 50% of the additional work carried out taking into account both the staff absence in the Finance Team and an incomplete handover from the audit supervisor who left prior to audit completion. It was agreed that the additional fee details would be brought to the next Committee, in addition to the fee proposal for next year. **ACTION: ELF**

8. Policies and Other Documents

a) Reserves Policy – The Committee noted the new Policy, which replaced the old Treasury Policy and it was confirmed that the Finance Committee had reviewed the new Policy at its meeting held earlier in the week, and would be recommending this to Corporation for approval.

In response to a suggestion from the Committee, Elaine French confirmed that the next Finance Committee could discuss whether to review the wording in respect of cash balances and timing of reviewing these and taking action when required. **ACTION: ELF**
It was also resolved to ask the Finance Committee to discuss the cash days in hand target of 40 days (DfE benchmark) rather than 30 days (FEC benchmark). **ACTION: ELF**

Notes: Policies and Documents due Summer Term

IT Disaster Recovery Plan
Digital Strategy Documents: Digital Strategy plan and Digital Strategy Road Map

13.Fraud and Whistleblowing Report – verbal update

Elaine French confirmed that there was nothing to report in this area.

9. Date of Next Meeting: Thursday 11th June 2026 10.15 A.M.

15. Any Other Business

a) **To review and agree papers to be included in the March 2026 Corporation Meeting Pack –** as per minutes above.

16. Confidential Business – if any – None.

17. Enclosures for reference:

a) Audit Committee Terms of Reference – for reference purpose
b) **Risk Management Policy – for reference purposes**

15. Confidential Business – none.

Chair…………………………………Date…………………………

Louise Pennington 12/03/26