MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 2 MARCH 2026 AT 2.00 PM, IN THE BOARD ROOM, THE ROUNDHOUSE, DCG

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Present: Andrew Dymond (Chair), Stuart Ellis, Rosslyn Green

In attendance: Jo Clifford (CFO), Cheryl Tacchi (DPO)
Heather Kelly (DCEO)
Gareth Jones (RSM – External Auditors)
Graham Gillespie (Wbg – Internal Auditors)
Rose Matthews (Clerk)

PART ONE - GENERAL MINUTES		Action	Date
47/25-26	**WELCOME APOLOGIES FOR ABSENCE** The Chair welcomed all to the meeting. There were no apologies for absence		
48/25-26	**DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM** All members were eligible and the meeting was confirmed to be quorate.		
49/25-26	**FRAUD AND IRREGULARITY** There were no instances of fraud or irregularity to report to date for the year.		
50/25-26	**REVIEW NOVEL, CONTENTIOUS OR REPERCUSSIVE TRANSACTIONS** No transactions to report.		
51/25-26	**MINUTES OF THE PREVIOUS MEETING** The minutes of the meeting held on 25 November 2025 were approved as a true and accurate record. **RESOLVED: The minutes of the meeting held on 25 November 2025 were formally approved.**		
52/25-26	**MATTERS ARISING**		
35/25-26	Strategic Risk Register – Rosslyn Green had struggled to read some of the mitigations and asked if an updated register could be re-circulated. The CFO had updated and the Clerk had shared with all committee members.		

53/25-26 INTERNAL AUDIT: SAFEGUARDING

Graham Gillespie (GG), of Wbg, presented the Internal Audit report on Safeguarding.

The purpose of the review was to assess the College's systems and procedures for safeguarding were fully compliant with legislation and they were taking all necessary steps to protect their students. The review considered the arrangements in place at the College in relation to Terrorism (Protection of Premises) Act 2025 (also commonly referred to as Martyn's Law).

He said the report provided strong assurance, with one low recommendation raised around including more detail on Prevent.

The Chair thanked GG and asked where the College sat when benchmarking against other institutions they had reviewed. GG said the College was in the top quartile.

RESOLVED: The Committee discussed and accepted the report.

54/25-26 DATA PROTECTION REPORT

The Data Protection Officer (DPO) shared the Data Protection Report, which summarised activities since the last meeting.

Members were appraised of a recent cyber phishing simulation, which 148 employees clicked on the link. As of today's date, 93% of those had completed the follow up training. Further awareness raising had taken place in the form of all staff emails and tips to identify suspicious e-mails.

Breaches to date, including one reported to the ICO and subject access requests were also shared.

The Chair noted that, while it was disappointing that more staff clicked the link than in the previous exercise, it was encouraging that the simulation was highly realistic and difficult to identify. Stuart Ellis (SE) agreed, commenting that the phishing email was very convincing and therefore represented a robust test.

The Chair said the awareness raising was good and acknowledged it would be human error that would catch everyone out.

He went on to ask if there had been any response to the breach reported to the ICO. As yet there had been no response, the DPO explained another college had not received a response to a recent breach either and that the ICO were making changes to their structure and guidelines which may have an effect on their responses.

	RESOLVED: The Committee discussed and accepted the Data Protection Report.		
55/25-26	**FAILURE TO PREVENT FRAUD CORPORATE OFFENCE** The Committee received a presentation on the Failure to Prevent Fraud corporate offence introduced under the Economic Crime and Corporate Transparency Act 2023, effective from 1 September 2025. The presentation outlined that large organisations may be held criminally liable where an associated person commits a specified fraud offence intended to benefit the organisation or its service recipients, unless reasonable fraud-prevention procedures were in place. The Committee reviewed the six key elements of reasonable procedures—top-level commitment, risk assessment, proportionate controls, due diligence, communication and training, and monitoring and review—and noted the College's current position, including areas already established and those still requiring further embedding or rollout. **The Committee Chair asked how the overarching policies and culture were evidenced and if fraud needed to be on each committee agenda.** The CFO explained the College had a good handle on the process with regards to policies etc. In terms of Board monitoring SE suggested perhaps having a four-box chart included in a report with a top-level overview. **The Chair said from his experience a number of frauds had been identified where staff thought "they were doing the right thing" by the company. In the context of the College this could also relate to non-financial measures too. Hence DCG should consider this aspect in it's response and it should be considered at the Corporation and then each respective sub committee too for a complete response/approach.**	Chair/ CFO	Ongoing
	The Committee asked the auditors how others were reporting. It was early days, but Gareth Jones (GJ) said he had something he could share on assessing an audit risk and would send to the CFO. **SE also suggested external organisations the College work with should also be made aware, particularly around recruitment etc.**	GJ – EA	16/06/26
	Rosslyn Green (RG) asked at what point would an internal audit review take place to review this. It was agreed once the policy was in place and embedded. This should be reviewed as part of next year's assurance plan review.	CFO	01/08/26
	RESOLVED: The Committee discussed and		

acknowledged the new requirements, next steps and accepted the update.

56/25-26 **STRATEGIC RISK MANAGEMENT REPORT**

- **STRATEGIC RISK REGISTER**

The CFO presented the latest Strategic Risk Report and Risk Register.

This had been reviewed by the College's Risk Leadership Group with a number of changes to net risk scores proposed. The Committee noted the following proposed changes to net risk ratings, particularly in relation to Risk 10 (recruitment and retention of staff) – which had been reduced due to current vacancies and staff turnover, whilst noting ongoing challenges in hard-to-recruit areas and the positive impact of actions on pay and market supplements.

Risk 35 (Cost pressures impacting on financial health) which had been reduced, with inflationary pressures continuing but impact assessed as lower given the current financial position.

Risk 6 (Failure to achieve financial targets due to under-recruitment): had been reduced - reflecting that core recruitment numbers were now known for the year and the impact of any under-recruitment had reduced.

Risk 16 (Inaccurate data impacting on funding): had been increased due to funding errors identified through the full DfE funding audit, which impact assessed as medium; the Committee noted management's view that while potential clawback could be substantial, it was not expected to impact overall financial health.

The Committee noted that cyber security remained the highest-rated risk and would remain so pending receipt of the JISC Report, and that a thorough review had been completed with implemented and planned preventative controls. This report would be presented at the next meeting.

The Committee also noted updates provided on legislative and litigation matters, including health and safety (RIDDOR) reporting, and confirmed safeguarding and Prevent updates.

RESOLVED: The Committee discussed and accepted the updated Strategic Risk Report and recommended this to the Corporation.

57/25-26 **INTERNAL AND EXTERNAL RECOMMENDATIONS MONITORING REPORT**

The CFO presented the Internal and External Recommendations Monitoring Report which monitored key recommendations from prior audits.

The CFO advised that progress continued to be monitored through the recommendation's tracker and that, at the time of reporting, there were 19 recommendations on the tracker, she then discussed the status of these. The College were in a good position with regards to the OFS compliance, but were carrying out more training in preparation for enrolment in the new academic year and carrying out follow up checks.

One recommendation linked back to the Anti-Fraud Policy and Financial Regulations and using Moodle to monitor compliance.

The Committee noted that a number of recommendations would fall due over the coming period and the CFO explained that that some actions would overlap with activity arising from the full funding audit/regulatory audit work. **The Chair asked when the three overdue were likely to be completed.** Progress had been made since the last meeting, but these were likely to be completed by the next meeting in June.

The Chair went on to ask the status of the DFE funding audit.

The draft report had not been received yet, which would then be presented to this Committee. The CFO explained there had been a few small anomalies, but the main one related to end point assessment (EPA) costs recording of TNP2. The overstatement related to £200k. Although this was not material in relation to the College's financial health, it remained a material issue in its own right and could result in a clawback.

RG asked if it was a case of being isolated to that area. The CFO explained that this arose from the methodology used to split negotiated prices between training (TNP1) and end point assessment (TNP2), including historic use of an estimated percentage (e.g., 80/20) which required revisiting once actual awarding body/EPA costs were known.

The Committee noted that reviews had been undertaken (including invoice reviews) and that sector-wide issues of a similar nature had been reported, which was acknowledged by the auditors. It was pointed out that responsibility for EPA administration had previously sat within exams and regulations and that strengthened arrangements were being progressed, including ensuring appropriate checks for leavers prior to invoicing.

GJ said apprenticeships were the most complex area and the DFE were looking at revisiting the rules.

This would be discussed in further detail by the Committee once the report had been received.

RESOLVED: The Committee reviewed, discussed and accepted the Internal and External Recommendations Monitoring Report.

58/25-26 POLICY REVIEW

An internal review had taken place of Anti-Money Laundering Policy. There were no significant changes made and the Committee were asked to accept the updated policy.

RESOLVED: The Committee accepted Anti-Money Laundering Policy, which had been reviewed internally.

Meeting note: The meeting concluded at 3.15 pm.