

**Part A Non-Confidential Minutes of the Audit Committee meeting
Held on 30th September 2025 at 5.15pm via Teams**

Governors Present: Robin Atkinson (RA), George Lee (GLee), Guy Lonsdale (Chair - GLon), and Mark Riley (MR)
Apologies: Tracey Gyte (TG)
In Attendance: David Hoose (DH - Forvis Mazars – part), Martin Ritchie (MR – TIAA - part), Adrian Ford (AF – Interim Chief Finance Officer), Graham Gillespie (GG -WBG), David Mullaney (DM), and Antonia Praud (AP – Director of Governance)
Apologies: Maria Turnbull-Kemp (MTK – Chief Finance Officer)

1	<p>Welcome, Apologies for absence, Declarations of Interest and Confidential items</p> <p>Members were welcomed to the meeting and a warm welcome was extended to Graham Gillespie, the new Internal Audit Manager from WBG, and Adrian Ford, the new Interim Chief Finance Officer. Apologies were received from Tracey Gyte (TG), due to technical issues at the STEC site, which were accepted with consent. There were no declarations of interest for items, specific to this agenda. MR noted his annual declaration, sitting on another HE board.</p>	
2	<p>Internal Audit Update</p> <p>Update from TIAA: The committee confirmed receipt of the final scoping documents, for information, and then were taken through the audit activities completed since the last meeting.</p> <p>Staff recruitment and retention audit Overall, this audit received reasonable assurance. Governors were informed that the retention element of the review had been very positive, and recommendations focused primarily therefore on the recruitment process.</p> <p>One recommendation is rated as important. This relates to compliance testing of records for new starters, where inconsistencies had been identified. The auditors confirmed this action was graded as important, as it ensures the group have a fair and transparent recruitment process.</p> <p>Various other findings were listed on pages 5 – 7, which noted good practice, including the new applicant tracking system is in place, the use of multiple platforms to advertise vacancies and the approach to staff retention, which is supported by the Partnership’s commitment to health and wellbeing. It also reflected on areas for improvement including strengthening recruitment process to avoid gaps in documentation, and ensuring policies are updated in line with agreed review cycle and staff have access to them.</p> <p>It was confirmed the management team had accepted the feedback and recommendations.</p> <p>Management of capital projects audit This audit had been informed by focusing on the two major capital projects of Skegness and Animal Care. Governors had requested this additional audit, for assurance, and it was confirmed there were lessons to be learnt. The overall assessment given was “Reasonable Assurance”, and the key strategic findings mirrored why governors had requested this additional assurance, with projects over budget or experiencing delay. This was linked back to the absence of scenario planning at the initial stage which in turn restricts the organisation’s ability to anticipate and manage risks.</p> <p>There were two main actions, and both were fully accepted by the management team. How this is moved forward would depend on future projects, in terms of size and complexity. The two main recommendations were:</p> <ol style="list-style-type: none"> 1. Establish formally all roles and responsibilities of all parties involved in the project. 2. Review and strengthen the retention arrangements and ensure contract terms are unambiguous. 	

<p>Governors questioned if the audit had looked into, and had findings or an assessment of, both the capability, skills and experience within the group, and also their capacity to manage large scale capital projects within the organisation. The auditors confirmed this would be difficult to assess as internal auditors, and within the days agreed. Therefore, the audit had focused on the contractors and contracts in place.</p>	
<p>Governors received assurance that DM and AF had already met and agreed together that this is a priority for the group and needs further investigation. Governors took assurance this activity is already underway. MR and ABe were meeting to discuss next steps.</p> <p>Again, some good practice was noted in the report, including the financial monitoring oversight of projects, and regular conditions surveys undertaken. The committee reflected that practice and reporting has continued to improve since the Chief Infrastructure Officer joined, and this also provides additional assurance to the board.</p>	1 & 2
<p>Safeguarding audit</p> <p>The auditors acknowledged that the management team had been disappointed with the assurance level but based on their findings, they uphold it is fair and appropriate. It is primarily down to the important recommendation made by the Auditors to accelerate the employee DBS re-checks. As a result, the overall assessment for the audit was “Reasonable Assurance”. The other recommendation, assessed as routine, is to update the Safeguarding Policy promptly to reflect the correct review date, as the policy, which is on the website, is out of date.</p> <p>The auditors gave assurance that good practice had also been identified in their audit including clear procedures to promote and protect the welfare of individuals across all services, that duties are segregated to reduce risk, and there is a strong and structured training approach. Of particular note, oversight was also highlighted, as through regular monitoring within committee meetings and detailed Board reporting, the auditors assessed these activities as providing strong governance and oversight.</p> <p>Analysis concluded that over 50% of TEC Partnership staff had DBS checks older than the targeted three years and the oldest checks went back to 2010. Currently 16% of all staff DBS checks are over 10 years old. Governors questioned how many DBS checks would also be approaching the recommended deadline of 3 years and falling into the new cycle too, before the current plan of work would be completed. They noted the management response confirmed their process would follow a risk-based approach and work had already begun to catch up but a lot of work to do. Governors raised a number of questions, and confirmed they would like to request a deep dive report. Whilst this would be reviewed by a follow up report at the end of the year, early assurance was requested, with an update to corporation in October, and a draft timetable of activities.</p>	3
<p>After discussion about the content of the report, governors asked for the report to cover:</p> <ul style="list-style-type: none"> • What caused the backlog e.g. was it a supplier issue. • Had there been a policy change, as 16% of checks are older than 2015. • What is our policy or approach now. • They would like to understand the numbers of staff in key categories, and have a report on the approach to how backlog will be cleared by December 2026, including how activities will be prioritised e.g. student facing/ risk e.g. vulnerability or age of students/ age of last test. • Is the 13 months plan based on cost, or the administrative burden that the rechecks will create. • Is the group now signed up for the update service, or has a decision been taken due to cost? <p>Governors confirmed they accept the reasonable assurance assessment.</p> <p>Follow up audit:</p> <p>12 of the 13 recommendations had been achieved. Good progress was demonstrated, and the response for the outstanding recommendation was received in good time. This would be handed over to WBG, to be picked up in their follow up activities at the end of the next academic year.</p>	

<p>Governors received assurance from TIAA and WBG that transitional arrangements and handover were in place.</p> <p>Annual report and opinion: The committee noted the report and annual opinion received. Six audits had been completed, with one substantial assurance and 5 reasonable assurance audits received. The Chair confirmed he would be having an exit meeting with MR, and thanked MR and TIAA for their support.</p> <p>MR left the meeting.</p>	
<p>Update from Internal Auditors WBG</p> <p>Internal Audit plan 2025-26 Graham Gillespie introduced himself and WBG to the committee and shared the Audit Needs Assessment, which had been updated to the latest version in the pack. It was confirmed that a two phased approach was taken to creating the recommendation. GG had met with MTK and AP, and reviewed the group’s strategic risk register to inform their approach and also considered areas that had been audited in recent years. They also considered emerging risks in the sector, and audit resource across the key risk areas. AF had had an opportunity to review the document and supports the fluid plan, that makes recommendations across three years, with an annual review. Governors were informed that each audit would include a root cause analysis to gain a deeper understanding why an action has happened, and recommendations for next steps.</p> <p>Governors confirmed that there would be a compliance-based audit covering a funding stream each year. A draft schedule would see reports as follows: 2 reports to the February meeting 2 reports to the May meeting 2 reports to the September meeting. The annual opinion report will be written at the end of the year.</p> <p>Governors reviewed the three-year plan and confirmed it appeared to provide a good range of coverage across group activities. They also confirmed the plan had been reviewed and had the support of ELT.</p> <p>GG explained that the grading of reports uses different terminology and their “substantial” is same as TIAA’s “reasonable” assessment. Governors were also informed that WBG can offer, for no additional cost, under the added value of the internal audit contract, training and support across the year for governors and members of the ELT. The most popular of these is a session on risk appetite and development of an assurance map.</p> <p>The committee confirmed it would be encouraging this, and the use of a board assurance framework. They confirmed their support to the intent to revisit the plan on an annual basis, as staff and priorities change and asked for this item to come to the summer meeting. They also explained their desire to complement the internal audit plan with WBG with the use of specialist surveys too.</p> <p>The committee agreed to recommend the plan to the corporation as follows:</p> <ul style="list-style-type: none"> i) Finance – reviewing the budget planning process and looking in focus at adult skills funding ii) Staff wellbeing – picking up from the staff survey iii) Disaster recovery – this is becoming increasingly important and will look at live practice and following best practice. iv) GDPR – there are rules to follow, and whilst organisations adapted to big changes in 2018 , recent audits in the sector have seen slippage in last couple of years. An example given was the need to do regular data cleansing. There is a new manager leading this department. v) Student recruitment – MTK had been particularly keen this was looked at and it features as a priority on the risk register. vi) In the follow up audit, they will ensure nothing gets lost in transition. 	4

	<p>work has already identified concern with HE income, and this will be communicated in the next finance reports.</p> <p>DfE Simplification project The group have benefitted from their involvement in the project, that has the intent of making processes simpler. We were audited and no major issues were identified so it has been a very positive activity overall.</p> <p>Compliance audit: Oakleaf were appointed and shared their first report on 30th June and are sharing further reports each month. Sometimes perception becomes reality, and the audit has identified some compliance works to some of our newer buildings including UCG, the team were not anticipating. The Estates team are working through the recommendations and will report to next committee meeting.</p> <p>Capital Delivery Projects audit: Having received the internal audit report, the next step is for ABe and MR to meet to review the findings. It was confirmed they may not need to continue the deep dive if the ELT are reviewing the capacity and skills within the team for future projects.</p>	9															
5	<p>Approval of the Minutes of 20th May 2025 The committee confirmed the minutes were accurate records of the meeting, and gave their approval.</p> <p>Matters Arising:</p> <table border="1" data-bbox="113 936 1385 2085"> <tr> <td data-bbox="113 936 177 1189">1</td> <td data-bbox="177 936 552 1189">Provide a further update to the corporation, following the current consultation period, if there are any additional changes to SORP, or requirements in the college financial handbook</td> <td data-bbox="552 936 762 1189">October 2025</td> <td data-bbox="762 936 914 1189">D Hoose</td> <td data-bbox="914 936 1385 1189">On agenda</td> </tr> <tr> <td data-bbox="113 1189 177 1585">2</td> <td data-bbox="177 1189 552 1585">Ask Maria Turnbull Kemp to provide an update to the committee in November 2025, confirming how the group will be preparing for the changes to SORP, (and potential change to the accounting year from July to March in 2027 if relevant) and if there may be any cost or resource implications.</td> <td data-bbox="552 1189 762 1585">November 2025</td> <td data-bbox="762 1189 914 1585">MTK</td> <td data-bbox="914 1189 1385 1585"></td> </tr> <tr> <td data-bbox="113 1585 177 2085">3</td> <td data-bbox="177 1585 552 2085"> TIAA to respond and confirm: <ul style="list-style-type: none"> i) If the root cause of non compliance was acknowledged in the sampling for training and development The size of the initial sampling exercise, before the Auditor reviewed the final ten samples on an exceptions basis </td> <td data-bbox="552 1585 762 2085">ASAP</td> <td data-bbox="762 1585 914 2085">Tausif Taj</td> <td data-bbox="914 1585 1385 2085">Completed</td> </tr> </table>	1	Provide a further update to the corporation, following the current consultation period, if there are any additional changes to SORP, or requirements in the college financial handbook	October 2025	D Hoose	On agenda	2	Ask Maria Turnbull Kemp to provide an update to the committee in November 2025, confirming how the group will be preparing for the changes to SORP, (and potential change to the accounting year from July to March in 2027 if relevant) and if there may be any cost or resource implications.	November 2025	MTK		3	TIAA to respond and confirm: <ul style="list-style-type: none"> i) If the root cause of non compliance was acknowledged in the sampling for training and development The size of the initial sampling exercise, before the Auditor reviewed the final ten samples on an exceptions basis	ASAP	Tausif Taj	Completed	
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4	TIAA to review and potentially update the scoping document for the safeguarding audit in the audit opening meeting with the safeguarding team - to include contact with the LADO, and how their external best practice informs our policy and processes.	ASAP	TIAA	Completed		
5	Request for short narrative, providing oversight of financial performance for the committee, from a risk perspective. Example given of NET income – where significant activity is on plan, but main risk to delivery would be from staff absence	Ongoing	MTK, KW			
6	Recommend the appointment of WBG as our Internal Auditors on a three year contract to the Corporation	1 st July 2025	G Lonsdale	Completed		
7	Accept kind offer from RSM, subject to confirming there is no formal agreement or engagement for services in the future, for audit services, and there is no cost for ourselves or others in the sector to the training and updates provided	ASAP	MTK	Completed		
8	Report back to the committee on the Oakleaf audit results	October 2025	DM	To November meeting		
9	Report back for assurance to confirm that using the feedback from the Oakleaf audit, the group have developed a due diligence process and system to report to ELT and the board on both the positive works that are completed and have a central register for compliance activities across the estate, that informs works on our estate	Autumn 2025/ Spring 2026	DM	To November meeting		
10	Following feedback from the committee and ABe, confirm scope for the additional	ASAP	MTK	TIAA report on agenda		

	capital processes audit with TIAA as soon as possible					
11	Report result of the Mersk Audit following the activity in October 2025	November 2025	KW	To November meeting		
12	Risk Register - Share update on the new system that will replace Excel and make the process less manual in due course.	MTK	In future			
13	Sustainability - provide update(s) from the working group, after the "new" OLT group re-establish this. It will include a review of the group approach and will develop the group's policy to sustainability. (Deadline of 12 months)	MTK	March 2026			
14	Highlight risks identified at Skegness, with Finance and Resources Committee	June 2025	DM	Completed		
15	Share report on the dilapidation costs at St James, when possible	When possible	DM	Agreed by written resolution		
16	Recommend deep dive oversight is added to terms of reference for the Audit Committee and share self-assessment feedback with the Director of Governance	End of term	ALL	Completed		

Estates and Facilities Update

Oakleaf additional works

As a consequence of the recent Oakleaf survey, the initial project prioritization has focused on the UCG building. Whilst the perception is it is one of our best buildings, works have been identified for fire requirements as regulations have changed. The works are to be completed by half term.

Estates review

Skegness – having experienced some slippage to timescales, strong project management saw us move from monthly to weekly business ready meetings to be ready and the team had a contingency plan in place for any unexpected delay. We took practical completion last week. The final action relates to fire and rescue testing, and we are looking to be operating there next Monday. The final report confirming dilapidation and final accounts will be presented to the next meeting.

Baker Street – Work was completed on 28th August, and the building was open for the start of term.

Animal care – Practical completion took place on 16th May and it was another learning opportunity for the team to meet regulations for the wide variety of animals we have. The new building was open for the start of term and the official opening last week was a fantastic event which was covered positively in the press. The final account was agreed at £6.29m after VAT claim back. We are now looking at the Nunsthorpe site. Potentially the Local Authority have interest in the site for a special school.

Self-funded capital works – All internal works have been delivered on time including the safeguarding works, which improves the safety of our learners and staff incorporating new gates and the closure of a

	<p>road. Works continue into this academic year. The salon in the talent hub will be fitted in October half term. Engineering gates will be completed this week and Bridlington speed gates are being introduced next week and into half term.</p> <p>Dfe condition grant - We have commenced some works but not completed the full schedule as the team are still working on the indicative schedule to provide to board, informed by the latest Oakleaf reports. The team are working with ELT and looking at lessons learnt on capital projects to bring back the final plan.</p> <p>Property disposals – Our exit costs have been approved with Wykeland. The CIO is developing a lease plan for the group which will be presented to the next committee meeting. This will include a report on planning for dilapidation and exit costs, as requested in a governance deep dive.</p> <p>Lady Edith Drive – We are in discussion with a new property developer who seem keen, and will report about next steps to the corporation. There is a challenge on site as, whilst it is in the local plan for domestic residencies, we now have badgers on site, which are a protected species.</p> <p>Modal –We have limited use for this building and are investing some opportunities for both the use of the building and some of the equipment (e.g. large simulators for ships, cranes and HGV).</p> <p>Estates review – Phase one is complete. There is a meeting this Thursday for the team to present their change agenda. If it is received positively, we will confirm the appointment of new Director of Estates, which impacts the rest of the team.</p> <p>We have also concluded part one of our new fleet strategy too, with the outsourcing of transport in Grimsby to Acklam Coaches. We are now left with some coaches, and the team will be disposing of some buses with no value, and looking to tidy up some other vehicles which will be used by curriculum departments.</p> <p>The committee thanked DM for his comprehensive update and reflected on the incredible amount of activity since the summer.</p> <p>Governors questioned if there was any further financial risk at Skegness from the extension of the project, or exit costs from the old site. It was confirmed that DM and AF need to review this together, but it is likely to be a small overspend of up to £25k. However, this is prior to discussion on penalty clauses. To date it was noted the Connected Coast have been incredibly supportive too, when additional costs have been raised.</p>	10 11 12 13
6	<p>Risk Update Strategic Risk Register: The committee received the report on the strategic risk register.</p> <p>Deep dive activities: Higher Education (HE): The committee identified the HE risk in provision. They requested a deep dive report to be presented to the Curriculum and Quality Oversight Committee that details competitive analysis of the locality, what innovative ways are we approaching our curriculum offer to adapt to the changing market, a scoping exercise for how we plan to use our degree awarding powers, and at whether we might be able to use the flexibility we have as a college group to look at different timings for degrees, or a modular approach, as well as virtual and remote support for students. Governors acknowledged it is a challenging market, and it was not looking for a short-term solution but to understand the longer-term intent.</p> <p>Health and Safety: MR and ABe confirmed they are due to have another meeting with Jon Troop.</p> <p>Governors asked if the board should consider if some further deeper investigation may be appropriate e.g. the cladding on buildings as this is a topical area and is a focus across other organisations e.g. at</p>	14 15

	housing associations. With so many buildings acquired at different times, and after concern was raised with compliance (e.g. asbestos,) we need to know where we have potential issues. It was agreed to discuss this at the next meeting once the Oakleaf report is received. RA agreed to email in with some suggestions.	
7	Funds Fraudulently obtained report – verbal It was confirmed there was nothing to report. The committee noted the recent fraud guidance within the pack.	
8	Training report Governors acknowledged the great offer of training for members to complete, and the strong level of support given by the group. They appreciate the support and opportunities available. They also appreciate the mix of in person and online training options. It was noted it was great to see the uptake of training. There will be a report on safeguarding training compliance to the Curriculum and Quality Oversight Committee on 14 th October.	
9	Governance Governors noted the recent invitations to the engagement sessions on the digital transformation strategy and questioned if RM should attend from a technical viewpoint. The session from RM would be carried forward to the next meeting. Self-assessment regularity questionnaire: The committee reviewed the report and agreed to email in with any further updates. It was noted that colleagues continue to support this process too. Annual report of the Audit Committee: The committee reviewed the report and gave their support. Any final comments are to be emailed to GLon and AP.	16
1 4	Review of the meeting The committee reviewed the meeting and confirmed there had been: <ul style="list-style-type: none"> • Full use of the time available. • It had been a full agenda and it would have been good to have longer for some of the final items on the agenda. • Reports were thorough and informative. • It will be good to get to know the new auditors. The inclusion into the root cause of any concerns in an internal audit report, will be a welcome addition. • The offer of additional training and support from the Internal Auditors is appreciated. 	