

## TRAFFORD &amp; STOCKPORT COLLEGE GROUP

**Minutes of the Audit Committee Meeting**  
**held on Monday 31 March 2025 at 1.00pm in the Boardroom at the Altrincham Campus**

<b>Present:</b>	Heather Lang	(Chair)
	Ian Duncan	
	Shaun Parker	
	Matthew Swann	
	Catherine Thomas	
	Jeremy Woodside	
 <b>In Attendance:</b>	 Rebecca Clare	 (Corporation Secretary)
	Carmen Gonzalez-Eslava	(Group Principal)
	Henry Taylor-Toone	(Chief Finance and Operations Officer)
	Michelle Leslie	(Chief People Officer)
	Lyndsay Sheridan	(Director of Finance)
	*Karen Rae	(Armstrong Watson – Audit Manager)
	Rachael Wright	(Beever and Struthers)
	*Sofia Carroll	(Naomi Korn Associates – Data Protection Officer)
	*Jess Pembroke	(Naomi Korn Associates)
	Yvonne Riley	(Assistant Corporation Secretary)

\*Joined remotely via Microsoft Teams

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Members of TSCG staff joined the meeting once the Committee ascertained whether there were any matters that the auditors would like to raise to the Committee.

The auditors did not raise any matters.

The Corporation Secretary provided a verbal update on the Executive Leadership Transformation Programme and confirmed that the new roles were effective from 28 February 2025. Members thanked the Corporation Secretary for the update and a member confirmed that as a Co-opted Member he felt the information provided was always thorough and timely.

**AUD/01/25      Apologies for Absence**

The Corporation Secretary (CS) reported that no apologies had been received.

It was noted that Helen Armstrong (Internal Auditor, Beever and Struthers) was unable to attend the meeting.

Shaun Parker and Catherine Thomas were welcomed to their first meeting and introductions were made.

**AUD/02/25      Declarations of Interest**

There were no declarations of either direct or indirect interest in any of the meeting's business items.

**Minute No****AUD/03/25****Minutes of the Meeting held on 18 November 2024**

**The minutes of the Audit Committee meeting held on 24 June 2024 were approved and accepted as a correct record.**

**AUD/04/25****Matters Arising from the Minutes**

The Chair of the Audit Committee referred members to the previously circulated summary and progress update concerning the actions arising from the minutes and earlier meetings of the Audit Committee.

It was noted that the majority of actions had been closed.

Specific updates were provided as follows:

**AUD/41/24 Draft Internal Audit Annual Report**

It was noted that a request had been made to include trends over time in future reports (action for the Internal Auditors).

**AUD/22/24 Audit Tracker – Management Actions Arising from Audit Reports****Action: Chief Finance and Operation Officer**

The Chief Finance and Operation Officer (CFOO) reported on changes to DfE requirements and advised that the report in relation to the IT Health Check would be presented at the next confidential Audit Committee meeting. The CFOO provided assurance that the immediate recommendations had been actioned.

There were no further matters arising from the minutes.

**AUD/05/25****Election of Vice Chair of the Audit Committee**

The Chair sought nominations for the position of Vice-Chair of the Audit Committee for the Academic Years 2025/2026.

**Shaun Parker was the sole nomination, and it was unanimously resolved that he be elected to the position of the Vice Chair of the Audit Committee for the Academic Years 2025/2026.**

**AUD/06/25****Data Protection Progress Update Report**

The Data Protection Officer (DPO) from Naomi Korn Associates referred members to the previously circulated report and summary of the latest position regarding data protection and its effectiveness across the operations of the Group.

It was noted that the Group must be able to demonstrate its compliance as set out under the UK General Data Protection Regulations and that the highest level of leadership considers data protection issues and risks.

The following areas of the report were highlighted:

- Overall compliance
- Personal data breaches

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Key points included:

- Overall information rights requests and freedom of information are low with 100% compliance achieved.
- No severe or reportable breaches to the ICO and individuals.
- Two minor breaches involving disclosure and subject access requests without DPO oversight.
- Two other minor breaches due to information lost or disclosed in error.
- Two near misses involved an email sent to the wrong recipient and incorrect student addresses shared with the local council.

It was advised that the DPO led a positive training session on the Data Protection Act and best practices for subject access and disclosure requests. This session aimed to strengthen disclosure procedures and ensure colleagues can confidently identify and alert the DPO about these requests.

The DPO confirmed that this was her last meeting as she was leaving Naomi Korn Associates for a new role. The DPO confirmed details for the new Information Governance Officer for the Group.

Questions and comments were invited from members.

The CFOO and Chair of the Committee thanked the DPO for her support and wished the DPO well in her new role.

There were no further questions or issues raised by members arising from the report and after discussion and consideration it was resolved that the Data Protection Progress update be received and noted.

**AUD/07/25****Chief Finance and Operation Officer Update on OfS HE Data Action Plan**

The CFOO referred members to the previously circulated report and update on the ongoing actions relating to HE data compliance.

It was confirmed that a reportable event had been submitted to the OfS on 5 December 2024 concerning the HE contractor OLC with a further update provided during the last week of March 2025. The CFOO reported that it was anticipated that OLC students would complete their activities by May/June 2025 with no further activity planned with OLC.

A member questioned the timescales for the planned internal audit.

The CFOO advised that the Head of Management Information Systems (MIS) was now in post and that the Apprenticeship Data Team had taken on HE data responsibilities. It was confirmed that data for the fiscal year 2024/25 was currently being cleansed and reviewed, with an internal audit scheduled for 18 to 22 August 2025.

A member congratulated the CFOO on clearing a number of recommendations and questioned whether assurance could be provided around the recommendations being embedded.

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The CFOO confirmed his own audit assumption that improvements had been made. The member thanked the CFOO for the good level of assurance provided.

**Action: Chief Finance and Operation Officer**

The Audit Committee will review the results of the internal audit in the summer term to measure progress.

There were no further questions or issues raised by members arising from the report and after discussion and consideration it was resolved that the OfS HE Data Action Plan be received and noted.

**AUD/08/25****Internal Audit Reports**

The Committee received the Internal Audit reports as follows:

**Business Critical Controls – Performance Management**

The Internal Auditor (IA) advised that the scope of the review was to test the operation of specific internal controls covering the period 2023-2024. There was confirmation that the review covered the following areas – completion of appraisal forms, setting of objectives, appraisal follow up, line manager interviews to gauge views on the appraisal process, staff training and development identified through the appraisal process.

The IA provided a detailed overview of the findings from the report including an explanation of the 3 recommendations from the report (3 medium).

The IA reported the detail surrounding the recommendations and highlighted concerns in relation to appraisal completion and quality of appraisals. The IA reported weakness in controls.

It was recommended that the Group should ensure that appraisals are completed in line with the procedure, introducing a quality assurance process, and establishing a method for capturing all training needs.

A member questioned the timeline for addressing the recommendations raised within the report and the management response with a completion date of July 2026 with no clear interim next steps.

A member also questioned the benefit of this audit as the system for managing appraisals is being overhauled.

The Chief People Officer (CPO) confirmed that the results were as expected due to the bureaucratic system and the findings focussed on appraisal performance, rather than performance management. The CPO provided assurance that performance management is different to appraisals and is continuing to be managed well by the proactive quality team. The CPO confirmed that a project management group had been set up to review the appraisal system and interim appraisals are still in place until the end of the academic year. The CPO confirmed that appraisal completion was non-compliant in certain areas, rather than across the board.

**Minute No****Action: Chief People Officer/Member of the Audit Committee**

A member confirmed that he is responsible for this area within his own role and is happy to explore and share good practice in this area.

**Student Disciplinary Process**

The Internal Auditor (IA) advised that the scope was to review student disciplinary processes for 2023/2024. There was confirmation that the review covered the following areas – benchmarking of the Group's Behaviour policies and procedures, sample testing of 20 incidents where disciplinary action had been taken, benchmarking of the Group's Suspension Procedure, validation of reported figures to Board/ Committee and review of training provided to staff on behaviour management.

The IA provided a detailed overview of the findings from the report including an explanation of the 3 recommendations from the report (2 medium and 1 low).

A member questioned the training provided to staff and the needs analysis to ensure that the correct training is being provided and is much more specific. The Group Principal (GP) identified the different levels of training for staff dealing with behaviour and confirmed that the training is positive. The GP shared that the Group has been a part of the Belong Project and explained the work undertaken in this area.

It was reported that the Group's approach to student discipline emphasises support, with a focus on helping students understand the consequences of their actions, learn from their experiences, and develop the skills needed to thrive both academically and personally.

A member confirmed the positive action taken by the Group to reduce suspensions and questioned the higher number of suspensions at Stockport Campus. The GP confirmed that this was due to the nature of the students at the Stockport Campus. The GP confirmed that suspensions are a neutral act and different to exclusions. A member further questioned who is responsible for the decision making around suspensions. The GP confirmed that in most cases it was the Head of Studies and overseen by an Assistant Principal.

The Corporation Secretary confirmed that suspensions are also considered by the FE Curriculum and Quality Committee.

**Insurance**

The Internal Auditor (IA) advised that the scope of the review was to provide assurance on the consistency in approach to handling insurance claims across the Group and review whether insurance requirements were being met.

There was confirmation that the review covered the following areas:

- Documented policies and procedures around insurance.
- The effectiveness of claims management processes and lessons learned.
- Testing to ensure that a renewal schedule is in place and has been approved in line with delegated authorities.
- Oversight, governance, and reporting of insurance arrangements.
- Assessment of the controls in place to monitor and manage compliance with terms and conditions.

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- Controls were established to ensure due diligence and monitoring of contractor third party insurance cover.

The IA provided a detailed overview of the findings from the report including an explanation of the 3 recommendations from the report (2 medium and 1 low).

A member questioned the recommendation relating to implementation of a structured procedure and questioned the value of this and whether the recommendation should be accepted. The CFOO explained that the procedure was a 'user help guidance' to support members of staff to know when to report.

A member questioned drone insurance and the circumstances for this. The GP explained that the insurance was for drones used by the Group in departments such as art.

The CFOO confirmed that in relation to governance oversight the insurance renewal was scheduled to be presented at the next Resources Committee. The Corporation Secretary also confirmed that the Resources Committee Terms of Reference are being updated to reflect the annual review of the Insurance Renewal.

A member questioned the insurance coverage for the new Cheadle campus and the overlap period during the transition. The CFOO confirmed that the insurance for the Cheadle Building was an add on and will not be removed.

### **Business Critical Controls – Treasury and Cashflow Management**

The Internal Auditor (IA) advised that the scope of the review was to test the operation of specific internal controls covering the period August 2024 to January 2025. There was confirmation that the review covered treasury management.

The IA provided a detailed overview of the findings from the report including an explanation of the recommendation from the report (1 low).

The IA report was positive with a recommendation for sensitivity analysis compliance with the financial handbook.

The CFOO confirmed that there was a large cash balance due to the Cheadle Project but as the balance goes down the cash may be needed. This will be included in the risk sensitivity going forward.

A member discussed Barclays, and the best price revolved around the Group's approach to managing cash balances. It was mentioned that the Group typically places cash with Barclays to get the best rates. There was a suggestion to consider spreading cash across different institutions to minimise risk, but it was explained that currently, the focus is on maximising returns due to high cash balances.

**There were no further questions or issues raised by members arising from the reports and after due discussion and consideration it was resolved that the following reports be shared with the Board of the Corporation for approval:**

- **Business Critical Controls – Performance Management**

**Minute No**

- **Student Disciplinary Process**
- **Insurance**
- **Business Critical Controls – Treasury and Cashflow Management**

**AUD/09/25****Internal Audit Progress Report 2024/2025**

The Internal Auditor (IA) advised and updated the Committee concerning the current progress in respect of delivering the agreed Internal Audit Plan for 2024/2025.

The IA provided the Committee with an overview of the planned audits for the year, together with the proposed scoping and timing arrangements and stated that it was anticipated that all the audits should be completed by the end of the Academic Year 2024/2025.

It was confirmed that all audits to date had been delivered as planned.

Reference was made to an additional piece of work in relation to the Office for Students (OfS).

A member questioned whether there were any clear themes from the report. The IA confirmed an even split between design and operation.

A member questioned why the Business Critical Control (BCC) reports do not contain assurance ratings. The IA confirmed that this is because they focus solely on operational compliance with key controls, rather than reviewing the design framework. This approach is intended to ensure that the critical controls are being followed correctly without assessing the overall design of the control framework.

A member questioned if the dates for forthcoming audits had been agreed. The CFOO confirmed that a scope call was taking place following this meeting and the Group were fully prepared for future audits.

There were no issues raised by members arising from the report and after due discussion and consideration it was resolved that the Internal Audit Progress Report 2024/2025 be received and noted.

**AUD/10/25****Internal Audit Tracker – Management Actions Arising from Audit Reports – March 2025**

The CFOO referred members to the previously circulated report and an update on outstanding audit recommendations with a view to providing assurance that previously agreed audit recommendations were being implemented within appropriate timescales.

The report provided members with detailed progress that had been made in respect of audit recommendations. There was confirmation that a total of 16 recommendations were carried forward from the last report with a further 10 added of which 14 recommendations had been completed. The CFO confirmed that 12 recommendations are open and not yet due and actions were being closed at a positive pace.

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Comments and questions were invited.

A member questioned the number of findings that were not yet overdue with a timeframe for completion of June 2025. The CFOO confirmed that these could have been removed earlier as the actions have been completed, but they have been kept open to allow time to test effectiveness and provide further assurance. The member questioned whether the CFOO had any concerns in relation to any of the outstanding recommendations. The CFOO confirmed that he had no concerns, but it had been good to allow further time to test the effectiveness.

There were no further questions or issues raised by members arising from the reports and after due discussion and consideration it was resolved that the Internal Audit Tracker be received and noted.

**AUD/11/25****Board Assurance and Risk Management Framework 2024/2025 Update**

The CFOO presented a report which updated the Committee in respect of the Board Assurance and Risk Management Framework (BARMF) and confirmed that the report provided members with a summary of the risks as detailed in the Strategic Risk Register as follows:

- that there were 37 total risks, of which 35 had a gross score over 15 and were therefore monitored by the Audit Committee and of the risks there were 4 with a net risk over 15. The framework has been updated to align with new strategies, resulting in an increase in strategic risks from 27 to 37. Some risks have been combined or split into multiple risks to better reflect the current strategic priorities.

The CFOO recommended the removal of the following risks:

**SP4/7** - Risk relating to the declining numbers at Marple campus as the risk is now covered under SP1/5 and SP4/1. It was confirmed that, given the size of the risk, a separate Marple specific strategic risk was not required.

**O1/6** – Risk relating to the managing the post-merger impact and integration of Cheadle and Marple Sixth Form College (CAMSFC). It was confirmed that, given the length of time since the merger, it was now deemed appropriate to remove the risk and focus on SP2 risks.

The CFOO provided a summary of the key risks as follows:

- Demographic Growth: Missed target this year, with a need to grow by about 300 students next year to get back on track.
- Higher Skills Strategy: Under-recruitment in higher education, with a deteriorating trend.
- Volatile Revenue Streams: High risk due to fluctuating income sources.
- Cheadle College Project: Remains a high risk until completion, as any delay could significantly impact operations and recruitment.

The CFOO provided the following mitigations and controls:

- Actions and mitigations are in place to address these risks, but some risks remain outside the appetite due to their inherent nature.



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- The framework includes steps to bring risks back within the appetite, with ongoing monitoring and adjustments.
- Financial Sustainability: Always a significant risk, with ongoing efforts to manage and mitigate.
- People and Culture: Positive progress in staff turnover and engagement, but continued focus needed.
- Changing Needs of Students: Increasing number of high-needs students, requiring timely support and resources.
- Governance and Reporting: Regular updates and deep dives into risk areas are planned to ensure effective management and oversight.

A member questioned the shortfall in student recruitment. The CFOO confirmed that there were specific areas of high demand that the Group couldn't accommodate such as construction due to resources and staffing and this was the correct decision to support positive student achievement.

The Chair of the Audit confirmed that the Board had undertaken previous Risk Appetite training with the Internal Auditors and an aim was to focus on the risks that fall outside of the risk appetite.

**Action: CFOO/Member of the Audit Committee**

A member offered to share reporting on risk appetite from his own workplace to share good practice.

**Action: CFOO/Chair of the Audit Committee**

The Chair of the Audit Committee confirmed that she will look to meet with the CFOO in her Link Governor role for Audit and Risk to discuss risk appetite further.

The previous cover report was uploaded to TeamEngine. The correct cover report was uploaded and shared during the meeting. The CFOO responded to all questions raised in relation to this item during the meeting, but the Corporation Secretary requested for any outstanding questions to be forwarded to her via email and a response would be provided.

**There were no questions or issues raised by members arising from the report and it was resolved that the Board Assurance Risk Management Framework update be approved with appropriate reporting to the Board of the Corporation with the removal of two risks.**

**AUD/12/25****Any Other Business**

There were no matters raised under any other business.

**AUD/13/25****Date of Next Meeting**

It was agreed that the next meeting would be held on Monday 23 June at 1.00pm.

The meeting closed at 2.05pm.