Oldham College

Annual Report of the Audit Committee for 2024/2025

Audit Committee: 10 December 2025

Corporation Meeting:
16 December 2025

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR 2024/25

Introduction

The Annual Report of the Audit Committee which complies with the requirements of the College Auditor Framework and Guide for External Auditors and Reporting Accountants of Colleges (March 2025) and the Further Education Code of Good Governance for English Colleges, deals with audit activity relevant to the year 1 August 2024 – 31 July 2025 and reviews the work of the Audit Committee in relation to this period.

The purpose of the report is to advise on the effectiveness of the College's risk management, control and governance processes.

Membership of Committee

David Kay, Governor and Chair of Audit Committee
Anne Gornall, Governor (resigned October 2024)
Phil Mayall, Governor
Jane Shelton, Governor
Sarah Thompson, Governor
Laura Windsor-Welsh, Governor (appointed March 2025)

The Clerk to the Corporation acted as Clerk to the Committee. In addition the Deputy Principal, Director of Finances and Resources and representatives of the internal and external auditors and other members of staff were invited to attend as and when required.

Audit Service Providers

Providers of Audit Services for the period covered:-

Internal Audit Service – ICCA Education, Training and Skills Ltd
Financial Statements and Regulatory Auditors – RSM

Attendance

The Audit Committee met on four occasions during the year and an Audit Strategy meeting took place in September 2024 with an invitation to all Corporation members to attend.

Audit committee consists of individuals with an appropriate mix of skills and experience to allow the committee to discharge its duties effectively. Collectively, members of the committee have recent, relevant experience in risk management, finance, and assurance. My thanks go to members of the Committee for their time and support during the 12-month period covering the report.

A review of membership took place in 2024/25 with the search for additional and suitably qualified members being sought.

Audit	17/9/24	12/12/24	1/04/25	24/06/25	Attendance		
					Attended	Possible	%
D Kay	Y	A	Y	Y	3	4	75
A Gornall	Y				1	1	100
P Mayall	Y	Y	Y	A	3	4	75
J Shelton	Y	Y	Y	A	3	4	75
S Thompson		Y	Y	Y	3	3	100
L Windsor Welsh			Y	Y	2	2	100
Totals:	**4/4**	**3/4**	**5/5**	**3/5**	**15**	**18**	**83**

Terms of Reference

The remit and responsibilities of the Committee for 2024/25 are set out in its Terms of Reference (Appendix 1).

The Committee review its Terms of Reference annually to ensure it carries out its duties as per the requirements of the College Auditor Framework and Guide for External Auditors and Reporting Accountants of Colleges (replaced the Post 16 ACOP March 2025) and the College's respective Financial Memorandum.

Schedule of Work

The work programme of the committee shows how it fulfilled its remit. See Appendix 2.

Appointment of Auditors

RSM UK were appointed as the external audit provider in 2021/22 on a three-year contract. The Audit Committee reviewed the contract at its April 2025 meeting and recommended to the Corporation the extension of the contract for the period 1st August 2024 – 31st July 2026. The Corporation ratified the decision at its May 2025 meeting.

The College's internal audit service throughout the year was ICCA Education, Training and Skills Ltd. The internal audit service was retendered April 2024 and ICCA were approved to continue to deliver the service for the period 2024 – 2027.

Internal Audit Service

The Board, on an annual basis approve the Internal Audit Plan. The work undertaken during 2024/25 was in accordance with the letter of engagement and Annual Internal Audit Plan.

Internal Audits Undertaken in 2024/25 and Internal Audit Opinion

The objective of the internal audit service is to give the Committee a formal opinion as to the adequacy of the internal controls, for the systems audited during the period of audit. This opinion will support the Committee in giving its opinion to the Board, upon which the Board may base its judgement as to whether it is carrying out its statutory duties.

ICCA successfully delivered the Audit Plan and regularly reported back to the Audit Committee on progress. They produced a 2024/25 Annual Report which was presented to the Audit Committee on 17 September 2024. The Internal Audit Annual Report outlined ICCA had completed five internal audits during the year, with one audit relating to Readiness for Qualification Reform being deferred to 2025/26. The audits covered a range of systems, business areas and systems of internal control. As a result of this work three 'substantial assurance' opinions and three 'reasonable' opinions were issued. One 'high priority' recommendation was raised.

The areas of review included:-

Internal Audit Opinions and Recommendations 2024/25				
	Audit Title	**Design**	**Application / Compliance**	**Overall Assurance**
1.	Readiness for Qualification Reform			
2.	Learner Voice	Adequate	Adequate	Reasonable
3.	Higher Education Strategy and Delivery Model	Adequate	Adequate	Reasonable
4.	Examinations	Good	Good	Substantial
5.	HR and Payroll	Adequate	Good	Substantial
6.	Student Experience and Destinations	Adequate	Adequate	Reasonable
7.	Follow-up of Previous Internal Audit Recommendations	N/A	N/A	Substantial

The Internal Audit Annual Report overall opinion is:

*Based on the work undertaken during the year, and the implementation by management of previous internal audit recommendations, we can provide the Audit Committee and Corporation with **Reasonable Assurance** that Oldham College's risk management and systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy.*

Insufficient internal audit work has been undertaken to allow an opinion to be given as to *the adequacy and effectiveness of the College's governance arrangements.*

In our opinion, the College has adequate and effective risk management and systems of internal control in place to manage the achievement of its objectives and securing economy, efficiency and effectiveness.

No significant control issues were identified in 2023/24 as a result of our work undertaken.

The internal auditors based their opinions for these areas as follows:

Risk Management:

Based on the internal audit service risk-based audit coverage during the year the findings indicate that the College's risk management framework has continued to operate adequately and effectively.

The following risks identified on the College risk register for 2024/25 formed part of ICCA's risk-based audit coverage during the year.

- Risk A - Income targets not achieved, especially HE, Apps, and Adult FE;
- Risk H - Student recruit and retention targets are not met, especially 16-18, Adult FE, Apps and HE;
- Risk M – Failure to provide and maintain appropriate facilities and resources to protect and enhance the student experience; and,
- Risk X - Failure to plan for the ending of the UCO Business Centre Lease in October 2025.

As a result of the reports linked to the above risks, ICCA reported no material control failings.

Financial Statements to 31 July 2025

The meeting of the Corporation on 16th December 2025 reviewed the draft financial statements for the year ended 31 July 2025 and the Audit Findings Report by RSM. No significant issues have been raised on accounting systems and controls by the external auditors.

RSM anticipated an unqualified opinion, without modification within the financial statements.

Risk Management

The Audit Committee has received regular updates on Risk Management during the year and has had an opportunity to comment on and influence the Risk Register. The graduated risk scoring mechanism adopted by the Corporation in 2020 continued to be reviewed and approved at each Corporation meeting in 2024/25.

Fraud, Bribery and Whistleblowing

The College has policies and procedures in place which relate to areas of fraud, bribery and Whistleblowing. The processes are, in the opinion of College management, suitably designed and appropriate to the College's needs. The relevant documents are available on the College's website.

During the year there were no whistleblowing disclosures.

External Review of Governance

The External Review of Governance was conducted by Stone King November 2023 – March 2024 and the final report was presented to the board on 21 May 2024. The summary of findings stated,

'Governance is effective. Governors have a good range of skills that have enabled them to support the improvement of the college's financial position and the quality of education and training'.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted on 4 July 2023.

Committee Self-Assessment

On an annual basis the Audit Committee undertake a Self-Assessment of its performance. The process is structured to ensure internal controls are reliable allowing members of the committee to undertake performance assessment of their own compliance within the terms of reference of the committee.

Other Audit Committee Work

The Audit Committee at each of its meetings receive a presentation on a risk area associated with a College area or activity and what actions have taken place to mitigate risk. Presentations for 2024/25 included:-

- Risk G - Failure to improve the quality of teaching and learning consistently across the college
- Risk Q -Cyber Security - Failure to ensure resilience of and protect IT systems from cyber attacks and other potential hazards
- Risk E – Insufficient progress with quality and compliance to maintain Ofsted Good & Risk G - Failure to improve the quality of teaching and learning consistently across the college

Conclusion

The Audit Committee can confirm that it has carried out its work in accordance with the Terms of Reference. It has been able to assess the information provided at its meetings including independent input from the internal auditors and external auditors.

The Committee wishes to record its thanks to the internal and external auditors for their professional approach in the way they have carried out their duties.

The Committee wishes to record its appreciation of the positive way in which the Principal/CEO and the team have accepted audit recommendations and adapted to the challenges facing the College and compliments them on the number of good practices mentioned in the reports reviewed.
The Committee's opinion is:

In our opinion The Oldham College has adequate and effective management, control and governance processes in place to manage its achievement of the Colleges objectives.

Chair of Audit Committee Date: 16 December 2025

Appendix 1 **OLDHAM COLLEGE CORPORATION**

AUDIT COMMITTEE

TERMS OF REFERENCE

1. CODE OF CONDUCT

All members are required to adhere to the Code of Conduct as set out in the Standing Orders for the Corporation.

2. AUTHORITY OF THE COMMITTEE

The Committee is an advisory body to the Corporation

3. DUTIES OF THE COMMITTEE

The Committee shall ensure that the internal control systems, including audit activities, of the Corporation and any of its subsidiaries is monitored actively, independently and objectively in order to:-

- Improve the effectiveness of the College's internal control.
- Reinforce the independence and effectiveness of the internal audit function.
- Provide a sounding board for the College management on issues of concern in connection with the College's internal control systems.
- Advise on the reliability of the College's information systems.
- Monitor and review the objectivity and independence of the external auditors.
- Increase public confidence in the objectivity and fairness of the Corporation's financial reports and in the quality of the College's Corporate Governance.
- Provide a medium of communication from the Corporation's auditors, which is not controlled by College management.

Internal Audit

- To monitor and review the effectiveness of the Internal Audit Services, make recommendations to the Corporation on the appointment, remuneration, re-appointment or dismissal of the internal auditors (IAS), the scope of their work and their other terms of engagement.
- Advise the Corporation and the Accounting Officer (Principal) on the adequacy and effectiveness of the College's internal control systems and its arrangements for risk management, control and governance processes, including controls for securing economy, efficiency and effectiveness (value for money). The report should incorporate any significant matters arising from the work of the IAS and FSR auditors.
- To consider and advise the Corporation on internal audit assignments reports and annual reports on control issues included in the FSRs auditors, management letters and managements responses to those.
- To monitor the effectiveness of the internal audit service.
- To consider and advise the Corporation on the audit needs assessment, and strategic and short term audit plans for the internal audit service.

- To discuss problems and reservations arising from the internal audit reports and any matters which the internal auditors wish to discuss (in the absence of management where necessary).
- To ensure that the internal audit service is adequately resourced and has appropriate standing within the Full Corporation.

External Audit

- To advise the Corporation on the appointment, remuneration, re-appointment or dismissal of the financial statements and regularity auditors (FSR), the scope of their work and their other terms of engagement.
- To consider and advise the corporation on external audit reports and management letters.
- To monitor, annually or more frequently if necessary, the implementation of approved recommendations relating to the external audit reports and management letters.
- To monitor the effectiveness of the external audit service.
- To discuss with the external auditors before the audit commences the nature and scope of the audit.

Risk Management

- To review control and risk management systems.
- To consider an annual risk management report.
- To advise the Corporation of the use of Consultants.

General

- To ensure co-ordination between the internal and external auditors.
- To receive and advise the Corporation on, any relevant reports from the National Audit Office or the Skills Funding Agency and other funding bodies.
- To consider and review the College's Risk Management Strategy and monitor its effective implementation.
- Ensure that all allegations of fraud and irregularity are properly followed up.

4. MEMBERSHIP

The Committee shall comprise six members, excluding members of the Resources Committee, staff governors, the Chair of Corporation and the Principal of Oldham College.

The Clerk to the Corporation shall act as the Clerk to the Committee.

5. QUORUM

The quorum for the meetings shall be three members.

6. APPOINTMENT OF CHAIR AND VICE CHAIR

The Chair and Vice-Chair of the Committee shall be elected by the Committee on an annual basis and at the first meeting in the academic year.

7. FREQUENCY OF MEETINGS

The Committee will meet at least 3 times per year.

8. ATTENDANCE AT MEETINGS

Meetings shall be attended only by the membership and invited designated officers of the College.

The Deputy Principal and the Finance Director will attend at every meeting and if requested by the Committee the Principal will attend.

9. COMMITTEE REPORTING

The minutes of each meeting will be prepared and circulated in accordance with Standing Orders for the Corporation and Committees and recorded and reported to the Corporation in a manner deemed appropriate to the Corporation.

10. REVIEW

The Terms of Reference of the Committee shall be reviewed by the Corporation every two years at its last meeting in the academic year.

AUDIT COMMITTEE

WORK PLAN 2024/2025

All meeting agendas will include the following standing items:

1. Minutes of the previous meeting
2. Declarations of conflicts of interest
3. Matters Arising and Rolling Action List
4. Meeting of Auditors with Members only if required (No Officers)
5. Permission for Officers of the Organisation to be Present
6. Risk Management Update and presentation on a College area /activity
7. Audit Rolling Recommendation Tracking Tool
8. Use of Consultants
9. Workplan – Notification / Deviation
10. Any other Business

MEETING 1 - 17 SEPTEMBER 2024 **STRATEGIC MEETING OF THE AUDIT COMMITTEE (inc. all members)**	
	Change to reporting sequence
▪ Consideration of the Strategic Risks for the Organisation inc. - Consideration of future of UCO building - OfSTED discussion - OC Key risks for 24-25 discussion - Risk Management Register	
MEETING 2 – 17 SEPTEMBER 2024	
▪ Election of Chair and Vice Chair ▪ Internal Audit Strategy and Annual Plan 2024-25 - ICCA ▪ Teacher's Pension End of Year Audit 31 March 2024 – RSM ▪ Turing Audit Report – RSM ▪ Taking Teaching Further - RSM	- Internal Audit Annual report 2023-24
MEETING 3 – 11 DECEMBER 2024	
▪ Risk Management Annual report 2023/24	- Whistleblowing Procedure - GMCA Compliance and Standards

▪ Risk Management Register ▪ Risk Management Policy ▪ Internal Audit Assignment Reports – *none to report* ▪ Internal Audit Annual report 2023-24 – *reported September meeting* ▪ Audit Committee Annual Report to Corporation for 2023-24 ▪ Draft Financial Statements 2023-24 ▪ Audit Findings Document (Key Issues Memorandum) ▪ Regularity Self-Assessment Questionnaire 2023-24 ▪ Self-Assessment and Effectiveness Review 2023-24 ▪ Procedure for Fraud Prevention and Detection of risk (deferred to April) ▪ Committee Terms of Reference (review every two years. Last reviewed 2023 – next review 2025)	Report - Modern Slavery and Human Trafficking Statement
MEETING 4 – 1 APRIL 2025	
▪ Internal Audit Assignment Reports ▪ Post 16 ACOP - *(new College Auditor Framework and Guide for External Auditors and reporting accountants of colleges (March 2025)*	- Procedure for Fraud Prevention and Detection - Fraud Response Plan
MEETING 5 - 24 JUNE 2025	
▪ External Audit Approach Memorandum and Appointment of Financial Statements Auditors ▪ Monitoring Financial Regulations ▪ Annual report on Audits by other Agencies ▪ Internal Audit Assignment Reports ▪ Internal Audit Follow up Report ▪ Presentation by Internal Auditors on a topic related to the work of the Audit Committee ▪ Topics on Risk Management to be delivered as presentations to the Committee in 2025/26 ▪ Appointment / re-appointment of IA and Ext. Audit (n/a)	

▪ Reports of Whistleblowing / Fraud ▪ Post 16 ACOP (if not presented at April meeting)	