

## Meeting of the Audit & Risk Committee

<b>Date:</b>	2 March 2026	<b>Room number</b>	Via Teams
<b>Present</b>	Bim Osunsami (Chair), David Baumslag,		
<b>In attendance</b>	Victoria Eastwood (Chief Governance Officer) (CGO) Paul Goddard (Scrutton Bland) (PG) Carina Ralfs (MacIntyre Hudson) (CR) Natalie Davison (Principal/CEO) – invited to attend by the Committee Bharat Rathod (Director of MIS and BI) (BR) – agenda item 6 only Hayley Clements (Head of Apprenticeships (HC) – agenda item 6 only Anthony Braithwaite (Director of Student Welfare & Support) (AB) – agenda item 7 only		
<b>Apologies</b>	Nick Kavanagh, Leisyaen Cox (Scrutton Bland), Bal Panesar (Vice-Chair), Akeel Ahmed (AA)		
<b>Circulation</b>	Audit Committee/Corporation		

<b>1.</b>	<p><b>Matters requiring College staff to withdraw</b></p> <p>Discussion focussed on:</p> <ul style="list-style-type: none"> <li>- Good term since the last meeting in terms of engagement and progressing with different audits</li> <li>- Thanks to Director of Student Welfare and Support for engagement with the process</li> <li>- Appointment of DPFR update</li> <li>- CR handover meeting with HS taken place</li> <li>- Sector risks – Cyber</li> <li>- JISC presentations – Cyber and AI</li> <li>- No additional emerging risks from external audit</li> <li>- External audit planning to be presented at June meeting and include sector risks</li> <li>- Are deadlines robust enough for internal audit recommendations – management responses have been positive</li> </ul> <p><i>The Principal/CEO, Director of MIS, Chair of the Corporation, Director of Student Welfare and Support, Head of Apprenticeships joined the meeting.</i></p>
<b>2.</b>	<p><b>Welcome and apologies for absence</b></p> <p>Apologies for absence were received from Nick Kavanagh, Leisyaen Cox (Scrutton Bland), Bal Panesar and Akeel Ahmed.</p>
<b>3.</b>	<p><b>Declarations of Interest</b></p> <p>Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate.</p>
<b>4.</b>	<p><b>Minutes of the Previous Meeting – 9 December 2025 and Minutes of the Joint Meeting with the Policy &amp; Resources Committee of the same date</b></p> <p>The Minutes of the Meeting held on 9 December 2025 and Minutes of the Joint Meeting with the Policy &amp; Resources Committee of the same date were agreed as a true and accurate record (subject to approval from the P&amp;R Committee).</p> <p><b>Approved: That the Minutes of the Meeting held on 9 December 2025 and Minutes of the Joint Meeting with the Policy &amp; Resources Committee of the same date be agreed as a true and accurate record (subject to approval by the P&amp;R Committee).</b></p>
<b>5.</b>	<p><b>Matters arising:</b></p> <p>The Chair advised that any matters arising would be covered during the meeting.</p>

## 6. DfE Funding Assurance Audit

BR provided a brief presentation to the Board on the following:

- Audit overview
- Notification of audit after the academic year end
- Overall position – controls were strong in mainstream provisions; primary financial risk area – Apprenticeships
- Final report expected mid-end of March 2026
- 16-18, ASF and loans
- Apprenticeships TNP2 (EPA Cost) Issue
- Issue not previously identified in other audits – pre 2024/25
- Apprenticeships – further risk areas
- Key dates
- Strengthened controls and oversight
- Governor assurance – termly funding risk report to Audit Committee

HC provided further context advising that when the audit was completed the final letter would state the higher recoverable amount but the work taking place between now and then would require re-negotiating each learner which was the mitigation to reduce the costs.

The Principal/CEO asked BR whether the College knew for certain whether the DfE would accept the corrections being made by the College. BR responded that the timeline for DfE to look at this was in nine months' time and the College had been advised to save all the current learners and re-negotiate the process. The College needed to make the corrections and submit the claim then the DfE would review.

DB stated that it was reassuring that the controls were being updated and asked if there were any other broader lessons learned for other areas. BR replied that internal controls were in place and an internal audit was scheduled for the summer term. The apprenticeship team were reviewing all apprentice learners to ensure the funding rules were complied with. HC added that all of the learners that were achieving were not being closed unless everything had been checked. A new compliance manager was in place who would undertake checklists before completing a learner. All TNP would be rebalanced.

The Chair asked where this issue fit into the internal audit plan and asked whether this had been out of scope for the auditors. PG replied that end point assessments were considered in audits, however, between now and the audit in the summer there would be the opportunity to review the report as a priority. Further information on the audit was required to be able to answer fully. BR advised that previous internal audits and external audits had not picked up on the TNP2 requirement and the external auditors had only been notified of the change after IR14. HC added that historically it had always been a standard 20% and the College would now need to ensure a continuous review to maintain the accurate position.

CR stated that the external auditors documented the systems and controls over the ILR and if this wasn't one of the controls then it would not have been picked up previously. A walk through with new compliance manager to document systems and controls would take place.

BR reported that as part of the DfE audit a 100% sample had been taken and any future audits would be able to verify what had taken place.

The Chair stated that it was reassuring to know that lots of compliance measures were in place and intervention of internal auditors would prevent the position reoccurring. Thanks were recorded to BR and HC and it was noted that the Committee would receive future updates.

**Agreed: that the current position be noted.**

*The Director of MIS and Heads of Apprenticeships left the meeting.*

**7. Internal Audit Reports:**

PG presented the following reports:

**Cashflow Forecasting**

- Substantial - green assurance
- Cash flow was last considered In June 2023 when the process was not as uniformed as needed, however, this report showed the improvements
- Two low risk recommendations
- Added value points to enhance the processes further

The Principal/CEO stated that the report was really encouraging but the challenges was not to lose the effective practice. The College needed to manage the transition with the incoming Deputy Principal – Finance & Resources (DPFR). The Chair added that a structure to maintain momentum would be needed.

**Gatsby Career Development**

- Important part of measuring the impact of supporting learners
- Substantial assurance - eight recommendations: five self-assessed as full compliance and three at various levels of compliance
- Medium recommendation – management response fully accepted
- Low recommendation to increase targets from 16-20 touch points per month and managing when this was realistic

The Chair stated that the only concern was the target of 16-20 touch points per month as things could happen to impact this and asked whether there were plans to cover staff if required. AB replied that the target was high with the expectation that the progression coaches would land between the figure. Sixteen was where the 1-1 guidance sessions could be adequately covered but to achieve and maintain excellence the bracket had been extended to twenty. This also allowed for flexibility when there were dips in the timeline and the student journey. In areas where staff were not present, other progression coaches would pick up on this.

The Chair questioned how this was measured. AB responded that the team uploaded action plans and submitted numbers completed each week in addition to the weekly meetings with staff to discuss and understand any barriers.

The Chair asked how the College could be sure that careers guidance improved student progression and how this was measured. AB responded that destination data provided evidence of how people had progressed and students had clear smart targets. The Principal/CEO added that the performance measure was positive destination date. The College commissioned an external company to undertake the research and they provided data by subject and level. The target was 90% positive destinations but the additional focus for the College needed to be internal progression.

**Student Mental Health**

- Substantial assurance
- Regular activities and different ways to support students
- Crossed over at times into safeguarding and tried to prevent duplication
- Medium risk regarding staff training to be aware of student mental health support needs and closing the gap of incomplete training
- Three low recommendations

The Chair stated that there was an expectation that staff would be able to identify triggers as well as students raising concerns directly and asked whether the students had enough information to know how to get in touch with the right staff. AB advised that there were student mentors who delivered the tutorial programme and were assigned to curriculum areas. The College had posters in place for safeguarding and staff were identified by rainbow lanyards. Students were encouraged to speak to any member of staff. It was noted that the mechanisms were in place but these needed to be quicker and sharper.

The Chair advised that some cultures may not be as confident with coming forward. AB replied that the support and achievement mentors knew the students and could identify trends and behaviour.

	<p>The first alert was attendance and there was then an immediate response to absence. Diversity of the team was in place but gender balance needed to be considered.</p> <p>The Chair stated that the focus needed to be about understanding trends better and early recognition. It was agreed that an update would be provided at the next meeting.</p> <p>The Chair recorded her thanks to AB for all of his work on the audits and the measures in place.</p> <p><b>Action: That an update on student mental health be provided at the next meeting.</b></p> <p><i>The Director of Student Welfare &amp; Support left the meeting.</i></p>
<p><b>8.</b></p>	<p><b>Internal Audit – Risk and Assurance Progress Report</b></p> <p>PG advised the Committee of the following key points:</p> <ul style="list-style-type: none"> <li>- Audits underway – dates in March, April, June</li> <li>- Three audit reports for June meeting and three for the first meeting of the new year</li> <li>- Funding Assurance audit pushed back due to external audit</li> <li>- AI audit deferred until the timing was correct</li> <li>- Progress report now included sector risks</li> <li>- Articles included in the reporting format</li> </ul> <p>The Chair stated that the additional information was useful and provided a benchmark for the College against the sector.</p> <p>The Chair referred to the audits scheduled to take place and asked whether there would be any staff capacity issues or impact from the DPFR role. The Principal/CEO confirmed that there were no perceived issues.</p> <p>The Chair stated that alignment to the risk register re sector priorities would need to be considered going forward.</p> <p><b>Agreed: that the current position be noted.</b></p>
<p><b>9.</b></p>	<p><b>Risk Register</b></p> <p>The Principal/CEO highlighted the following key points:</p> <ul style="list-style-type: none"> <li>- Explanation of changes</li> <li>- Risk around Teaching, Learning and Assessment (TLA) re current vacancies but an interim consultant who was a specialist in TLA had been appointed</li> <li>- Risk concerning industrial relations – need to keep a close eye on this given the changes in the threshold for industrial action and comments from Branch Reps and national</li> <li>- Cyber security – board training taking place but needed more focus in College – attacks were increasing in education – The College needed to undertake external pen tests</li> </ul> <p>DB asked if the College had any indication what the attendance could be for industrial action and what was the plan to deal with this. The Principal/CEO replied that there was no current indication of numbers but the College would do everything possible to keep classes running. Usually, staff who were not part of the union would cover classes. The College did not know the percentage of staff who were union members as this was difficult to establish but the sense had been that the level of contentment amongst staff had definitely improved. The College had delivered reasonable pay awards and included new wellbeing days.</p> <p><b>Agreed: that the current update be received.</b></p>
<p><b>10.</b></p>	<p><b>Fraud Update</b></p> <p>The CGO reported that this was a standing agenda item and there were no matters to report.</p> <p><b>Agreed: that the position be noted.</b></p>

11.	<p><b>Whistleblowing Update</b></p> <p>The CGO reported that an anonymous whistleblowing complaint had been made to the DfE and the relevant details were provided. The Committee were advised that the complaint had not followed college processes/escalation flow within the policy but as the last part of the complaints process signposted to the DfE, people were using this to raise concerns directly. The Principal/CEO added that there were differing practices in the way colleges dealt with the escalation to the DfE. The College would review the process but did not want to give the impression that it was trying to prevent DfE involvement. The CGO advised that there had been an increase in communications using AI to generate complaints.</p> <p>The Chair questioned whether, when a communication was received from the DfE, this raised a red flag for the College. The Principal/CEO responded that this was not currently a formalised communication but there had been four communications about the College where the process had not been addressed and the College was considering the trends.</p> <p>The Chair asked the auditors if they had seen similar instances in other colleges. PG replied that there were other colleges that had received notifications from the DfE where concerns had been made direct when these cases should have gone through internal channels. CR also agreed that there had been an increase in these issues.</p> <p><b>Agreed: that the position be noted.</b></p>
12.	<p><b>AoB</b></p> <p>There was no further business.</p> <p><i>PG and CR left the meeting.</i></p>
13.	<p><b>Matters requiring Auditors to withdraw</b></p> <p>The Principal/CEO confirmed there were no issues and the College was content with the audit processes.</p> <p>The CGO advised that initial discussions re internal and external audit tenders were taking place with the procurement manager. The tender process for the internal audit would commence in April 2026 and the external audit process in October 2026. The Chair and committee would be asked to input in both processes. CGO to confirm how long the current companies had been engaged.</p>
14.	<p><b>Date and time of next meeting – Monday 8 June 2026, 5pm</b></p>

The Chair thanked all those in attendance for their contributions and for their ongoing support. Thanks were recorded to the College for the progress made and to both the Internal and External Auditors.

The meeting concluded at 18.21pm.

Agenda Item	Action	Responsibility	Timescale	Update
7.	An update on student mental health be provided at the next meeting.	Director of Student Welfare and Support	8 June 2026	Included on the agenda
13.	Confirmation of length of contract for internal and external audit tenders to be provided to the Chair	CGO	ASAP	Complete