

Meeting of the Audit & Risk Committee

Date:	9 December 2025	Room number	Via Teams
Present	Bim Osunsami (Chair), Akeel Ahmed (AA)		
In attendance	Victoria Eastwood (Chief Governance Officer) (CGO) Hiten Savla (Deputy Principal – Finance & Resources) (DPFR) Leisyen Cox (Scrutton Bland) (LC) 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 9 only Hayley Clement (Head of Apprenticeships) (HC) – agenda item		
Apologies	David Baumslag, Bal Panesar (Vice-Chair), Paul Goddard (Scrutton Bland) Kavanagh		
Circulation	Audit Committee/Corporation		

1.	<p>Matters requiring College staff to withdraw</p> <p>Discussion focussed on:</p> <ul style="list-style-type: none"> - Year started well for internal audit – good engagement - Few issues reported at the last meeting which had a ‘knock on’ effect – R14 being finalised - The loan covenant testing – originally operational gearing covenant fail but some immaterial adjustments put through later in the day – small amount of headroom – aware re how close to covenant request - Going concern not yet signed off – waiting for the Governor assessment, budget forecast for 12 months (numbers up to December 2026) - Clarification re timings of reports <p><i>The DPFR, Principal/CEO, Director of MIS and Head of Apprenticeships joined the meeting.</i></p>
2.	<p>Welcome and apologies for absence</p> <p>Apologies for absence were received from David Baumslag. Bal Panesar (Vice-Chair), Nick Kavanagh, Paul Goddard (Scrutton Bland).</p>
3.	<p>Declarations of Interest</p> <p>Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. The Chair declared an interest in agenda item 4.</p>
4.	<p>Annual Appointment of Committee Chair and Vice-Chair</p> <p>The CGO confirmed that discussions had taken place prior to the meeting and the current Chair and Vice-Chair of the Committee had expressed their desire to continue in the respective roles.</p> <p>The re-appointment of Bim Osunsami as Chair of the Committee and Bal Panesar as Vice-Chair of the Committee was approved. The CGO confirmed that the remaining members of the Committee would be emailed to confirm their approval.</p> <p>Approved: the re-appointment of Bim Osunsami as Chair of the Committee and Bal Panesar as Vice-Chair of the Committee was approved.</p>
5.	<p>Minutes of the Previous Meeting – 17 September 2025</p> <p>The Minutes of the Meeting held on 17 September 2025 were agreed as a true and accurate record.</p> <p>Approved: That the Minutes of the Meeting held on 17 September 2025 be agreed as a true and accurate record.</p>

6.	<p>Matters arising:</p> <table border="1"> <thead> <tr> <th data-bbox="277 210 440 277">Agenda Item</th> <th data-bbox="440 210 823 277">Action</th> <th data-bbox="823 210 1078 277">Responsibility</th> <th data-bbox="1078 210 1257 277">Timescale</th> <th data-bbox="1257 210 1490 277">Update</th> </tr> </thead> <tbody> <tr> <td data-bbox="277 277 440 434">C/f</td> <td data-bbox="440 277 823 434">DPFR to provide percentage of outstanding contracts to be amended and estimated date for completion.</td> <td data-bbox="823 277 1078 434">DPFR</td> <td data-bbox="1078 277 1257 434">ASAP</td> <td data-bbox="1257 277 1490 434">To be completed by end of September 2025</td> </tr> <tr> <td data-bbox="277 434 440 524">6.</td> <td data-bbox="440 434 823 524">PDR process to be included as a short term risk on the risk register.</td> <td data-bbox="823 434 1078 524">DPFR</td> <td data-bbox="1078 434 1257 524">ASAP</td> <td data-bbox="1257 434 1490 524">Complete</td> </tr> <tr> <td data-bbox="277 524 440 770">7.</td> <td data-bbox="440 524 823 770">Action: Governors to be provided with a report to demonstrate the lack of evidence that the DWP invoices need to be reversed and to confirm DfE approval was not required.</td> <td data-bbox="823 524 1078 770">DPFR</td> <td data-bbox="1078 524 1257 770">ASAP</td> <td data-bbox="1257 524 1490 770">Included under matters arising</td> </tr> </tbody> </table> <p>The Chair advised that any matters arising would be covered during the meeting. The paper providing clarity on the Department for Education (DfE) debt write-off position was noted.</p>	Agenda Item	Action	Responsibility	Timescale	Update	C/f	DPFR to provide percentage of outstanding contracts to be amended and estimated date for completion.	DPFR	ASAP	To be completed by end of September 2025	6.	PDR process to be included as a short term risk on the risk register.	DPFR	ASAP	Complete	7.	Action: Governors to be provided with a report to demonstrate the lack of evidence that the DWP invoices need to be reversed and to confirm DfE approval was not required.	DPFR	ASAP	Included under matters arising
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7.	<p>Audit Committee Terms of Reference 2025/26 The CGO highlighted the proposed changes to the Terms of Reference as follows:</p> <ul style="list-style-type: none"> - Clarification that the Principal/CEO and Chair of the Corporation can be invited to attend Committee Meetings - Reference to the Audit Code of Practice replaced by the Framework and Guide for External Auditors and Reporting Accountants of Colleges <p>The Chair asked if there would be any updated required to the Terms of Reference to include matters such as AI. The CGO replied that the Terms of Reference would be reviewed once it was agreed where AI would be monitored in terms of governance. A presentation on AI in Governance had been scheduled for the next Strategic Planning Event.</p> <p>Approved: the Audit & Risk Committee Terms of Reference 2025/26 were approved.</p>																				
8.	<p>Framework and Guide for External Auditors and Reporting Accountants of Colleges The CGO reported that the Framework had replaced the Audit Code of Practice and would be considered and referred to for 2025/26. The Committee were advised that the report detailed the College's compliance against the governance areas identified. The DPFR added that the Framework contained clear guidance regarding managing public money that the College was already adhering to.</p> <p>Agreed: that the update be received.</p>																				
9.	<p>Internal Audit Reports: LC presented the following reports:</p> <p>Funding Assurance Reports</p> <ul style="list-style-type: none"> - Reasonable assurance - Classroom based – 1 medium and six low recommendations - Apprenticeships = 1 medium and 4 low recommendations - Classroom based medium risks related to learner timetables, ensuring timetabling for exact numbers and registers being maintained - Apprenticeships – medium risks referred to skills scans - Funding implication in terms of claw back but not high risk - All low risk recommendations were discussed 																				

BR advised that actions had been taken re classroom learning and guided hours with termly checks taking place.

The Chair noted the measures in place for the recommendations but questioned whether the dates were reasonable to ensure the position was resolved or whether these needed to be reviewed. BR replied that the dates were reasonable for all recommendations and some of the low recommendations were easy to fix and some had been completed.

BR and HC were thanked for their attendance and left the meeting.

IT Infrastructure and Cyber Security

- Reasonable assurance
- Medium risk related to risk assessment for a heat detector in the server room; undertaking external penetration test on network firewall (needs to be annual) – firewall recently changed but had not been tested (scheduled for February 2026); ensure all staff with access to sensitive data access phishing simulations
- Low recommendations included enhancing back up, business planning

The DPFR stated that there were adequate fire safety measures in place to ensure the area is covered in the College to prevent disruption to services.

The Chair asked whether the controls within IT and cyber security were sufficient or whether these needed to be strengthened. The DPFR responded that a cyber security plus audit was undertaken annually via JISC and had certified that the current systems could provide a level of comfort – the planned penetration test would further ensure levels of controls were in place. A phishing exercise had previously been undertaken but agreed that this should be more frequent and a further exercise was scheduled for January 2026. The College had a system in place to advise of any potential threats re the dark web and received good support from JISC.

The Chair stated that the current efforts were appreciated as there was a lot to keep on track and the need to ensure a robust approach and a team that could pre-empt issues and be reactive rather than proactive. The team needed to actively monitor and carry out checks eg questionnaires to ensure the position was centralised, periodic and intentional. The Principal/CEO added that this was fair challenge and the College needed to ensure sufficient systems which needed strengthening.

Economic Social Responsibility

LC:

- Advisory audit therefore no assurance opinion
- Audit looked at framework, what is taking place, planned and considerations going forward
- 16 areas for consideration to help continue to develop ESR framework eg monthly reports across departments, specific risks on risk register if considered appropriate, adding ESR related actions, training, green initiatives for students
- Long lists of initiatives already in place

The Chair advised that the work that had already taken place was commendable and there was a great list of activities. The Chair asked if there were any plans to incorporate ESR into the curriculum. The Principal/CEO replied that presently, this was dependant on natural curriculum links eg green skills in curriculum. The College did not have a cross college tutorial but this was part of the Climate Action Roadmap.

AA commented that there was an interesting and broad range under the report and questioned if the College had a dedicated lead on ESR or whether this reported into a committee. The Principal/CEO replied that she would be the management lead from the spring term and ESR would be structured in line with the climate action roadmap alongside a governance lead. The DPFR added that during business planning for 2026/27 discussions were taking place with curriculum leads around reporting against ESR in their departments.

Agreed: That the update on all reports be received.

10.	<p>Internal Audit – Risk and Assurance Progress Report</p> <p>LC highlighted the following key points:</p> <ul style="list-style-type: none"> - Update progress against 2025/26 - First two audits undertaken and the rest on schedule - Sector risks <p>The Chair stated that the current position had fulfilled all that had been proposed therefore remained on track and questioned whether there was enough capacity to support the future audits. The Principal/CEO replied that staff should have capacity and there were no proposed concerns.</p> <p>In response to a query from the Chair, it was confirmed that the College was happy with the current order and priorities of the audits.</p> <p>Agreed: that the current position be noted.</p>
11.	<p>Risk Register</p> <p>The DPFR presented the following key changes:</p> <ul style="list-style-type: none"> - Key elements – impact of AI included – needed to be developed further re mitigation and risks (is it effective etc) - Failure to sustain high quality teaching and learning – risk increased – linked to start of the term, not all learning walks completed, SAR now finalised - Risks three and four have decreased – lagged impact on 16-18 therefore income not affected until the following year - Fraud and financial control risk increased due to greater risk attached on potential fraud and level of mitigations eg procurement concern, identified control issues in some areas and to ensure value for money - College staffing and deterioration in industrial relations risk increased due to a general feeling across colleges of unions seeking support for strike action. The College was not currently involved but sixteen college had been served notices and there was the possibility that staff could be approached. <p>The Chair asked whether the risk register was aligned with the audit plan. The DPFR confirmed that the internal audit plan was linked to the outcome of the risk register for the previous year. If additional risks emerged then these would be reviewed with the internal auditors to consider adding to the audit cycle.</p> <p>AA referred to risk three and asked in terms of working with local authorities, how well was provision linked as there would be more funding next academic year. The Principal/CEO responded that work with NEETS was already a core part of the reengagement programmes and the relationship with the local authority was productive and supportive. In terms of new policies, this was an area the College needed to embrace.</p> <p>Agreed: that the current update be received.</p>
12.	<p>Fraud Update</p> <p>The DPFR advised that there were no fraudulent issues to report but highlighted the change in risk and provided an update re the current position of the Markus project</p> <p>Agreed: that the position be noted.</p>
13.	<p>Subcontracting Controls Assurance Draft Report 2024/25</p> <p>The DPFR presented the report highlighting there were no recommendations and the College was fully complaint</p> <p>Agreed: that the position be noted.</p>

14.	Whistleblowing Update The CGO reported that a whistleblowing allegation had been received from the DFE but it was noted that the whistle-blower had not followed the College's internal process. The DPFR advised that the issue was around an agency member of staff complaining that they had not been paid the full allocated hours which was not correct and the agency had provided them with incorrect guidance. The College had submitted a full response to the DfE to clarify. Agreed: that the update be received.
15.	AoB There was no further business.
16.	Matters requiring Auditors to withdraw There were no matters requiring Auditors to withdraw.
17.	Date and time of next meeting – Monday 2 March 2026, 5pm

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 closed at 10.00am and was followed by a joint meeting of the Audit & Risk Committee and Policy & Resources Committee.

Agenda Item	Action	Responsibility	Timescale	Update