

Additional Meeting of the Audit & Risk Committee

Date:	17 September 2025	Room number	Via Teams
Present	Bal Panesar (Chair), Bim Osunsami (BO), Akeel Ahmed (AA), Nick Kavanagh (NK)		
In attendance	Victoria Eastwood (Chief Governance Officer) (CGO) Hiten Savla (Deputy Principal – Finance & Resources) (DPFR) Paul Goddard (Scrutton Bland) (PG) Carina Ralfs (MacIntyre Hudson) (CR) Natalie Davison (Principal/CEO) – invited to attend by the Committee Andy Forbes (Corporation Chair) – invited to attend by the Committee Diana Olafsdottir (Director of HR) – (DHR) Michael Smith (Vice-Principal – Quality & Innovation) (VPCQ) Anthony Braithwaite (Director of Student Support) – (DSS)		
Apologies	David Baumslag		
Circulation	Audit Committee/Corporation		

1.	Matters requiring College staff to withdraw Discussion focussed on: - Lot of reports for this meeting – audits had been pushed backed until later in the year and there was now a need to ensure a smoother flow this year - The Executive Team and the Chair of the Committee had helped enable some reports to be turned around - Management responses were positive – particularly safeguarding which had been well received - Thanks recorded to Internal Auditors for their patience and support - External audit taking place – agreed a timetable for version 1 of the accounts by the 8th September – further adjustments on the 12th September and draft accounts yet to be presented - Finance team was being helpful and providing the information for the external audit but there was an initial delay - Work currently taking place on the trial balance, concentrating on fieldwork whilst awaiting draft accounts <i>The DPFR, Principal/CEO, VPCQ, DHR and DSS joined the meeting.</i>				
2.	Welcome and apologies for absence As the Chair of the Committee had been delayed the Vice-Chair took the Chair for this meeting. The Chair welcomed all present to the meeting. Apologies for absence were received from David Baumslag.				
3.	Declarations of Interest Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate.				
4.	Minutes of the Previous Meeting – 9 June 2025 The Minutes of the Meeting held on 9 June 2025 were agreed as a true and accurate record. Approved: That the Minutes of the Meeting held on 9 June 2025 be agreed as a true and accurate record.				
5.	Matters arising:				
	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	WIP with HR scanning contracts to the individual files. Apr 25
8.	AA and DB be provided with the previous internal audit report for Payroll.	CGO	ASAP	Complete
11.	Paper defining what constitutes a risk to be issued to the Committee.	DPFR	ASAP	Complete

The DHR reported that the College had now completed 75% of contract scanning and it was anticipated that this would be completed within two weeks.

6. HR Update

The DHR provided the following update to the Committee:

- Team stability, fully functioning team – one member of staff on long term sick but expected back in October
- PDR compliance remained low at 50% - engagement was poor and the current PDR system had been changed as it was not fit for purpose
- Staff had not been ticking the box to complete the PDR review
- Need to close the current PDR process in October to allow the new process to commence– work taking place with the Learning Development Team to ensure a meaningful process tying into KPI's and development needs/wellbeing
- Long term project to ensure managers understood the value of the PDR process
- Manager capabilities – launching a skills for life programme to encourage reflection and to manage emotional reactions - 30 people voluntary signed for the first cohort
- Running termly internally led sessions that focussed on subjects related to psychological safety
- Focus on feedback, difficult conversations
- Launched BDC tracks for business support staff – pilot year

The Chair asked for the status position in terms of vacancies. The DHR replied that the College was in a healthy position for the new academic year with a c5-7% vacancy rate. A lot of long term sickness absences had been closed down and agencies were being engaged to help fill roles through the Preferred Supplier List (PSL). Currently, the Head of English role was vacant alongside a few curriculum manager level roles.

NK noted that the blockers to the PDR process were resources and software and asked how the College could improve this. The DHR responded that one of the challenges was too many systems that did not speak to each other leading to data inaccuracies. For the current year an internal solution around the PDR's would be used but an overall review of all HR systems to ensure full integration needed to take place.

NK advised that this needed to be at least a short-term risk on the risk register and queried how staff were being upskilled in terms of the current absences. The DHR advised that upskilling was taking place but there had been strong handover notes and another member of staff picking up some of the work.

The Principal/CEO advised that the DHR had been modest in her update on staffing vacancies. The HR team had done a fantastic job over the summer and the year had started well. The Chair recorded his thanks to the DHT who acknowledged the strong collaboration between HR and Finance and support from CIS.

Action: PDR process to be included as a short-term risk on the risk register.

The Committee Chair joined the meeting but it was agreed that the Vice-Chair would continue to take the Chair for the remainder of the meeting.

7. External Audit – Audit Planning Memorandum

CR highlighted the following key points:

- Significant risks in relation to revenue recognition, related party transactions, management override
- Findings report to be presented on 8 December 2025
- Last year's audit more difficult re DfE position, loan covenants
- The College had been assigned the same audit senior to ensure consistency and to build relationships
- Change to auditing standards – revised internal auditing standards 600 would apply for the audit to the financial statements
- Changes to college reduced as no component auditors
- Non audit services – assurance reporting on teachers' pension audit – confirmed filed, assurance on grants and corporation tax for subsidiaries
- Audit field work taking place – meeting dates scoped
- Audit risks – control-based audit on ILR
- MIS controls had been improved and reinforced importance of ILR checks
- Regularity – DWP debt to be reversed (historic issue)
- DfE approval not needed for the DWP invoices, however, need to be comfortable that the debts were being reversed and that they were not valid debts in the first place – paper needed for Governors to demonstrate the lack of evidence that the DWP invoices need to be reversed and DfE approval not required
- Going concern – a breach of the loan covenants conversation to take place with the bank
- Local government pension scheme - College in an asset position – likely to be break even again this year
- College accounts direction – further disclosure in relation to 16-19 bursaries and updated employer contribution rates
- Fees proposal – increase due to inflation and additional ISA requirements
- Last year Aspire and Apprenticeships Work were dormant but there was an audit report – due to the changes these subsidiaries do not need to be audited and therefore proposed to only audit BDC and Broadway – agreed
- Following up on prior year audit points raised

The Chair referred to the DWP debt and queried whether the required evidence could be demonstrated. The DPFR replied that this would not impact on the accounts for this year as provision had been provided in the previous year therefore this would be an accounting adjustment. Conversations had taken place with DWP directly who advised that there were clear guidelines for evidence for any invoices raised to them (eg delivery) and a timeline attached to sending this information. This particular debt related to 2021-22 and 2022/23 for supported internship which had been without proper processes in place other than a request to raise an invoice. Further checks would take place to confirm whether the students went through the ILR but at present there was no proof of delivery. The DPFR confirmed that the delivery period was one year.

In response to a query from NK, the DPFR confirmed that the value of the contract was £121K. The College had received an email from DWP stating that the invoices were out of scope and could not be paid without the required evidence. This had also previously been raised with the DfE. CR added that confirmation had been received last year from the DfE that this was not a valid debt it could be managed by accounting adjustments. However, there needed to be reassurance from an audit perspective that the debts were not valid.

The Chair asked if the auditors has received sufficient evidence. CR confirmed that there had been an exchange of emails with DWP to confirm that no evidence of proof was being provided but Governors also needed to be happy with the position.

Approved: the Audit Planning Memorandum was approved.

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.

The Chair thanked CR for the update and CR left the meeting.

8.	Internal Audit Reports: PG presented the following reports: Staff Mental Health & Wellbeing - Audit was originally scheduled to include both staff and student wellbeing but, as the required information to close the student element was not received, this would now be audited separately in 2025/6 - Significant assurance - High profile area – framework for staff was good in many ways - One low risk recommendation regarding feedback - Positive management response - Due dates are pre-Christmas The Principal/CEO reported that the approach last year emerged partly from the staff survey to engage with staff and build trust. Alongside the DHR, weekly meeting with teams of staff had taken place resulting in action plans which were monitored. The next cycle of meetings was now taking place as this was an ongoing engagement and not a one-off process. The all-staff briefing held at the end of the year had also included themes from the staff meetings including ‘you said, we did’. Apprenticeship Recruitment and Employer Engagement - Reasonable assurance - Challenging area for all colleges - Success driver for apprenticeships was joined up relationships across all departments - Three medium risk recommendations - Low risk recommendations The VPCQ informed the Committee those electrical apprenticeships were the largest subject area. The College was ensuring a greater capacity and stronger link with the curriculum area through the creation of a head of Division role across apprenticeships and study programme provision for electrical. Current provision for plumbing was working well but needed more time to embed connections. The VPCQ advised that a strategic decision had been made to focus on a small number of standards linked to skills gaps and skills needs. This has been underway for a year and was starting to come to fruition which would assist in collaboration. NK stated that apprenticeships was improving but as an employer the process was inconsistent with feedback being received from different people and different departments. There was also a disconnect between apprenticeships and work experience. Governors could do more to support and link with other stakeholders to drive engagement from employers and NK volunteered his support in this area. This was greatly received. AA stated that employer feedback had been sought in some areas and questioned whether this was a strategic decision and whether engagement was poor across all areas. AA also queried if there was a wider engagement objective behind the Employer Engagement strategy, if this was co-designed with employers and whether particular modes or sectors were not engaging. The VPCQ replied that the College actively sought feedback from all employers but the response was not always forthcoming. A more joined up approach would now be possible because of the changes to the management structure and this would strengthen industry placements. There was a need to ensure the group was working effectively and ensuring the quality team were centrally logging employer feedback and ensuring this was reported through the correct channels. BO questioned whether December 2025 was a reasonable timeframe to complete the recommendations. The VPCQ responded that the creation of the group needed to be in place by December but it would take more time to embed the recommendations. BO stated that the dates may need to be expanded after December to make sure there was an impact and initial findings had been achieved to ensure this was not just a tick box exercise. The Chair noted that the College should be on track to complete some of the recommendations before December 2025.
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Business Continuity

- Reasonable amber assurance
- Management had introduced a new business continuity plan which was only in draft form at the time of the audit
- Two medium risks recommendations – steers for areas to be included in the plan before the draft was approved; impact of the plan when undertaking scenario testing

The DPFR advised that the business continuity plan was being updated with the recommendations and should be in place for October 2025 for review and approval. Work was taking place around stress testing and talks were being held with the insurance company to provide live feedback on how the plan would work.

Procurement, Payments & Fixed Assets

- Reasonable assurance
- Fixed assets – external audit raised recommendations in the prior year which they would be following up on
- Five medium risk recommendations in procurement
- Medium term strategy to get back to an electronic solution was a key point
- Supplier bank account detail changes – need to risk assess the process to be put in place and ensure transparency
- Preferred supplier list process of how suppliers are added, price matching

The Chair stated that these were fundamental recommendations and discipline was a key issue. Important points were checking the bank and account details for payments to ensure these were still correct and there should be an annual review of the supplier list.

AA referred to the implications of the Procurement Act 2025 and questioned whether this had any relevance in terms of the actions and whether changes were needed in light of the legislation. The DPFR replied that there had been ways of doing things over the years within the College without being challenged but this has been changed and would take time to embed. The team were aware to double check with the supplier when requests for bank changes were received and then to undertake a secondary check when the bank provided alerts to changes. Suppliers had previously been included to the PSL by signing a waiver but now a value for money exercise was requested which was reviewed every three years and increased challenge to prevent the same suppliers being used without a review of the market.

BO acknowledged the manual effort required to implement the changes and asked when the College would have a system capable of doing this to eliminate a lot of the risk. The DPFR advised that work was taking place with the current provider of the Finance system to consider a different system that included these actions but the current system also needed to identify if similar controls could be implemented. Purchase orders were now an automated process and the College was working towards the timeline of December 2025. Updates would be provided on the proposed finance system provider.

Safeguarding

- Reasonable assurance
- Well established framework but weaknesses in some of the processes
- New DSL in place
- High risk recommendation
- Management responses engaged with the recommendations

The Principal/CEO clarified that the register might imply that the College was not monitoring the training of staff which was not the case. The College had three separate systems (single central register, annual training and confirmation of KCSIE). Staff were undertaking the training but there was a disconnect and the Principal/CEO had manually requested separate spreadsheets to monitor compliance and chase those who had not completed.

The Chair queried whether the safeguarding workloads still required additional resources. The Principal/CEO responded that there was a point in time when the College was behind on closing down

	safeguarding casework due to a backlog. There had now been an intensive effort to close these cases. The DSS stated that throughout the year a number of deep dives had been undertaken to consider challenges and there had been increased effort to remedy these issues. This included the approach to cases and involvement of staffing, however, some areas required enhanced synchronicity and work was taking place on this. Follow-Up - Recommendations from the prior year or those not signed off from earlier years - Reasonable progress achieved - 46 recommendations, closed 28, 10 in progress, 7 not implemented and one could not be concluded due to a lack of information - 6 recommendations were medium risk - Management responses and revised implementation dates – December was a key date to ensure the recommendations were closed The Chair noted that financial control, payroll and cyber security recommendations were still in progress advising that these were critical areas. The DPFR provided the following update: - The recommendation re bank details had now been completed. - Error log - any changes were signed off by the DPFR but the audit had suggested a log was in place to identify whether it was a processing issue. This would ensure the correct training and understanding. - A system was in place to set up temporary contracts to manage time records instead of using a spreadsheet. - Clear processes were now in place for the chasing of debts but this needed to be tracked within the system and the process clarified within the financial regulations. - Work was taking place to ensure the right checks were in place for the 'bring your own device' process – all devices would need to be logged in through Intune. Agreed: That the update on all reports be received.
9.	Internal Audit – Risk and Assurance Progress Report PG advised the Committee of the following: - Forward look - proposed dates for the 2025/26 audit dates now confirmed and in diaries – should allow for a steady flow of reports for the academic year - 11 May 2026 date for the follow up was the final audit for 2025/26 - The Executive Team had confirmed they were comfortable with the dates and timelines Agreed: that the current position be noted.
10.	AoB There was no further business.
11.	Matters requiring Auditors to withdraw There were no matters requiring Auditors to withdraw.
12.	Date and time of next meeting – Monday 8 December 2025, 5pm

The Chair thanked all those in attendance for their contributions and thanked PG for all his work and support. The meeting closed at 11.57am

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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	
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	

Signed.....
Bal Panesar (Chair)

Date.....