

Audit & Risk committee Meeting

Minutes of the meeting held on Tuesday 17th June 2025

4pm – 6pm, Blossomfield Campus.

Present Amirun Nehar – Chair of A&R Committee
Dave Nanda
Michael Burnett – External Member
Tony Worth – External Member
Harrison Thompson – *via Teams link*

In Attendance Rebecca Gater – Principal & CEO, Heather Hunt – Deputy Principal and CFO, Pete Haynes – Vice Principal HR & Student Services, Nancy Buckley - Vice Principal Business Growth, Skills & Partnerships, Sam Bromwich – Director of Corporate Governance, Risk & Compliance, Gita Gorman – Director of Finance, Louise Tweedie – Partner RSM, Craig Sullivan – Bishop Fleming LLP, Jane Grimshaw – Bishop Fleming LLP

Apologies Sarah Horton Walsh

1. Welcome and Apologies for Absence

Apologies were received and accepted from Sarah Horton-Walsh. Harrison Thompson joined the meeting via Teams link to ensure the meeting was quorate. The Chair clarified that this should not be considered a precedent.

2. Declarations of Interest

None declared.

3. Minutes of the previous Audit & Risk Committee meeting and Actions Report held on 4th March 2025

The previous minutes of the Corporation meeting held on 4th March 2025 were received.

A governor asked why individual names are not recorded in the minutes when questions are raised. The Senior Governance Officer explained that the Corporation operates with collective responsibility, and therefore, questions are posed on behalf of the Corporation as a whole.

A governor queried the absence of suggested audits in the 2025/26 plan, as referenced in item 6 of the previous minutes. The Partner RSM confirmed these are scheduled for future years, aligned with priorities and the need for a developed AI policy and control framework. The governor suggested the review should be brought forward due to the rapid evolution of AI. The Partner RSM noted that tech risk colleagues could engage further at the appropriate time, but a full procedure is not yet in place to audit. The Director of Corporate Governance, Risk & Compliance added that the item remains under review and can be added to the audit plan if needed during the year.

The minutes of the Audit & Risk committee meeting held on 4th March 2025 were **APPROVED**.

3.1. Matters arising

3.2. Actions

The actions of the previous meeting on 4th March 2025 were reviewed and **noted**

4. Chair's Action

There were none to be advised.

5. Membership Update

There were no updates to be advised.

6. Anti-Fraud, Corruption and Bribery Policy, Procedure and Strategy

The Director of Corporate Governance Risk & Compliance presented the update on the review and amendments proposed to the College's Anti-Fraud, Corruption and Bribery Policy, Procedure and Strategy. This is in response to guidance from the Department for Education (DfE) and feedback from the internal auditors to the committee for recommendation to Corporation for approval.

A governor inquired whether an Investigating Officer had been appointed. The Director of Corporate Governance Risk & Compliance confirmed that, in cases involving fraud, an Investigating Officer is typically appointed.

A governor asked about the basis for the fraud action plan. The Director of Corporate Governance Risk & Compliance responded that the action plan would be developed as an outcome of the current process.

A governor queried whether the College had failed to prevent, in reference to the new requirements effective from September. The Deputy Principal and CFO confirmed this was the case and noted that the College is engaging with RSM and working through the relevant guidance. Work will continue over the summer, including consideration of the income threshold. The Chair observed that while the volume of work is significant, the College is not required to meet the threshold but must be able to demonstrate compliance.

In response to a question, it was confirmed that the Gifts and Hospitality Report is presented at every Corporation meeting for information.

Following a question regarding refresher training post-induction, the Director of Corporate Governance, Risk and Compliance confirmed that a new section has been introduced based on website guidance to ensure staff awareness and training. Governors were advised that this training must be completed every three years.

A governor raised a concern that Section 2 of the policy does not explicitly address corruption. It was suggested that this issue should be taken forward, particularly given the potential relevance to the College. It was also noted that while Section 2.7 provides examples, these relate to bribery rather than fraud, and the policy title may need to be updated to reflect this distinction more clearly. **ACTION**

The Audit and Risk Committee **recommended** the Anti-Fraud, Corruption and Bribery Policy, Procedure and Strategy for approval by the Corporation, subject to the proposed amendments.

7. Risk Management & Board Assurance Report

The Director of Corporate Governance Risk & Compliance presented the latest risk reports including the Strategic Risk Register and Board Assurance Framework 2024/25; Top Key Risks; Risk Appetite Statement. The report also contained the insurance report update.

The Strategic Risk Register, Top Risks, Weston College Report and FE Commissioner letter were shared for information

Referring to linked document 7.3, the Director of Corporate Governance, Risk and Compliance stated that there is confidence the College is acting in accordance with the recommendations. An independent review of the Governors' Handbook is also underway to ensure alignment with the report's findings and to confirm compliance. It was further noted that the terms of reference for the Remuneration Committee have been updated, and the section on SPH remuneration and performance will also be revised.

In response to a governor's query regarding when the updated terms of reference for the Remuneration Committee would be presented, the Director of Corporate Governance, Risk and Compliance confirmed that this would take place during the autumn term. It was noted that there are no substantive changes requiring immediate assurance.

The Risk appetite statement update was given as per the report.

8. Internal Audit

The internal audit reports listed were shared, and the RSM Director provided a detailed update on each one.

8.1a Key Financial Controls

It was noted that RSM selected two bids for audit - one successful and one unsuccessful - in order to provide substantial assurance through the internal audit process.

8.1b Bid Awards

The overview focused on approvals granted by Corporation after the deadline. Actions in the report were confirmed, and the internal audit provided substantial assurance.

The Chair noted that JLR's bid was unsuccessful and questioned the delay in its receipt. The Vice Principal Business Growth, Skills & Partnerships mentioned that a feedback session was offered but declined.

A governor suggested sharing feedback from successful bids and asked if this could be provided to the committee. The Vice Principal Business Growth, Skills & Partnerships explained that while the team reviews reasons internally, they are not included in reports. Most feedback is received and reported to the Corporation.

A governor noted that the two mediums provided substantial assurance. There was an inquiry regarding why reasonable assurance was not achieved. An update was subsequently provided.

8.1c LNS (Learner Number Systems)

A verbal update was given regarding the status of the LNS.

8.1d Follow up

A governor asked why some issues are taking longer to resolve than before. The Deputy Principal and CFO explained that detailed actions, especially in cyber security, stem from the original audit and require coordination across the college. Progress has been made, and further discussion followed a governor's question about cyber-related actions.

A governor asked why we are following the same timelines; it was clarified that these deadlines are required. Ensuring all managers have completed their responsibilities remains challenging, but RSM has verified progress and improvements have been made. Cybersecurity is now a priority to ensure awareness of the cyber plan. At our request, more in-depth reviews were conducted across the college to confirm comprehensive coverage. We continue to drive this initiative.

8.2 Progress Report

The report was acknowledged as providing an update on the current status of the 2024-25 audit plan. The outstanding actions will be concluded, and a copy will be circulated via email prior to the next meeting in the Autumn Term. **ACTION**

Page 96 shows the top 3 most prevalent risks (Emerging areas of risk – Spring 2025) and an update was given to what these mean.

A governor asked about procedures for staff concerns regarding malpractice, fraud, or corruption. The RSM Director stated concerns are directed to the A&R committee chair. The committee discussed potentially funding direct reporting to auditors through internal audit fees but noted that internal audit is not required to handle such matters. Existing whistleblowing and prevention policies cover these issues, and the committee agreed that current processes are sufficient.

The updates were **noted**.

9. Internal Audit Plan 2025/2026

The internal audit plan for 2025/2026 was received; the RSM Director outlined next year's plan.

The Chair asked how we compare to peers, prompting discussion. On third-party risk management, the committee was informed that RSM will review this openly, though it is not usually required.

10. Financial Statements Audit Plan 2024/25

Bishop Fleming provided a detailed overview about the financial statements audit plan for 2024/25 including an overview of the summary audit timetable.

A governor asked what happens if pension testing yields different results from actuaries' assumptions. Bishop Fleming explained that they review actuaries' work, compare reports, seek third-party input, and investigate discrepancies without solely relying on existing processes.

A governor inquired about progress on the plan, and Bishop Fleming confirmed it is on track. Testing was discussed for both on-site and off-site options.

11. Financial Regulations

The Deputy Principal and CFO provided an update on the financial regulations. During their review, comparisons were made with AI and the college's financial handbook to ensure alignment. The documents are currently with RSM for review, and once feedback is received, the final draft will be prepared for presentation at the A&R committee meeting in the autumn term. There are no concerns regarding compliance with the college's financial handbook, as updates were made following the initial guidance. Approval of the regulations is anticipated in October.

The committee expressed satisfaction with the update and the planned actions.

12. Health and Safety Update Report

The report provided the termly Health and Safety report covering accident statistics, activities that have taken place during the year to date and to outline how the College has carried out its duty of care regarding Health and Safety. The report also includes the annual review of the Health & Safety Policy.

A RIDDOR accident occurred since the last report, and an update was provided. The College has improved first aid provisions in response to ending the nurse role and growing demands from students' complex medical needs. Departments must keep up-to-date awareness and training on risk assessments.

The Audit and Risk Committee recommended the H&S 2025/26 policy for approval by the Corporation

13. Policies

- 13.1 H&S Policy – discussed under item 12
- 13.2 Anti-Fraud, Corruption and Bribery Policy, Procedure and Strategy – discussed under item 6.
- 13.3 Financial Regs – deferred until the autumn term

14. Review of A&R Committee Terms of Reference

A copy of the A&R committee terms of reference was circulated for review.

A governor suggested adding approval of the future business cycle to the committee's responsibilities. They also queried if reviewing reports should be a standing agenda item. The Chair responded that this would be considered further.

The terms of reference requires updating to note that the A&R committee meets three times per year. **ACTION**

No further comments were received.

RSM and Bishop Fleming left the meeting due to the confidentiality of the next item.

15. Confidential

Harrison Thompson left the meeting, resulting in the meeting no longer being quorate; however, no approvals were necessary.

Additional Audit work

An update on additional work completed by the College's internal and external auditors and any ad hoc audits that have taken place at the College was shared for information.

The Deputy Principal and CFO provided a summary of the recommendations. The Director of Corporate Governance, Risk & Compliance presented a summary of the RMF audit and reported that it was completed successfully.

The Chair asked if leadership was effective. The Deputy Principal and CFO replied that an additional audit was conducted, and although hiring RSM was not required, it was preferred since they are our current auditors.

A governor questioned whether requesting an additional audit was necessary, suggesting that decisions about extra work should be brought to our committee. Heather noted that KPMG conducted a similar audit for us 12 months ago, prompted by ESFA concerns over colleges not meeting funding requirements. Instead of waiting for a funding audit to reveal issues, we took proactive steps. KPMG performed the audit due to their expertise.

16. Items for Information

A copy of the audit recommendations report was shared for information.

17. ANY OTHER BUSINESS

There were no items discussed

18. FUTURE DATES

Dates were confirmed as per the agenda.

The meeting concluded at 5.35pm