

## Audit & Risk committee Meeting (joint Corporation)

Minutes of the meeting held on Tuesday 25<sup>th</sup> November 2025

4.00pm – 5.30pm, Stratford Upon Avon Campus

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

**In Attendance** Paul Assinder – Chair of Corporation, Tony Lucas – Vice Chair of Corporation, Susie Ankrett, Christine Abbott, Holly Bayliss – Staff Governor, Rebecca Gater – Principal and CEO, Sue Hopewell, Helen Kinghorn, Ravi Kumar, Mehreen Mirza, Dave Nanda, Amirun Nehar, Cheryl Pidler, Sharmin Rima – HE Student Governor, Harrison Thompson.

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, Craig Sullivan – Bishop Fleming LLP, Cameron Penwill – Bishop Fleming LLP.

**Apologies** Sarah Horton-Walsh, Megan Bacalla – FE Student Governor, Graham McKean, Louise Tweedie – RSM.

### 1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting of the Audit & Risk (joint Corporation) Committee meeting.

Apologies were received and accepted for Sarah Horton-Walsh. It was noted that Louise Tweedie from RSM was absent, as there was no internal audit reports scheduled for presentation.

### 2. Declarations of Interest

None declared.

### 3. Minutes of the previous Audit & Risk Committee meeting and Actions Report held on 14<sup>th</sup> October 2025.

The previous minutes of the Audit & Risk committee meeting held on 14<sup>th</sup> October 2025 were received and **APPROVED**.

#### 3.1. Matters arising

None to be reported.

#### 3.2. Actions

The actions of the previous meeting on were reviewed and **NOTED**.

### 4. Chair's Action

None to be reported.

## **5. Membership Update**

None to be reported.

## **6. Risk Update**

The Director of Corporate Governance, Risk & Compliance provided a verbal update on the implementation of the Insight4GRC tool and confirmed that all strategic risk owners have met with RSM. The risk register is being revised and will be ready for presentation to the Audit & Risk Committee in March. The Chair noted that a review of the system will take place, including a high-level check focusing on systems and controls.

## **7. Finance Update and Audit & Risk Committee Year End Matters**

### 7.1 Finance Presentation and verbal update from the Chair of the Financial Oversight Group (FOG)

The Deputy Principal and CFO delivered a finance presentation covering the following key issues:

#### **Income**

It was noted the slide summarised original budget, May forecast and year end actuals across main income lines. In year additional funding received from ESFA/DfE enabled an in year pay award. Apprenticeships income lower than planned. Student residences disposal: sale dependent on planning approval; developer dialogue indicates no current substantive concerns, but timescales remain protracted. Project income increased (with matching costs); only recognised when confirmed. Reported total income c. £57m.

#### **Expenditure — Pay**

Pay costs slightly above original budget but below May forecast: Higher pay due to the in-year award (funded by additional income). Savings achieved via vacancies and reductions in agency/part-time spend and the Pension valuation adjustment has been processed.

#### **Expenditure — Non-Pay**

Expenditure increases were attributable to specific funded projects, with STEM project delays resulting in some costs being carried forward to this financial year, while reductions in bursaries and corresponding income reflected the return of part of the WMCA adult funding and subcontracting clawback was applied where delivery fell short of the full contract value.

#### **Outturn & KPIs**

It was reported a year-end surplus of just under £1.9 million. EBITDA was ahead of the original budget, resulting in a positive variance. All key performance indicator (KPI) minimum targets were achieved, and the pay-to-income ratio stood at approximately 66%.

#### **Reconciliation & Underlying Position**

The reconciliation between the July PMR and statutory accounts has been provided, with routine adjustments clarified. The underlying operating surplus excluding one-off items is well above budget, and management continues to focus on keeping at least a 1% underlying margin.

#### **Going Concern & Financial Health**

Going-concern assessment confirms robust position supported by strong cash balances and 16-18 lagged funding giving certainty for the current and next year providing visibility for the current and next year. No concerns were expressed regarding going concern or overall financial health.

**A governor raised concerns** about risks to the student residences sale, specifically regarding planning approval timing, though there is no sign the transaction will not proceed. The Deputy Principal and CFO will keep Corporation informed.

**A governor asked about the decrease in non-pay and bursaries.** The Director of Finance explained that this was due to returning adult funding, which is linked to adult bursaries.

The update was **NOTED** for information, understanding and decision making by governors.

#### Update from the Chair of the Financial Oversight Group (FOG)

The Chair of the FOG provided a verbal update, confirming assurances on apprenticeships and adult targets. The discussion also highlighted the high number of agency staff, noting that costs to the college should reduce as these numbers decline. Bishop Fleming gave an update on sector-wide challenges regarding agency staff, emphasising that they come at a premium and that workforce planning remains a key issue.

The Chair of the FOG reported that discussions during the meeting recognised the college's financial health rating as 'Good'. There was detailed discussion on the accounts and an extended debate on going concern. Thanks were given to the Director of Finance and the team for their hard work. Bishop Fleming also commented positively, noting that it was good to see robust challenge on going concern, as this forms an essential part of their duties.

**A governor queried** whether, given the increased use of agency staff, policies had been updated regarding confidentiality and the information to which agency staff have access. Clarification was sought on the rationale, and discussion followed on whether agency staff might use such information to their advantage. The Chair of the Audit & Risk Committee confirmed that, from a security perspective, agency staff follow the same training and monitoring processes as permanent staff. There is no additional risk posed by agency staff compared to permanent employees. All agency staff also complete mandatory training, including cyber security.

The update was **NOTED** for information, understanding and decision making by governors.

#### 7.2 Bishop Fleming report Key Issues for Discussion

*In a change to the order of the agenda, Bishop Fleming presented their item first. A detailed explanation to the report was given.*

The outstanding: RS14 document (timing typically late Nov–Dec) was explained noting that this does not prevent Corporation approving; auditors will wait to sign until RS14 is received.

Thanks were given to the Director of Finance and the wider Finance team for ownership and effective two-way working with auditors.

During the discussion, several comments and questions were raised. One concern was whether the discount rate being at the upper end of expectations should cause worry; it was clarified that this remains within a supported range and has been calibrated by the actuary to the college's specific circumstances. Questions also arose about the potential impact on financial health metrics following lease changes and reclassification. It was noted that work is currently underway, with the Department for Education monitoring the situation and an update expected by March. Given the college's limited leasing arrangements, any impact is likely to be modest. Finally, in relation to the sector overview, the college's audit process performance was highlighted as strong, financial health remains good, and while typical sector challenges persist, the college compares favourably overall.

Governors were informed that the Section 3 overview has been RAG rated green across all areas, which is unusual and reflects the excellent work of the Director of Finance and the Finance team in achieving this outcome. An update on significant risks was provided, noting that the financial

statements show net assets, with explanations given. It was highlighted that the most significant changes relate to leases, and further clarification was provided on this point. Key next steps have been agreed and are already in progress.

The Chair of Corporation referred to the ONS reclassification and discussions followed about changes in the FE sector and their impact on budgets. The Deputy Principal and CFO confirmed that a detailed update will be provided at the March Financial Oversight Group (FoG) meeting. The Department for Education has expressed concern that these changes could affect financial health, and the Director of Finance and team are working on this ahead of Christmas, as the guidance has only recently been released.

The Chair of Corporation asked Bishop Fleming for their view on how the college is performing in terms of overall financial health. Bishop Fleming the college's financial health and financial management are strong overall, though there will always be challenges on the horizon. The Deputy Principal and CFO added that comparative data with the wider sector will be shared at the upcoming FoG meeting.

The update was **NOTED** for information, understanding and decision making by governors and to give assurance to the Corporation.

### 7.3 Annual Report of the Audit & Risk Committee and Principal

The Director of Corporate Governance Risk & Compliance presented the Annual Report of the Audit & Risk Committee including the Risk Management Annual Report 24/25, Internal Auditors Annual Report 24/25 and draft Regularity Self-Assessment Questionnaire.

**A governor identified** an error in the date shown under section 7.3 of Appendix 1 and queried whether it should read 2024/25. It was confirmed that this is correct and the date will be updated accordingly.

The Audit & Risk Committee **RECOMMENDED** the reports. These were subsequently **APPROVED** by the Corporation members during the joint A&R Committee and Corporation meeting. It was noted that they would be signed by the Chair of the Audit & Risk Committee and the Principal.

### 7.4 Financial Statements and Members Report 24/25

The Director of Finance presented the report which provided the Audit & Risk Committee and Corporation with the draft financial statements for Solihull College & University Centre for 2024/25.

**A governor asked** why the solicitors are based in Bristol rather than locally. The Deputy Principal and CFO explained that they are specialists for the Institute of Technology (IoT).

The Going Concern report, July PMR and Letter of Representation was received a **NOTED**

The Audit & Risk Committee **RECOMMENDED** the College's draft Financial Statement and the KPI and Value for Money Annual Report. These were subsequently **APPROVED** by the Corporation members during the joint A&R Committee and Corporation meeting.

## **8. Internal Audit Report**

None to report

## **9. Confidential**

None to report

## **10. Items for Information**

The following items were received for information:

- Contributions Analysis Report 24/25 (confidential from Staff and Student Governors)
- Termly Health & Safety Report
- Letter from DfE on Financial Health:

It was noted that the Contributions Report 2025/26 will be circulated to the FOG meeting in March.

With respect to the update on the Letter from DfE regarding Financial Health, it was officially noted that each governor has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit and other information, and to establish that they are aware of that information.

#### **11. Any Other Business**

The discussion covered cyber risks and their assessment score, as well as ways to enhance firewall protection. The risk level remains at 5 because there is always some degree of threat. It was observed that the college implements more risk mitigation strategies than most institutions. Regardless of duration, the impact of a cyber incident is significant. The continuity plan was also reviewed.

**A governor inquired** whether feedback is received from organisations that have experienced cyber-attacks. It was noted that insights are gathered through JISC network meetings, and JLR will serve as a case study.

The Chair of the A&R Committee reassured governors that every possible precaution is being taken. While there are limitations to what can be done, robust contingency measures are in place.

#### **12. Date and Time of Next Meeting**

Dates were confirmed as per the agenda.

The meeting concluded at 5.30pm