

MINUTES OF AUDIT & RISK COMMITTEE MEETING HELD ON 19TH NOVEMBER 2025 – PART ONE

Present:

Andrew Chiduku
Charlotte Bosworth
Edward Ng
Graham Ward – Chair

In Attendance:

Louise Tweedie, RSM – Internal Auditor
Maria Turnbull-Kemp, Chief Finance Officer
Rachel Jones – Assistant Principal MIS
Lesley Venables – Head of Governance
Jat Sharma – Principal
Mark Bradley, Menzies – External Auditor
Samaya Malik, Menzies – External Auditor
Henry Hyndman, Menzies – External Auditor

	Apologies for Absence	
64	Apologies for absence were received from Heather Lodge (external governor).	
	Declarations of Interest	
65	There were no declarations of interest in any agenda item.	
	Minutes	
66	Resolved - That the minutes of the meeting held on 25 th September 2025 be approved as a correct record and signed by the Chair	
	Matters Arising	
67	Governors received for information a progress report on the actions identified at the previous meeting and noted that the majority of these were either completed or featured on the agenda.	
68	The Internal Auditor reported that information on the classification of performance of RSM’s FE clients would be included in the benchmarking information presented to the Committee at its March 2026 meeting (minute 8 refers). It was noted that 80% of RSM’s current clients fell into the category of ‘Tier 2’.	LT
69	The CFO presented the final report for a recent audit of the College’s sub-contracting provision, a draft of which had been received previously, and on which there were no further changes.	
	CHAIR’S ACTION	
70	There had been no chair’s actions since the previous meeting.	
	FINANCIAL STATEMENTS 2024/2025	
71	The Committee received the draft Financial Statements for 2024/2025, together with the draft External Auditor’s Management Report and the Letters of Representation. The CFO reported that the strategic report accompanying the accounts had been strengthened with additional contextual information and KPIs. It was not anticipated that there would be any significant changes to the documents prior to the Corporation meeting in December 2025.	
72	The audit was almost completed and it was expected that an unqualified opinion would be issued on both the financial statements and the regularity audit. A small number of items (mostly relating to payroll issues, where	

	staffing shortages and changes to key College systems had meant that responses to queries had taken longer than normal) had yet to be completed, which was usual at this point in the audit process. Both management and the auditors were confident that these would be resolved shortly.	
73	The College's going concern status would remain live until the Financial Statements had been approved by the Corporation and signed by the Chair and the Principal. No issues had been identified in relation to potential management overrides, revenue recognition, declarations of interests and third party transactions, wages and salaries and capital investment.	
74	There had been no adjusted differences or internal control issues identified as part of the work on the Financial Statements. A minor query had arisen as part of the testing of the College's ILR system, further work on which was ongoing.	
75	Governors were advised that the income reconciliation statements from the DfE and the West Midlands Combined Authority would not be issued until 15 th December. As this was after the Corporation meeting to sign off the Financial Statements, the approval would be subject to the receipt of these certificates and no issues being raised.	
76	In response to a governor question the CFO undertook to check the ownership of the interest earned on the amount held by the College in the Student Union bank account, The Principal reminded the Committee that the Student Union President (who was also a governor) provided a regular report on SU activities to the Corporation to ensure transparency over how the monies were spent.	MTK
77	The Chair thanked the Finance Team and the External Auditors for their work on the Financial Statements.	
78	<p>Resolved - 1 That the Corporation be recommended to approve the Financial Statements for 2024/2025 and the Letters of Representation in relation to the Financial Statements and the Regularity Audits, subject to receipt of the reconciliation statements from the DfE and WMCA</p> <p>2 That the External Auditor's Management Letters be noted and presented for information at the December 2025 Corporation meeting</p> <p>3 That the annual accounts for the Student Union and for Broadway Training Limited be noted and presented for approval at the December 2025 Corporation meeting</p>	
AUDIT & RISK COMMITTEE ANNUAL REORT 202452024		
79	The Head of Governance presented the draft Audit & Risk Committee Annual Report 2024/2025. Governors were reminded that this was a requirement of the DfE's Post-16 Code of Practice (now subsumed into the College Auditor Framework & Guide).	
80	The Committee's attention was drawn to the changes in membership over the past year, which had strengthened the overall skills profile with the	

<p>81</p>	<p>addition of a qualified accountant. An expanded section on other forms of audit had been included to reflect activity on Health & Safety, the Office for Students on HE Provision and an audit of the College’s ESFA Bursaries.</p> <p>The Report’s overall conclusion was that the Committee had fulfilled its terms of reference and that:</p> <p>“whilst there are areas for improvement:</p> <ul style="list-style-type: none"> i) the College’s systems of internal control are adequate and effective ii) the College’s arrangements for risk management, control and governance framework and processes for securing economy, efficiency and effectiveness are adequate and effective.” 	
<p>82</p>	<p>Resolved - That the Committee’s Annual Report for 2024/2025 be approved and submitted for information to the Corporation at its meeting on 11th December 2025</p>	
INTERNAL AUDIT PROGRESS REPORT 2024/2025		
<p>83</p>	<p>The Internal Auditor reported that the first internal audit report of the academic year on the College’s arrangements on the Prevent Duty had now been issued to management and would be submitted to the March 2026 meeting.</p>	
<p>84</p>	<p>A number of briefings were provided to members, including the Risk Radar report which identified common risks across all RSM clients. The most significant of these for the majority of organisations were the instability of the geo-political landscape (such as changes to the national visa policy for overseas students and the impact of poor housing on educational achievement levels), the increase in cyber-security attacks and the lag between the development of suitable governance frameworks compared to the widespread use of artificial intelligence.</p>	
<p>85</p>	<p>In response to questions, the AP MIS advised that the College had introduced an AI Policy and Strategy (which would be reviewed annually) and that references to AI were also included in related policies such as the Academic Assessment Policy. In future, procurement processes would cover the use of AI by contractors.</p>	
<p>86</p>	<p>The DfE had recently released a series of training modules for education staff to familiarise them with the principles of AI usage. All staff were required to complete the first 2 of these modules, with the remaining 3 due to be rolled out in the summer. Further guidance and training would be provided as appropriate.</p>	
<p>87</p>	<p>Proposed new rights for workers from the outset of their employment may pose further challenges and require organisations to review their current policies /procedures. Additionally, new regulations emanating from the Economic Crime & Corporate Transparency Act 2024 on the beneficiaries of fraud would have implications for the College’s policy framework.</p>	
<p>88</p>		<p>MTK/LV/</p>

89	The Internal auditor suggested that governors and managers ‘check and challenge’ current arrangements to deal with these risks and assess whether any others were causing concern.	Cttee
90	<p>A governor commented that it was important to apply the local context to the risks identified on the risk register. For example, there was a significant focus on improving student safety on campus, which was covered by mitigating controls. However, it was also recognised that ‘horizon-scanning’ was a vital part of the risk management process and governors agreed that the current risks should be reviewed to ensure that there was sufficient coverage.</p> <p>The Principal added that the rise of nationalism and its impact on the College’s learners presented a distinct challenge. The College was part of a project operated by the Youth Endowment Fund which supported senior leaders in responding to knife crime. This was particularly opportune due to the establishment of the Adult Learning Centre in the middle of the town.</p>	MTK
AUDIT RECOMMENDATIONS TRACKING REPORT		
91	The CFO presented a report on progress against each of the actions identified in previous audit reports.	
92	A total of 17 recommendations had remained for action on the previous report, 8 of which were still active. The Committee was assured that work was underway to complete any outstanding or overdue actions, with support provided where necessary.	
93	Governors noted that the action relating to appraisals would be addressed by the new HR system due to be implemented in March 2026.	
94	The College’s Marketing Strategy would be submitted for approval by the Corporation shortly. A Financial Strategy had been drafted and would be submitted for approval at the December Corporation meeting. The CFO reported that a template for all strategies was being devised to ensure consistency and would highlight which of the strategic priorities were being addressed. Further strategies on Digital and Estates would be prepared over the next few months.	JN/KL MTK Exec
95	A revised Senior Postholder Capability Policy was being drafted, based on best practice in the FE sector and would be submitted for discussion at the first meeting of the Corporation’s People & Remuneration Committee in February 2026.	LV
96	The Chair commented that the report reflected the robustness of the College’s processes to ensure compliance and an improved position for 2025/2026.	
COUNTER-FRAUD POLICY & PROCESSES		
97	The Chief Finance Officer presented a revised Counter Fraud Policy, which reflected the latest guidance and the College’s structure, together with an updated Fraud Response Plan and the completed Anti-Fraud Self-Assessment.	
98	In response to a question from a governor the CFO reported that the Policy related to the financial aspects of the College’s operations as opposed to students. Management was confident that the internal controls in place for	

99	<p>learners were sufficient to minimise any risk of academic fraud, such as student ID badges, adherence to the College's policies on the use of AI, examinations and academic assessment.</p> <p>Resolved – 1 That the Corporation be recommended to approve the revised Counter-Fraud Policy 2 That the Fraud Response Plan for 2025/2026 and Anti-Fraud Assessment be noted</p>	
RISK MANAGEMENT UPDATE		
100	Governors received a report on the latest developments of the new Risk Management system, which was now embedded within the College's overarching Risk Management Framework. The CFO reported that a series of meetings with risk owners had commenced to fine-tune the wording and to separate the controls from assurances.	
101	One change to the risk scores was highlighted in relation to the recent UCU ballot for strike action. A further 2 emerging risks had been identified – capital bids, particularly for the ALC and the impact of the Ofsted framework.	
102	The Committee received for information a list of the top 10 risks for the College, together with their respective scores and mitigating controls. Work on an 'opportunities register' had also commenced and would be submitted to a future meeting.	MTK
103	A governor asked about progress with assessing the College's risk appetite and was advised that the resulting data was currently being analysed and would be circulated over the next few weeks.	RJ/MTK
104	The Chair thanked the risk team for their work on overhauling the previous arrangements and creating an in-house system. Governors agreed that this was now in a simpler format but that it was likely to change over time in line with the College's risk maturity. Each committee would review the risk relevant to their respective remits.	
Date of Next Meeting		
11 th March 2026, 12.30 p.m.		