

MINUTES OF AUDIT & RISK COMMITTEE MEETING HELD ON 23RD APRIL 2026

Present:

Andrew Chiduku (minutes 118 to 163)
 Heather Lodge
 Andrew Macintosh (co-opted)
 Chris Mells (co-opted)
 Edward Ng
 Graham Ward – Chair

In Attendance:

Louise Tweedie, RSM – Internal Auditor
 Lesley Venables – Head of Governance
 Jat Sharma – Principal

Apologies & Welcome		
118	There were no apologies for absence and the Chair welcomed Chris Mells and Andrew Macintosh to their first Committee meeting. The Principal explained that, in the absence of the Chief Finance Officer, he would be presenting all relevant reports to the Committee.	
Declarations of Interest		
119	There were no declarations of interest in any agenda item.	
Minutes		
120	Resolved - That the minutes (Parts 1 and 2) of the meeting held on 19 th November 2025 be approved as a correct record and signed by the Chair	
Matters Arising		
121	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.	
122	In relation to minute 94 it was noted that Marketing Strategy had been drafted, but that this had not been submitted for information to any of the Corporation’s committees. This would be addressed through the Corporate Plan and annual Local Needs Duty, which would be presented to the Corporation in July.	Exec
INTERNAL AUDIT REPORTS		
Framework for Legal & Regulatory Requirements – Prevent, Protect		
123	The Internal Auditor presented an Interim Audit Report on the College’s Prevent & Protect arrangements. This area had been graded as providing a Substantial level of assurance, with one medium priority recommendation that the College should have a standalone Protect Risk Assessment and accompanying Action Plan.	
124	The Principal reported that staff had started to implement this recommendation and that a significant amount of work had taken place already, including a recent multi-agency event for which feedback had been highly positive. A detailed report on safety would be provided to the next meeting of the Resources Committee.	
125	In response to a question it was suggested that link governors would be included as part of the planning process for any future audits, which would enable governors to triangulate the robustness of the College’s arrangements.	Int Audit /LV

126	A governor commented that it may be useful for management to prepare a briefing for governors on the background and any changes made to relevant policies in relation to Protect/Prevent.	Exec Team
127	Governors were advised that training on safeguarding, Protect and Prevent would continue to be provided on an annual basis (and this would include any co-opted committee members). A governor asked how the College planned to maintain the high level of compliance with staff training requirements (currently 95%) and was advised that a regular report was discussed at SMT meetings, with any gaps followed up by the Head of HR and the relevant manager.	JS/LV
128	The Principal reported that there had been 2 recent lock-downs at Dudley College due to safety issues, which emphasised the importance of having appropriate and robust procedures in place. Governors were reminded that the College had now installed entry/exit barriers which, together with other measures, had led to positive student feedback on feeling safe on campus.	
INTERNAL AUDIT REPORT – CURRICULUM PLANNING IMPLEMENTATION PROCESS		
129	The Committee received for information an Internal Audit Report on the Curriculum Planning process. This area had been graded as providing a Reasonable level of assurance, with 1 medium and 3 low priority recommendations (with the latter related to minor house-keeping improvements).	
130	The medium priority recommendation centred around ensuring that all teaching staff fulfil their contractual hours. Audit work had indicated that only 4 out of a sample of 15 tutors had achieved this, which if replicated across the whole staffing cohort would have significant implications for efficiency levels.	
131	The Principal reported that policies and procedures were being updated to enhance this area and that staff utilisation and class sizes were important means to improve performance levels. Alignment of the timetable to the curriculum planning process was undertaken continuously to maximise utilisation of staffing resources.	
132	A governor asked whether the new tracking systems would improve the level of staff utilisation, rather than dependence on a number of separate manual processes. The Principal advised that manually-generated data had been shown to be only 80% accurate. From 2026/2027 the Finance Committee would receive a regular report on utilisation and this audit recognised that the College’s systems were in the process of being improved.	
133	A Committee member commented that an 80% level of accuracy provided an inadequate level of assurance and that the impact on students and staff of such performance should be considered: it was difficult for management to make any decisions for improvement based on a 3% sample size and an 80% accuracy rate. The Principal responded that the current system was not yet sufficiently refined for management or staff to take ownership of the data and it was difficult to identify areas of under-performance. This was one of the reasons for the investment in the new MIS system.	

134	<p>The Committee also questioned whether the sample size was too small on which to base assumptions on the whole teaching complement. The Internal Auditor responded that substantive testing would select approximately 10% of the teaching staff, as opposed to 3% for this sample, which may provide a more representative picture.</p>	
135	<p>The FE Commissioner had set a sector benchmark of 94 to 95% for staff utilisation. The Chair reported that in his link governor visits he had seen evidence of the new systems generating more accurate data which should support improvements in performance.</p>	
136	<p>A governors asked whether focusing on teaching hours was a too simplistic way of reviewing productivity. The Principal commented that it was possible to present efficiency data in many different ways, but that the level of sophistication could increase over time once the College was assured that any information was accurate.</p>	
137	<p>It was agreed that the Internal Auditors should revisit this area once the new College systems were more embedded.</p>	Int Audit
INTERNAL AUDIT REPORT – PROCUREMENT ARRANGEMENTS		
138	<p>The Committee received for information an Internal Audit Report on Procurement Arrangements, which had assessed the College’s systems following the enactment of the Procurement Act. This area had been graded as providing a Reasonable level of assurance with 3 medium priority recommendations identified.</p>	
139	<p>The first of the recommendations was for the College to introduce a separate Procurement Policy, which drew together the disparate elements of the current arrangements. A further recommendation had been made on ensuring that the College recorded any cumulative expenditure with the same supplier. It was felt that this could identify any accidental breaches of the Procurement Act and improve efficiency through grouping transactions together. It had also been suggested that the College’s supplier amendment process should be tightened further to cover non-financial changes.</p>	
140	<p>A governor questioned whether the 30 day payment terms emanated from the date of supply or the invoice date, and if this provided sufficient assurance that there were no opportunities for errors such as double-payments. The Principal advised that this varied across transactions and that colleges were now required to report on payment performance in their financial statements. Increasing risks were being seen on fraud and cyber-security and staff were required to undertake regular training in both of these areas. Governors requested that the College consider further improvements in the manual processing of information.</p>	
141	<p>The Committee queried whether there were any penalties for non-payment of invoices within 30 days and was advised that it was possible for suppliers to charge a daily amount of interest, but that this was unlikely to occur in practice due to the positive relationships the College had cultivated with its supply chain.</p>	

INTERNAL AUDIT PROGRESS REPORT 2025/2026		
142	The Internal Auditor reported that 3 internal audit reports for the academic year had been issued out of the total of 6 areas identified in the approved Plan. At the request of management the planned audit on Cyber-Security had been cancelled (due to the College's decision to engage JISC to undertake this specialist work). A further report on Capital Projects would be presented to the June Committee meeting, together with a report on the Follow-Up of recommendations made in 2024/2025.	
143	A number of briefings were provided to members, including the new Employment Rights Act. The College would need to amend its HR and Whistleblowing policies to align with this legislation. The Principal was asked whether the number of requests for flexible working had increased since the ERA had been introduced and responded that this was raised increasingly during interview processes, which meant that recruitment could be difficult. Any decisions on flexible working were devolved to local teams, but with careful management oversight.	
BENCHMARKING REPORT		
144	The Committee received a benchmarking report that compared RSM clients across the further education and other areas of the public sector. This set out the positive overall assurances resulting from internal audit work over the last 3 year. However, it was noted that the number of visits each year was relatively small. The focus of activity was on areas of concern for management and governors, rather than those where the College was confident that any audit outcome would be classified as 'Green'.	
145	There had been fewer recommendations made and the highest grading of these was 'medium'. An analysis of high priority actions had been undertaken across RSM's clients.	
146	A governor questioned whether the College would benefit from commissioning internal audit reviews of the high risk areas. The Internal Auditor reported that apprenticeship funding rules changed constantly and was audited separately on a regular basis. Cyber security was tested every 18 to 24 months and had been included in the Internal Audit plan, together with Human Resources and Safeguarding as substantial changes to systems or processes were either due or had been undertaken recently.	
OTHER AUDITS		
147	The Principal presented an external review of the College's Health & Safety processes and procedures. This had concluded that the current framework was suitably robust and was in line with assessments undertaken in previous years. A plan to address the recommendations made by Assured Partners had been prepared and progress would be monitored through the Resources Committee.	
148	Governors were advised that the final report from the Department for Education's audit of the College's bursary provision had not yet been received but would be presented to the June Committee meeting.	RJ/JS
AUDIT RECOMMENDATIONS TRACKING REPORT		
149	The Committee received a report on progress against each of the actions identified in previous audit reports.	

150	It was noted that the payroll reconciliation had now been completed. The drafting of a new Estates Strategy had been deferred until the approval of the Adult Learning Centre project. A revised Capability Policy and Procedure for Senior Post Holders had been drafted and would be presented to the next meeting of the People & Remuneration Committee.	
DATA PROTECTION & FREEDOM OF INFORMATION ANNUAL REPORT		
151	Governors received the annual Data Protection & Freedom of Information Report for 2024/2025.	
152	It was noted that there had been a 9% increase in the number of student Subject Access Requests, which was linked to the need to provide additional formal evidence to the Department of Work & Pensions in support of any benefit claims.	
153	The number of reported data breaches had reduced by 50% in 2024/2025, with a total of 17 recorded during the year, none of which met the threshold to require a report to be submitted to the Information Commissioner’s Office. In response to a question about the relatively low number of erasure requests the Principal undertook to check whether the College had complied with the relevant timescales.	JS
154	Freedom of Information requests had decreased by 5%. Further analysis indicated that the majority of these related to contracts which had prompted the College to publish more of the frequently-requested information on its website.	
155	An ‘Unplugged Day’ was being planned in 2025/2026 during which staff would be unable to access or use email, IT systems or the internet. This exercise had been designed to assess how effectively the College would operate in the event of a cyber-attack.	
156	A comprehensive range of training programmes and strategic initiatives had been developed to support and engage staff in the effective use of Artificial Intelligence.	
157	Termly phishing simulation campaigns continued and mandatory training was expected of any staff who fell victim to these emails to strengthen awareness and organisational resilience. This activity would focus on high-risk areas including HR, Finance, Payroll, IT and MIS, however all staff would receive further training if they clicked on the phishing email link in error.	
158	The Chair commented that there was a fine balance between having a ‘no-blame’ culture and ensuring that staff complied with data protection principles and procedures. The Principal reported that directors of faculty were invited to attend GDPR Board meetings to present their respective data on compliance levels and action taken to address any data breaches.	
159	It was recognised that, despite the seriousness with which the College treated cyber-security, criminal schemes were constantly becoming more sophisticated. A training session for governors on cyber-security would be delivered by the IT at an appropriate point.	JS/LV

VALUE FOR MONEY ANNUAL REPORT 2024/2025	
160	The Committee received for information the Annual Value for Money Report for 2024/2025, which assessed assurance levels in a number of areas.
161	There had been a high level of compliance with DfE regulations, such as The College has demonstrated full alignment with the DfE College Financial Handbook 202 and the strengthened expectations relating to regularity, propriety, value for money and feasibility.
162	Against a background of sector-wide challenges, the College had maintained sound financial management, delivering a better than anticipated budget, effective oversight and governance controls. The College's Financial Health Score for the year was assessed as 'GOOD'.
163	Measurable efficiencies had been achieved in curriculum planning, workforce deployment, procurement and digital transformation, including system consolidation and cyber-security improvements in line with DfE requirements and sector good practice. The critical factor in 2025/2026 was improving levels of utilisation, both on staffing and class sizes.
164	Performance indicators on achievement, retention, progression and employer engagement had improved, which had demonstrated the College's effective and efficient use of resources to enhance the learner experience and outcomes. A governor queried whether it was too early in the strategic cycle to determine improvements in curriculum KPIs. The Principal responded that the detailed reports presented to the Learning & Quality Committee, together with the strategic KPI report, would evidence the current position.
165	The Financial Strategy for 2025-2030 had set out defined improvements in curriculum optimisation, digital modernisation, estates sustainability and strengthened governance, which would enhance VfM in future years.
166	The Chair commented that the report brought together a number of elements that were discussed by other committees and there was evidence to support the College's assessment of progress.
Date of Next Meeting	
	17th June 2026, 12.30 p.m.
	Committee members complimented the Principal and his team on the high quality of the reports presented and the level of progress evidenced at this meeting.