

MEETING OF THE AUDIT AND RISK COMMITTEE

MINUTES

Date	Wednesday 26 February 2025
Time	17:00 to 18:25
Location	Via MS Teams
Present (Governors):	Chair: Dr Andrew Gilchrist Adam Herriott Rick Parish – co-opted member
In attendance (officers)	Christine Ricketts (Principal and CEO) Allan Tyrer (Chief Operating Officer) Melissa Drayson (Director of Governance)
In attendance (auditors)	Kevin Moloney (TIAA)
Apologies for absence	James Measures
Quorum (3)	The meeting was quorate throughout

Item	Action lead
<p>0. Pre-meeting committee training – The Procurement Act 2023 <i>Sam Cade, Senior Technical Advisor, Orbis Procurement and Surrey County Council</i> <i>PowerPoint slides circulated following the meeting.</i></p> <p>An open invitation to all governors had been issued to attend the session. Paul Stedman and Jackie Pearson joined the Committee for this item.</p> <p>The Procurement Act 2023 came into force on 24th February 2025. The new Act means changes to procurement regulations and practices and all new procurements commencing after that date must follow the new regime.</p> <p>Schools, Academy Trusts and FE Colleges undertaking above-threshold procurements are contracting authorities. Therefore, the Procurement Act would apply. These institutions were, however, exempt from provisions in the Act relating to below-threshold contracts.</p> <p>Current threshold values (31 December 2024) are:</p> <ul style="list-style-type: none"> • Supplies and services: £214,904 (including VAT) • Light Touch Regime: £663,540 (including VAT) • Works: £5,372,609 (including VAT) 	

The Procurement Act offered organisations a number of opportunities. However, to make the most of the new regime, organisations would need to focus on how the rules are applied and this might require cultural and behavioural change, and organisational support to challenge the status quo and do things differently.

Governors were given an overview of the key changes brought about by the Act, and the key principles of transparency, delivering value for money, maximising public benefit, sharing information and acting with integrity. The Find a Tender service would be enhanced into a Central Digitalised Platform.

The College was advised to make the most of the guidance available, particularly the Knowledge Drops and other resources available on the government website. A list of sources of guidance was provided.

Sam Cade was thanked for a clear and informative presentation. The COO advised the Committee that the college's Financial Regulations would be reviewed to reflect the new requirements.

1. Preliminary items

1.1 Apologies for Absence and welcomes

No apologies had been received but it was noted that James Measures was not present.

1.2 Declarations of interest

There were no new declarations of interest relating to matters on the agenda. Previously declared interests were carried forward.

1.3 Urgent other business notified in advance.

No urgent matters of other business had been notified in advance. The COO would provide a progress report on the estates project under item 4: Risk Management.

2. Minutes

2.1 Minutes of the meetings on 4 December 2024

Subject to the inclusion of some minor edits to improve clarity, it was **RESOLVED:**

- a) **That the Minutes of the Audit and Risk Committee on 4 December be APPROVED as an accurate record of the meeting and confidential sections confirmed for redaction from the public version on the grounds of commercial confidentiality.**
- b) **Subject to the agreement of the Finances and Resources Committee, that the Minutes of the joint meeting of the Audit and Risk Committee and the Finance and Resources Committee on 4 December be APPROVED as an accurate record.**

2.2 Matters Arising

The Committee noted the completion of actions and those covered by other agenda items, and requested an update on the installation of new college servers. (ACTION)

3. Internal Audit 2023-24

Supporting papers presented by TIAA

3.1 SICA (Summary Internal Controls Assurance) progress report and learner numbers audit

The Health and Safety audit fieldwork had been completed and an exit meeting held, but the report had yet to be shared with the College for a management response.

Dates had been scheduled for the remaining audits on Capital Development and English and maths, and the scope for both was being developed with management. The Committee was informed that the Capital Development audit would focus on the planning and delivery of the project rather than the technical aspects of procurement and contracting. The Auditors were asked to consider examination dates in their planning for the English and maths audit.

The Committee noted the update on the completion of recommendations. Of the 16, 12 had been completed, and three extensions had been requested. All of these related to staff recruitment, one was Priority 2 and two were Priority 3. All would now be completed by the end of the academic year.

AGREED: That the revised deadlines for the completion of three outstanding recommendations be ratified by the Committee.

4. Risk Management

Supporting papers by the Chief Operating Officer

4.1 Risk register

The following updates to the risk register were noted:

- The key aspects of the overall capital plans are incorporated into the risk register. The largest risks relating to the capital works programme were the cost of the new Vickers building, which was yet to be secured, and any project overruns.
- Curriculum and quality continue to hold significant risks, in particular relating to pockets of poor attendance,
- Specific concerns about maths and English attendance have now been encapsulated in a separate risk.
- Some inherent high-risk areas/activities remained, e.g. capital project outcome, safeguarding, potential for a cyber-attack, but good mitigation was in place for those risks.
- Some of the significant historical issues (filing of statutory accounts, external audit clearance, DfE repayment agreement) have been settled, which has reduced the overall risk relating to them.

- As a result of curriculum efficiencies and strong financial planning for 2024-25 activity, overall financial risk has been reduced

There were no 'red' risks following mitigation.

The Committee was informed that departmental risk registers were being developed, which would be integrated into the overarching strategic risk register. The aim was to have a dynamic document that would drive College agendas and priorities.

RESOLVED: that the risk register be recommended to the Corporation as a fair reflection of current strategic risk.

4.2 Deep dive and board assurance on a key risk:

a. Structure and Prospects Appraisal (SPA)

The Committee considered a risk register that had been produced by the FE Commissioner (FEC) as part of the SPA process. The register would be a dynamic document into which the College contributed. As a result of discussions at Steering Group 1, references to closure of the college as a potential outcome had now been removed. The risk register reflected standard wording but the Local Provision Needs Analysis (LPNA) had proven that there was a need for a college in the area served by Brooklands.

The Committee identified staff uncertainty as a big risk and noted that open and regular communication was in place as a mitigation. Wider communication with parents and students would be considered later in the process when there was greater certainty about potential outcomes.

The impact of the process on management capacity was also noted and would be monitored closely.

The Chair of the Board, the Vice Chair and the Chairs of the sub-committees of the Corporation Board were attending the SPA Steering Group meetings. All governors would receive progress updates on the SPA, following each Steering Group and at Corporation meetings. Governors would also be invited to review expressions of interest and full proposals from shortlisted parties.

b. Estates redevelopment

The COO provided an update on the programme.

As part of Phase 1, three buildings (Edge, Tower and Barnes Wallis) were currently undergoing refurbishment, with 50% funding from the £6m FECTF (Further Education Capital Transformation Fund) grant, matched by funds from the land sale receipt. The deadline for using the FECTF grant was the end of March.

All three projects were currently due to be delivered on time, and spending remained within budget, leading to a risk score of green.

Phase 2 was due to start in April. This was potentially higher risk as it involved the demolition of the Locke-King Link and Concorde buildings, creating greater potential for disruption and the presence of heavy machinery on the college site. The timing of the Link demolition was critical due to the presence of rare bats in the Link roof space. The current reception entrance would not be usable during the period, so new safe routes into Locke King would be identified.

Governors would continue to receive assurance on the progress of the redevelopment through regular reports to the Finance and Resources Committee and the full Corporation.

5. Termly report on fraud, whistleblowing, FOIA, data protection and cyber security events

Supporting paper by the COO

No events were brought to the attention of the Committee. The College continued to receive routine Freedom of Information Act (FOIA) requests, mainly of a commercial nature.

Kevin Moloney, TIAA, left the meeting before the final two items.

6. Auditor Annual Performance Review

Supporting paper from the Chief Operating Officer

The Committee considered the COO's assessment of the performance of both the internal and external auditors during the year, using standard proformas. (Redacted)

7. Auditor retendering

Supporting paper by the Chief Operating Officer

The Committee asked for the invitation to tender to be proofread thoroughly before it was distributed but otherwise, supported the proposed process and timescale. All members indicated that they would be willing to sit on the selection panel before the next meeting on 7 June.

8. Other Urgent Business

No items of urgent other business had been raised.

9. Date of Future Meetings

4 June 2025

Approved as an accurate record on 4 June 2025