MEETING OF THE AUDIT AND RISK COMMITTEE

MINUTES

Matters deemed confidential on the grounds of commercial or personal sensitivity have been redcted from the published minutes.

Date	**Wednesday 25 February 2026**
Time	17:00 to 18: 30
Location	Via MS Teams
Present (Governors):	Chair: Dr Andrew Gilchrist James Measures Rick Parish – co-opted member Jesse Adekoya - observer, fraud briefing only.
In attendance (officers)	Christine Ricketts (Principal and CEO) – by invitation Allan Tyrer (Chief Operating Officer) Melissa Drayson (Director of Governance)
In attendance (auditors)	Leisyen Cox (Scrutton Bland)
Apologies for absence	Adam Herriott
Quorum (3)	The meeting was quorate throughout

Item	**Action lead**

Pre-Meeting briefing – Dealing with Fraud in FE
Presentation by Leisyen Cox, Scrutton Bland. The slides were circulated to all governors after the meeting.

The Committee received an advisory update on the new "failure to prevent fraud" offence under the ECCTA (Economic Crime and Corporate Transparency Act 2023). Key messages were:

- The college currently only meets one of the three size thresholds (over £18m assets) for mandatory compliance but is advised to align with these standards as a matter of good practice, particularly if staff numbers are to increase above 250.
- The Act focuses on six principles: top-level commitment, risk assessment, proportionate procedures, due diligence, communication/training, and monitoring.

- Within Colleges, fraud can take many forms, both financial and non-financial.

The College was recommended to carry out the following actions:

- A specific fraud risk assessment matched to ECCTA requirements.
- Enhanced fraud training for high-risk areas (Finance, MIS, Estates).
- To update the Counter Fraud Policy to align with current legislation.

Scrutton Bland had provided the COO with a template to assist with these activities. The Committee sought assurance that this would be used to ensure the College's legal compliance.

AGREED: That the following would be brought to the June Committee meeting:

- **an assurance report that the fraud/ECCTA risk assessment and the implementation of enhanced fraud training have been carried out**
- **The updated Counter Fraud Policy for approval**

0. Private session without management present

The Chair offered the opportunity for a private discussion between the Committee and the Auditors without management present. It was agreed that there was no requirement for this item at this meeting.

1. Preliminary items

1.1 Apologies for Absence

Apologies were received from Adam Herriott.

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 Chair asked for an update on the estate redevelopment under the risk item.

2. Minutes

2.1 Minutes of the previous meeting

RESOLVED: That the Minutes of the following meetings on 3 December be APPROVED as an accurate record.

- **Joint meeting of the Audit and Risk Committee and Finance and Resources Committee**
- **Meeting of the Audit and Risk Committee**

It was AGREED that confidential sections would be redacted from the public version on the grounds of commercial confidentiality.

2.2 Matters Arising

The Committee noted that all actions had either been completed or were covered by agenda items.

3. Internal Audit 2025-26

3.1 Progress Report
Supporting paper by Scrutton Bland

The Committee received an update on the current year's internal audit plan.

Two audits have been completed to date, with the remaining audits proceeding as originally scheduled.

The "Audit Universe" was included in the report to allow the Committee to reflect on the plan's focus and ensure it remains aligned with key risk areas. The Chair asked Committee members to confirm that this aligned with their perception of key priorities.

[Redacted]

The Committee discussed the emerging risks and opportunities of AI technology. It was confirmed that the College has an AI usage policy for staff and students However, leadership is moving toward a "guidance-based" model that can be updated more frequently to keep pace with technological changes. Concerns were raised regarding the use of external AI tools (e.g. note-takers) that might leak data to public servers. To mitigate this risk, management was exploring an internal AI tool that would allow the college to process documents securely on internal servers.

The newly appointed Head of Digital will lead the college's AI development and security strategy.

The Committee explored ways to utilise the Internal Auditors beyond reporting. Management suggested that, on a pro bono basis, the auditors provide external training for staff on fraud prevention and detection during staff development days. There was also an opportunity for auditors to speak to students regarding career paths in audit and finance.

AGREED:

i)	**To bring a summary of the Cyber Essentials report to the next meeting**	COO
ii)	**For management and internal auditors to liaise regarding potential fraud awareness training for staff and student engagement sessions**.	COO/SB

3.2 **Capital Development advisory audit**

The Committee reviewed the first assignment report of the year, which focused on Capital Projects. This was an advisory audit designed to evaluate:

- The appropriateness of the capital works strategy in meeting educational needs.
- Strategic decision-making processes regarding land sales, new builds, and refurbishments.
- The effectiveness of project risk identification and management frameworks.

The Internal Auditor reported a positive outcome, noting a strong framework currently in place. Key highlights included:

- A clear estate strategy exists with strong rationale for land sales and redevelopments. This strategy aligns with the broader college strategy and student recruitment forecasts through to 2032/33.
- At the time of the audit, three major projects were on track for timely completion.
- Cash flow monitoring for these projects was deemed appropriate.

No formal recommendations were raised due to the strength of the existing processes. However, the audit identified one "added value" point regarding moving the project risk register to a 5 x 5 matrix which would give greater nuance between pre and post mitigation scores. The Chief Operating Officer confirmed that the Project Managers would be adopting this risk reporting framework.

3.3 Risk Management advisory audit

The Internal Auditor presented an advisory review of the college's risk management processes.

Overall, it was concluded that the college has a "reasonably established" framework with clear oversight from the Committee, the Corporation, and the Executive Team. The use of "deep dives" at the committee level to discuss specific risks was highlighted as sector good practice.

While the framework was considered functional, [five – below you list 6] low-risk recommendations were made to improve the maturity and accuracy of the risk register and strategy:

- Update the Risk Management Strategy to accurately reflect current practical processes, ensuring a consistent framework for new staff.
- Include "target risk scores" in the register to identify the desired risk position and determine if current controls are sufficient.
- Strengthen the wording of the register to clearly define the "cause, event, and impact" of risks, moving away from generic control statements.
- Enhance the assurance section by specifying the source (internal vs. external), the level of robustness, and the date of the last review.
- Consider diversifying risk ownership across the full Executive Team rather than centring responsibility on only two individuals**.**
- Re-evaluate assigned appetite levels. A discrepancy was noted in Health & Safety and Safeguarding, which was marked as a medium appetite; the auditor and management agreed this should typically be the lowest possible tolerance.

Management welcomed the recommendations, noting:

- The discrepancy in Health & Safety appetite was likely a formatting error in the document which will be corrected.
- The roll-out of departmental risk registers is already underway as part of the business planning process.
- The Strategy will be updated to align with the improved practical changes introduced recently**.**

The Director of Governance raised a query regarding recent FE Commissioner guidance on "mature board assurance frameworks (BAF)". The auditor advised that, while some colleges maintain a separate, complex BAF document, incorporating detailed, RAG-rated assurance mapping directly into the existing risk register (as recommended in this audit) would satisfy the Commissioner's requirements without creating undue administrative burden. The auditor offered to share a BAF template should the Committee wish to review a standalone model in the future.

AGREED:

(i)	**That the Risk Register format would be updated to include target scores, specific assurance sources, and corrected risk appetite levels**	**Exec Group**
(ii)	**That the internal auditors would share a Board Assurance Framework template for consideration.**	**SB**

4. Greater London Authority (GLA) Learner Numbers Audit
Draft audit report presented by the COO

The Committee received a report on a recent audit of the Greater London Authority (GLA) funding stream. Unusually, the audit had covered 100% of learners within this specific funding bracket. valued at approximately £50,000.

The primary issue identified related to out-of-date proof of residence and right-to-funding documentation. Because the college enrols students early, the acceptability of some documentation provided months in advance had expired by the time the courses commenced in September. To prevent future recurrences, the college would implement more rigorous re-checking procedures to re-verify that student residency and funding data remained valid at the point of course commencement

Minor instances of missing signatures and dates were also noted, though management considered this a low error rate given the 100% sample size.

It was confirmed that there was no additional financial clawback as the funding claim was adjusted in real-time as the errors were identified, meaning the final payment received at year-end was already accurate. It was noted that the College's GLA funding volume had increased to approximately £100,000 for the current year.

4. Audit recommendations tracker
Supporting paper by the Chief Operating Officer

The Committee reviewed the current status of the audit recommendations tracker, noting that only a few actions remain open from previous cycles.

Significant progress had been made on all of these, with full implementation anticipated by the end of the academic year, or the issue being rolled into ongoing college business.

The Committee highlighted the importance of drafting precise management responses to avoid "open-ended" actions that could remain on the tracker indefinitely.

Actions arising from the Risk Management Audit discussed earlier in the meeting would be added to the tracker. Management intended to address these via the Risk Management Group before the next Committee meeting and expressed confidence that most new and pending actions would be marked as complete (Green) by the next session.

5. Risk Management and Board assurance

Presented by the Chief Operating Officer

5.1 Corporate risk register

The COO reported that the current risk register format would be updated based on feedback from the internal audit. The Committee was reminded of the review process, which involves a granular, line-by-line review of the register approximately three to four weeks prior to the committee meeting to evaluate mitigated vs. unmitigated scoring. Key headlines were:

- Financial risks were under control, with approximately 99% certainty about year-end income projections. Pay costs were currently under budget, but a banding review was underway which would bring them back in line with budget. Non-pay costs were slightly over budget which was typical for this point in the year. High confidence in bank covenant compliance was reported, and it was noted that while the *likelihood* of a breach is minimal, the *impact* score for this risk remains high as the severity of breaching the covenant cannot be downgraded.
- Following the decision to move the College out of formal DfE intervention, the risk register had been updated to reflect post-intervention monitoring (PIMS). While this carried a lower risk score than active intervention, the focus remained on hitting monitoring targets.
- Learner attendance and English and Maths, were currently the highest priority risk areas and were under close scrutiny by management.
- Risks regarding undetected fraud would be broadened to encompass the scope of the ECCTA.

AGREED: that the Risk Register would be recommended to the Corporation Board as an accurate reflection of key risk within the college and the impact of mitigating actions.

5.2 Deep dive on a key risk: Health and Safety

The ‘deep dive’ covered the current health and safety (H&S) risk profile of the college, specifically focusing on physical safety, contractor management, and emergency procedures.

Fire Safety

- A full category assessment was completed before Christmas, particularly to cover new buildings.
- Current focus was on repairing fire doors that have swollen or dropped on hinges.
- Regular alarm testing and drills were in place; recent drills showed successful evacuations to correct muster points.

Contractors and Building Works

- The college uses Risk Assessment Method Statements (RAMS) to manage risks like work-at-height and heavy transport (tipper trucks/lorries).
- Regular meetings were held between the college, contractors (Cala), and project managers (Fusion) to synchronise high-risk activities with student movements.
- A new automated visitor system at reception captured photos and tracked DBS compliance for all contractors.

Campus & Teaching Safety

- Ongoing monitoring of slips and trip risks (e.g., oil leaks, uneven ground). Lighting had been upgraded in the new car park.
- Risk assessments were being updated for every room and lesson type
- Staff were conducting "walk-arounds" to ensure compliance with PPE and other health and safety requirements.

General Compliance & Testing

- Water testing for legionnaires was conducted every two months
- PAT (Portable appliance testing) was conducted on a rolling basis;
- Recent lightning conductor tests identified reconnection issues in certain buildings that required immediate fixing.

Lockdown Procedures

- A successful "fake lockdown" was held at the Weybridge campus, following the "Hide, Run, Fight" methodology.
- The college was moving to three distinct alarm sounds to prevent confusion between fire alarms, localised warnings, and full lockdowns.

Governors questioned how changes to congregation points were communicated as the campus footprint evolved. It was confirmed these are updated on wall posters and via digital communications.

A challenge was also raised regarding the proximity of the new residential developments, and whether the college had oversight of residents moving into nearby homes (specifically regarding firearms licenses). It was confirmed that the College currently has no information about residents' backgrounds but management committed to discussing this with the residential developers. COO

A further question was whether facility blueprints/floor plans were shared with the police to assist in intruder or lockdown events. Management agreed to investigate whether this was standard practice. COO

5.3 Capital Development

Verbal report by the Chief Operating Officer

- The first three projects finished under budget. There had been some snagging issues for which the college may deduct costs from contractor retentions until the work was finished.
- Tenders for the 'new' Vickers had been returned significantly below budget. Completion was targeted for June 2027. Final proposals would be brought to the Corporation on 18 March.
- It was noted that the start of the 15-month Vickers build was contingent upon completion of the gable end of Locke-King to allow road access.
- The Sports Hall and Hub frame and car park had been complete. The College was planning for a Christmas 2026 handover.

Some operational challenges and future risks were outlined:

- Heating Disruption in the Locke-King building due to the accidental severing of heating pipes by the contractors. The College was seeking financial compensation to cover the cost from using fan heaters in the coldest months of winter.
- From April, the site would manage three simultaneous projects. Logistics had been redesigned to keep construction traffic off the main campus.
- A planning meeting was required to manage site security while the work was underway.

In response to governors' questions, it was confirmed that all work would be covered by warranties and insurance.

6 Termly report on any whistleblowing, fraud, FOIA data-breach or cyber security events.
Supporting papers presented by the COO

The Committee noted that there had been no significant events. The College continued to receive a high volume of Freedom of Information Act (FOIA) requests but these were all of a commercial nature.

7. Auditor annual performance review
Confidential discussion with no auditors present

Internal Auditor Performance

[Redacted]

8. Other Business

The Chair thanked Rick Parish for agreeing to extend his term of office until a replacement co-opted member could be found and advised the Committee that recruitment was underway.

8. Date of Future Meetings
10 June 2026

Approved by the Committee as an accurate record on 10 June 2026