

AUDIT AND RISK COMMITTEE

CONFIRMED MINUTES FROM THE MEETING HELD ON 23 SEPTEMBER 2025 AT 4:00PM THETFORD BOARDROOM, CITY COLLEGE NORWICH

Present:

Philip Pearce	PP	Chair
Sean Green	SGn	Governor
Jock Downie	JD	Governor (acting member)
Hannah Stewart	HS	Co-Opted Member

Attendees:

Jen Eves	JE	Chief Operating Officer (<i>from 4:05pm to 6.35pm</i>)
Jerry White	JW	Principal and Chief Executive Officer (<i>from 4:05pm to 6.35pm</i>)
Jodie Mitchell	JM	Director of Governance and Legal
Karen McIntosh	KM	Finance Manager (<i>from 4:05pm to 6.35pm</i>)
Leisyen Cox	LC	Internal Auditor, Scrutton Bland (<i>until 5:28pm</i>)
Martin Colbourne	MC	Deputy CEO (<i>from 4:05pm to 6.35pm</i>)
Stuart McKay	SM	External Auditor, MHA Audit Services LLP (<i>until 5:02pm</i>)
Claire Harber	CH	Governance and Legal Officer (<i>until 6:35pm</i>)

Apologies:

Paul Goddard	PGd	Internal Auditor, Scrutton Bland
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1. **CONFIDENTIAL – Governor Meeting with Auditors**

This is an opportunity for informal discussion between Governors and auditors and is not formally minuted.

JE, KM, MC and JW joined the meeting at 4:05pm.

2. **Apologies for Absence**

Apologies were received and noted as above.

3. **Declaration of Conflicts**

No declarations were made.

4. **UNCONFIRMED Minutes of the Meeting Held on 23 June 2025**

The unconfirmed minutes of the meeting held on 23 June 2025 were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

5. **CONFIDENTIAL – UNCONFIRMED Confidential Minutes of the Meeting Held on 23 June 2025**

5.1 **CONFIDENTIAL – UNCONFIRMED Confidential Minutes of the Meeting Held on 23 June 2025 (Set 1)**

The unconfirmed confidential minutes of the meeting held on 23 June 2025 (Set 1) were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

5.2 UNCONFIRMED Confidential Minutes of the Meeting Held on 23 June 2025 (Set 2)

The unconfirmed confidential minutes of the meeting held on 23 June 2025 (Set 2) were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

6. Matters Arising

Audit 1 Action 5: Use three lines of defence risk model and tailor it to the College (MC). *The Committee asked for something to be circulated between December and March 2026. Due date updated.* (Due: March 2026)

Audit 2 Action 7: Consider ways in which staff training on fraud can be strengthened (JW). (Due: December 2025)

Audit 2 Action 10: ACTION COMPLETE

Audit 3 Action 4: ACTION COMPLETE

Audit 4 Action 1: ACTION COMPLETE

Audit 4 Action 2: In follow-up reports, differentiate between recommendations implemented and those superseded (LC). *This will be reflected in the next follow-up report later in the year. Due date updated.* (Due: June 2026)

Audit 4 Action 3: Run disaster recovery exercise by September 2025 (JW/JE). *A disaster recovery exercise is planned for Thursday 25 September. The date is known by the Senior Management Team, but not the detail. The Committee asked for the subsequent report and action plan to be shared with the Committee at the next meeting.* ACTION COMPLETE

ACTION 1: Share disaster recovery exercise report and action plan with A&R Committee (JW/JE).

Audit 4 Action 4: Send through the recommended scope of the High Needs Learner Support internal audit (LC). ACTION COMPLETE

Audit 4 Action 5: Consider and agree the scope of the High Needs Learner Support internal audit 2025/26 with the Senior Management Team (JW). *This is due to be completed by the end of the month.* (Due: September 2025)

Audit 4 Action 6: ACTION COMPLETE

Audit 4 Action 7: ACTION COMPLETE

Audit 4 Action 8: ACTION COMPLETE

7. Risk Reporting including Risk Register Review

7.1 Risk Action Plan for A&R Committee

The Risk Action Plan was circulated prior to the meeting and taken as read. The Plan was summarised as follows:

- The Plan consolidates the actions resulting from meetings and Internal Audit input over the last few months.
- The first stage of the Plan, due by the end of October, is to refine and expand the Risk Register.
- The next stage, due by the end of December, is to explore risk appetite.
- The last phase, due early in the new year, is to add RAG ratings to risk appetite.

The Committee asked how it can be assured that key risks affecting the business are being identified and monitored on a rolling basis. It was confirmed that the Senior

Management Team (SMT) will be working with Governors to decide how risk will be reported. It was stressed that the Risk Register must stay 'live' with clear indications of movement. It was noted that the Colleges approach to risk reporting is still evolving.

8. Internal Audit Reports

8.1 Remaining IAS Reports for 2024/25

The Annual IAS Report and the Internal Audit Report on Adult Skills Fund Devolution, were circulated prior to the meeting.

In relation to the Adult Skills Fund Devolution audit, the following points were highlighted:

- The assurance opinion was 'significant'.
- Two low level actions were recommended, due for completion by September 2025.

The Committee asked whether the actions were on track to be completed by the deadline. It was noted that some goalposts in relation to devolution are moving and are outside of the College's control.

ACTION 2: Check and confirm to the Committee whether the Adult Skills Fund Devolution IA recommendations are on track to be completed by end September 2025 (JW).

In relation to the Annual Internal Audit Report, the following points were made:

- Seven audits have been completed this year and the outcome for all seven was significant assurance.
- The College have performed well on internal audits against sector benchmarks.

As a result of all IA assurances in 2024/25 being "Significant", which is out of line with other relevant Scrutton Bland clients, there was a question around familiarity between Scrutton Bland and the College. This was deemed not to be the case for the following reasons:

- Some audits have been on very specific areas (e.g. Adult Skills Fund Devolution).
- The auditors carrying out the audits are relatively new in post and do not have historic knowledge of the College.
- LC, along with PGd, have reviewed all work undertaken and agree outcomes to be fair.
- Due to audit cycles, auditors are often working with new colleagues in the College.
- There was a comment from an SMT member present that there is still a feeling that the College is being scrutinised.
- There was debate around Internal Audit and familiarity when the contract was extended.

It was noted that the Annual Internal Audit Report will flow into the report on the Committee's activities for the year.

The Committee determined to recommend the Annual Internal Audit Report for Board approval.

8.2 Progress Report on Outstanding Internal Audit Recommendations

The Progress Report on Outstanding Internal Audit Recommendations, including the Audit Universe, was circulated prior to the meeting.

There was a discussion around sector risks, and it was noted that a number have been identified by the College as a strategic risk, particularly 'demographic pressure and capacity restraints'. However, it was reported that the College is responding well to the T Level implementation challenges and is above national benchmarks. The emerging sector risk around SEND changes was noted, and it was suggested that volatility in the HE market be considered an additional sector risk.

There was a discussion surrounding the Audit Universe, during which the Committee asked why there is no governance internal audit planned. The Committee were informed that external assurance on governance is achieved via the External Governance Review which is carried out every three years. It was recognised that, although the scrutiny from an External Governance Review might not be as in depth as an internal audit, some external assurance is gained. It was noted that the last governance internal audit was in 2022.

8.3 Update on the Final IAS Annual Plan 2025/26

The Update on the Final IAS Annual Plan 2025/26 was circulated prior to the meeting. The following points were highlighted:

- Recommendations from the Adult Skills Fund Devolution audit are to be added.
- Of the 30 recommendations, 11 have been completed and 13 are work in progress.
- Six recommendations are overdue, but progress is being made, and revised deadlines are being implemented.

The Committee asked for an update on PY10 to be presented at the next meeting. It was noted that a software tool is being considered to assist with this recommendation, and the due date may therefore need to be updated.

ACTION 3: Update A&R Committee on recommendation reference PY10 (KM).

SM left the meeting at 5:02pm.

The Committee took a break at 5:02pm and reconvened at 5:10pm.

9. CONFIDENTIAL – Transformation Plan

The discussion was confidential and is recorded within the confidential minutes (set 1).

10. Governance Matters

10.1 Committee Membership for 2025/26

The Committee Membership for 2025/26 was circulated prior to the meeting.

It was recognised that, despite having recruited a Co-opted Member to sit on the Committee, membership numbers remain problematic. It was noted that this is partly due to Audit Committee membership restrictions.

The Committee asked for membership to remain at five and asked that Co-Opted Members be included in the membership and quorum and be entitled to vote.

It was noted that there are two member vacancies and that the Remuneration and Governance Committee have approved for the Governance and Legal team to progress with recruitment for two independent Governors with specific experience in audit and risk management.

It was confirmed that Audit and Risk Committee membership is now included in the Risk Register as part of the wider risk of Committees not having a sufficient number of Governors.

10.2 Terms of Reference

Draft amendments to the Audit and Risk Committee's Terms of Reference were circulated prior to the meeting.

It was agreed that the membership should be five, the quorum three, and that Co-Opted Members should be included in the quorum and entitled to vote.

Subject to these amendments, the Committee determined to recommend the Audit and Risk Terms of Reference to the Board for approval.

10.3 Conflicts of Interest Policy

The draft amendment of the Conflicts of Interest Policy was circulated prior to the meeting.

It was highlighted that one of the recommendations from the Weston Report was that an organisation has an up-to-date Conflicts of Interest Policy.

The Committee were informed that the external auditor had given some feedback on the policy prior to the meeting which stressed the crucial difference between declaration of conflicts and declaration of interests. The Committee were asked for their view on whether Governors and the Senior Management Team should be asked to declare actual or perceived conflicts and relevant interests, or *all* interests regardless of whether there is an actual or perceived conflict.

It was decided that it would be preferable for Governors and the Senior Management Team to declare *all* interests. The following points were made during the discussion:

- One of the College Ways of Working is to be open and informative.
- Declaring all interests offers more protection to the College from potential or perceived conflicts.
- There is a greater risk that potential conflicts are missed if Governors and senior staff are asked for only relevant interests.
- If only relevant interests are declared, 'relevant' needs to be carefully defined.
- The necessity to declare all interests may make people uncomfortable.
- There is a higher expectation of transparency in the public sector.
- Directorships are already in the public domain.

Although the Committee agreed that *all* interests should be declared, it was decided that the Policy and how the Register should be published will be reconsidered outside the meeting with input from the external auditors and the Chair of this Committee and that the Policy would be presented instead to Board for approval due to the change affecting all Governors.

ACTION 5: Add Conflicts of Interest Policy to Board agenda (CH/JM).

11. Annual Whistleblowing Complaints Report 2024/25

The Whistleblowing Complaints Report for 2024/25 was circulated prior to the meeting. The Committee were informed that the one entry was dealt with via a more appropriate route.

12. CONFIDENTIAL – Contracts and High Value Suppliers Register

The discussion was confidential and is recorded within the confidential minutes (set 1).

13. Fraud Discussions

No matters were raised under this item.

13.1 Economic Crime and Corporate Transparency Act 2023 (ECCTA)

A paper on the Economic Crime and Corporate Transparency Act 2023, including an action plan, was circulated prior to the meeting. The Committee were informed that there are new legal requirements from 1 September 2025 and that the College is in scope. The following points were highlighted:

- The Act is predominantly concerned with preventing fraud for the benefit of the organisation rather than the organisation being defrauded.
- The requirement for commitment to prevent fraud is included in the Financial Regulations but should be sent separately to staff for increased visibility.
- A risk assessment has been drafted.
- Control must be proportionate to the risk.
- Appropriate due diligence is required (for example, safer recruitment processes).
- A proactive approach to anti-fraud training is required.

ACTION 6: Circulate the ECCTA information from the accounting firm to Governors and SMT (JM/MC).

The Committee agreed that oversight of ECCTA requirements should be considered by the Committee and an annual ECCTA report should be added to the Schedule of Business for the first meeting of the academic year.

ACTION 7: Add Annual ECCTA Report to the A&R Schedule of Business for the first meeting of the academic year (CH).

The Committee determined to recommend the action plan to the Board for approval.

14. Statutory, Regulatory and Sector Updates

No matters were raised under this item.

15. Other Urgent Business

The Chair informed the Committee that he will be unable to attend the November meeting, and it was agreed that SGn, as Vice-Chair of the Committee, would chair in his absence. It was noted that another independent Governor will need to attend to ensure the meeting is quorate.

It was agreed that MC, the Chair and SGn would meet ahead of the November meeting to discuss the annual accounts.

ACTION 8: Arrange a Teams meeting between MC/PP/SGn ahead of the November meeting (CH/JM).

16. Meeting Review and Summary

The following points were made:

- The Committee are happy with the audit reports and assurances.
- The meeting was well chaired and ran mostly on time.
- The Governor attending as acting member expressed that it is helpful to see the detail behind what is presented to the Board.

JE, JW, KM, MC and CH left the meeting at 6:35pm.

17. CONFIDENTIAL - Confidential Matters Arising

The discussion was confidential and is recorded within the confidential minutes (set 2).

18. CONFIDENTIAL – Review of SPH Expenses Claims and Credit Card Data

The discussion was confidential and is recorded within the confidential minutes (set 2).

19. Date of Next Meeting

The next Audit and Risk Committee Meeting is scheduled to take place on 26 November at 4:00pm

Signed Date
(Chair)