

AUDIT AND RISK COMMITTEE

CONFIRMED MINUTES FROM THE MEETING HELD ON 26 NOVEMBER 2025 AT 4:00PM CITY COLLEGE NORWICH, THETFORD BOARDROOM

Present:

Sean Green	SGn	Chair
Jock Downie	JD	Governor
Hannah Stewart	HS	Co-Opted Member of Audit & Risk Committee

Attendees:

Jen Eves	JE	Chief Operating Officer (<i>from 4:03pm to 6:00pm</i>)
Jerry White	JW	Principal (<i>from 4:03pm to 6:00pm</i>)
Jodie Mitchell	JM	Director of Governance and Legal
Karen McIntosh	KM	Finance Manager (<i>from 4:03pm to 6:00pm</i>)
Leisyen Cox	LC	Internal Auditor, Scrutton Bland (<i>remote, until 5:26pm</i>)
Martin Colbourne	MC	Deputy CEO (<i>from 4:03pm to 6:00pm</i>)
Stuart McKay	SM	External Auditor, MHA Audit Services LLP (<i>until 6:00pm</i>)
Claire Harber	CH	Governance and Legal Officer

Apologies:

Paul Goddard	PGd	Internal Auditor, Scrutton Bland
Philip Pearce	PP	Governor

1. **CONFIDENTIAL – Governor Meeting with Auditors**

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

JE, JW, KM and MC joined the meeting at 4:03pm.

2. **Apologies for Absence**

Apologies were received and noted as above.

3. **Declarations of Conflict**

No declarations were made.

4. **Unconfirmed Minutes for the Meeting Held on 23 September 2025**

The unconfirmed minutes of the meeting held on 23 September 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 September 2025 (Set 1)**

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

6. CONFIDENTIAL - Unconfirmed Confidential Minutes of the Meeting Held on 23 September 2025 (Set 2)

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

7. Matters Arising

24/25 Audit 1 Action 5: Use three lines of defence risk model and tailor it to the College (MC). ACTION ONGOING (Due: March 2026)

24/25 Audit 2 Action 7: Consider ways in which staff training on fraud can be strengthened (JW). ACTION ONGOING (Due: December 2025)

24/25 Audit 4 Action 2: In follow-up reports, differentiate between recommendations implemented and those superseded (LC). ACTION ONGOING (Due: June 2026)

24/25 Audit 4 Action 5: ACTION COMPLETE

Audit 1 Action 1: Share disaster recovery exercise report and action plan with A&R Committee. *The disaster recovery exercise de-brief was circulated prior to the meeting and noted by the Committee. The Committee were informed that the Business Continuity Plan is due for completion by the end of December ready for approval by the Senior Management Team in January. Some elements from the exercise have led to an Emergency Response Plan and Lockdown Plan which are to be launched in January. It was recognised that disaster recovery exercises take a significant amount of time to arrange and are costly but due to the importance of being ready, the College plans to run a further exercise late spring/ early summer.* ACTION COMPLETE

Audit 1 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). *Due to wider delays in relation to devolution, the due date was updated to April 2026.* ACTION ONGOING (Due: April 2026).

Audit 1 Action 3: ACTION COMPLETE

Audit 1 Action 4: ACTION COMPLETE

Audit 1 Action 5: ACTION COMPLETE

Audit 1 Action 6: ACTION COMPLETE

Audit 1 Action 7: ACTION COMPLETE

8. CONFIDENTIAL – Risk Reporting

The discussion was confidential and is recorded within the confidential minutes.

9. Review of Internal Audit Reports

9.1 Progress Report on Outstanding Internal Audit Recommendations

The Progress Report on Outstanding Internal Audit Recommendations was circulated prior to the meeting. It was reported that since the last meeting 5 recommendations have been completed, 2 have revised deadlines, 2 are overdue but are in progress with revised due dates proposed, and the remaining recommendations are progressing and due for completion at a later date.

The proposed revised due dates for the two overdue recommendations were agreed as the Committee were satisfied that progress is being made. In relation to recommendation PY10, it was noted that a joint system for estates and health and safety

is in the process of being investigated and that a revised date of September 2026 can be stated without undue risk.

9.2 Internal Audit Progress Report

The Internal Audit Progress Report was circulated prior to the meeting. The following points were highlighted:

- The management information audit has been completed, and the report is with the Senior Management Team for review.
- The student retention audit was completed today.
- The high needs audit has been moved to February after agreement by the Senior Management Team.

The following sector risks were reported and noted:

- AI risks are increasing within the sector, including the noticeable increase in AI imaging tools being used to create counterfeit expense receipts.
- The Economic Crime and Corporate Transparency Act (ECCTA) came into force in September, the result of which if someone associated with the College commits fraud for the College's benefit, the College may be liable if procedures were not in place to prevent the fraud.

The Committee asked how the College are raising awareness of the ECCTA and fraud in general and were informed that the College has an ECCTA action plan, the Board statement on fraud has been updated, and that training has been rolled out to Board members and the Senior Management Team. There is a plan to roll out training to the next staffing tier in due course. In addition, the finance team have access to webinars and updates from the bank. The Committee were provided with clarification that the financial control environment has specific rules surrounding who can input expenses and who can approve, and that new approvers are provided with training by the Transaction Manager.

ACTION 3: Raise awareness among managers around the increase of expenses fraud in the sector and use of AI to produce counterfeit receipts (JW).

It was noted that the reference to the Darwin Project on the cover page should have been removed.

10. CONFIDENTIAL – Draft Annual Report and Financial Statements 2024/25

The discussion was confidential and is recorded within the confidential minutes.

11. Draft Audit and Risk Committee Report 2024/25

The draft Audit and Risk Committee Report 2024/25 was circulated prior to the meeting. It was confirmed that the Audit and Risk Committee are concluding that the Committee has discharged its duties.

The Committee determined to recommend the Audit and Risk Committee Report 2024/25 to the Board for approval.

12. Statutory, Regulatory and Sector Updates

The following updates were provided by the external auditor:

- There may be changes as a result of today's budget announcement by the Government.
- The Colchester Institute case in relation to VAT treatment within the FE sector is due to be heard for the final time towards the summer.

- There will be a new Statement of Recommended Practice (SORP) covering FE and HE which will affect colleges for the 2026-27 year.

12.1 OfS Letter

The Committee were informed that the Chair of the Office for Students issued a letter to all HE institutions regarding risks in the HE sector including inflation, fees and recruitment. The Committee noted the letter and the College self-assessment paper provided.

ACTION 6: Email the OfS letter to Governors (JM).

13. Other Urgent Business

To protect quoracy of meetings, the Remuneration and Governance Committee have asked each Committee to consider adding a 30-minute extension to scheduled meetings. The Committee agreed for Audit and Risk Committee meetings to be extended by 30 minutes.

ACTION 7: Extend all Audit and Risk Committee meetings by 30 minutes (CH).

14. Meeting Review and Summary

No matters were raised under this item.

JE, JW, KM, MC and SM left the meeting at 6:00pm.

15. CONFIDENTIAL – Confidential Matters Arising

The discussion was confidential and is recorded within the confidential minutes.

16. Date of Next Meeting

The next Audit and Risk Committee Meeting is scheduled to take place on 3 March 2026 at 4:00pm.

All formal business having been concluded; the meeting closed at 6:02pm.

Signed Date

(Chair)