

## Minutes of the Audit Committee Meeting Held at 4.30pm on 25 February 2025

Present: Prue Amner, Ashley Cullen (Microsoft Teams) and Pauline Tiller (chair)

Apologies: Shirley Nellthorpe

In Attendance: Mike Cheetham	RSM (internal auditors, via Teams)
Chris Mantel	Alliotts (external auditors, via Teams)
Paola Schweitzer	Director of Governance
Maria Vetrone	COO

---

### Minutes

#### 221 Attendance and Participation

Shirley Nellthorpe sent her apologies.

#### 222 Declarations of Interest

There were no declarations of interest.

#### 223 Minutes

The minutes from the meeting on 26 November 2024 were **Agreed** as a correct record.

#### 224 Matters Arising

**Minute 214: Internal Audit Progress Report:** Governors to advise Paola if 2025/26 meeting dates posed a problem as the quorum for the meeting was three governors.

**Minute 216: Outstanding Audit Recommendations Follow Up:** Outstanding actions would be kept open.

Governors **Noted** matters arising.

#### 225 College/Board GDPR Responsibilities

Mike gave a short training session on GDPR (UK Data Protection Act). Colleges held a great deal of data on staff, students, contractors etc so needed to have a Board approved policy. It was good practice for Audit Committees to receive regular reports and, where there had been a serious breach, greater input would be required from governors. There was a discussion about whistleblowing and GDPR requirements, with Chris confirming that GDPR did not overrule whistleblowing legislation. Some boards had a nominated data protection governor. Maria clarified that students agreed to share their data at enrolment (otherwise it would not be possible to sign them up) and staff agreed to share their data as part of their contract. Staff received GDPR

training at induction and every two years thereafter. Paola would ensure data protection was integrated into governor induction training.

Prue had recently undertaken training on Generative AI and advised that governors were responsible for understanding how College systems worked with AI and that it was important systems were set appropriately. Maria believed it was timely to audit GDPR and this would be considered for inclusion in the 2025/26 internal audit plan.

**226 Internal Audit Report: Risk Management (paper 747/25/A)**

This audit reviewed the College's risk management arrangements to ensure they were efficient and effective. The audit concluded that *'the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.'* The internal auditors raised three low priority management actions, all of which were agreed by management. Mike noted that the actions were 'housekeeping' in nature. Governors thanked RSM and **Noted** the internal audit risk management report.

**227 Internal Audit Report: Progress Report (paper 749/25/A)**

The internal audit progress report reported on progress against the College's 2024/25 internal audit plan. One audit had been completed (risk management) and the HR Advisory report was ongoing. Most audits would start in March and report to the Committee on 17 June 2025 with the exception of the apprenticeships audit which would start in June and report to the Committee's October meeting. Governors **Noted** the internal audit progress report.

**228 Internal Audit Report: Internal Audit Benchmarking Report 2023/24 (paper 750/25/A)**

This report benchmarked the College's internal audit findings against all assurance reviews carried out by RSM in 2023/24. The report showed that the College was broadly in line with the sector and that there was a positive trend (with the caveat that data was only available for two years). Pauline asked what the College would need to do to achieve the top rank in the report, to which Mike responded it was unlikely larger GFEs would achieve this as recommendations were always made following audits. Pauline suggested compliance was audited in 2025/26, in particular publishing requirements. Mike provided the link to the relevant DfE guidance. This would be picked up by Maria and Paola. Having scrutinised the 2023/24 internal audit benchmarking report, in particular the KPIs and emerging sector issues, governors **Noted** the report.

**229 Outstanding Audit Recommendations Follow Up (paper 751/25/A)**

The report provided an update from management on progress in implementing audit recommendations raised by internal and external auditors as well as other independent reviewers of the College's internal control framework.

Three recommendations were raised following the 2024/25 internal audits completed to date (risk management), one had been implemented and two were in progress. 34 recommendations were raised following the 2023/24 internal audits of which 32 were implemented, one was in progress (the integration of Zellis and EBS was expected to be closed by 28 February 2025) and one had not yet started (budget signing off process by budget holders to be completed in the summer term). Prue asked about IT

oversight arrangements following the cyber event, to which Maria confirmed that IT had been decoupled from Information Services and that she, through the Head of IT Services, had oversight of the team. The College was up to date with IT patches. Governors scrutinised the recommendations, particularly those that had not yet been implemented and had passed agreed timelines and **Noted** the outstanding audit recommendations follow up.

## 230 Strategic Risk Register (paper 752/25/A)

The strategic risk register had been updated following the recent internal Strategic Risk Management Board meeting, at which Shirley was in attendance. There were 30 strategic risks (up from 28), three of which were categorised as *significant/business critical* and eleven as *high*. All had mitigating actions.

The three significant/business critical net risks were:

- *Failure to recruit and/or retain suitably qualified professional and teaching staff*
- *Failure to maintain sufficient executive and senior management capacity*
- *Failure to properly manage Apprenticeship curriculum planning, budgeting and financial performance.*

Maria illustrated the increased risk of recruiting/retaining business support staff through Estates, IT and Information Services: it had not been possible to appoint Estates and IT directors and as a result there was a leadership and management gap between herself and heads of these services. In addition an interim VP Information Services would shortly join the College whilst the College recruited to the new, more senior Deputy Principal IT, Digital & Data post.

Maria drew governors' attention to the escalated risk: *ineffective control of staff costs including agency staffing and pension costs*, noting that controlling these costs was critical to the College delivering the budget and within overall financial targets this year but presented a real challenge. One governor asked if the issue was due to an increase in staff or individual staff costs, to which Maria responded that the pay budget forecast was complex and included increases in staffing as well as increases in employment costs (ie increasing national insurance contributions and the National Living Wage) and increased reliance on expensive agency staff because of challenges with staff recruitment. Fractionalising staffing was included in the College's 12 point recovery plan and would be underpinned by increased visibility of staff utilisation and enhanced marketing of vacancies.

There was a brief discussion about the three new risks concerning apprenticeships (*curriculum planning, budgeting & financial performance* and *quality of provision*) and the leased building at North Harbour Campus. Pauline believed there were too many risks for Corporation to have oversight of and questioned the usefulness of considering apprenticeships as two separate risks. After some discussion it was agreed that ensuring the right risks were monitored, rather than how they were presented, was key.

Having scrutinised the register, noting changes in risk definitions and assessments, movement of net risks and the associated commentary and actions, governors **Agreed** to recommend the strategic risk register to Corporation. Prue asked to attend the next Strategic Risk Management Board meeting (Paola would liaise with Prue accordingly).

**231 Anti-Fraud, Bribery & Corruption Breaches**

There were no anti-fraud, bribery and corruption breaches to report.

**Minutes 232 & 233 were confidential**

**234 Risk Management Policy (paper 755/25A)**

No substantive amendments were proposed to the risk management policy. Governors suggested that staff names were removed. In response to a question, Maria recommended that the policy was reviewed annually but suggested this could be reduced when the College was at a more mature point in its evolution. Having scrutinised the tracked amendments, governors **Agreed** to recommend the risk management policy to Corporation for approval.

**235 Anti-Fraud, Bribery & Corruption Policy (paper 757/25/A)**

The anti-fraud, bribery and corruption policy had been updated following review by RSM to include increased clarity of definitions and reporting as well as links to associated documents. Governors scrutinised the policy, suggesting paragraph 4.1 was amended for clarity, and **Agreed** to recommend the anti-fraud, bribery and corruption policy to Corporation for approval.

**236 AOB**

In addition to the GDPR considerations of the Generative AI training Prue had undertaken, she raised the matter of copyright, namely that students needed to retain copyright of their work and that work needed to remain within College system. She also raised AI's potential bias and discrimination and the possible need for an ethics committee. Maria confirmed AI was embedded in the digital strategy and implementation plans, being developed by a dedicated working group but that, like most institutions, the College was still finding its feet. The spotlight session would enhance governors' understanding of the digital strategy and this would support their Committee work.

**Minute 237 was confidential**

The meeting ended at 6.40pm.