

## MINUTES

Audit and Risk Committee Meeting  
held via Microsoft Teams  
Tuesday 20 May 2025 at 18:00

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<b>Date and timings:</b>	18:00 to 19:54
<b>Location</b>	via Microsoft Teams
<b>Present (Governors):</b>	Rick Olver (RO) (Interim Chair) Andrew Overs Dowsett (AD) Seye Awolusi (SA)
<b>Clerk to the Corporation</b>	Lana Jackman (LJ) Group Executive Director Governance and Strategy
<b>Minutes</b>	Carrie Brown (CB) Head of Governance
<b>In attendance</b>	Denise Brown (DB) Group CEO Paul Goddard (PG) (Scrutton Bland) Stuart McKay (SM) (MHA) Adam Fahey (AF) Group Deputy CEO- Curriculum and Quality Zed Mohammed (ZM) Group Deputy CEO Ansar Mahmood (AM) Group Deputy CEO- Chief Information Officer Jayne Sheehan (JS) Vice CEO- Innovation

### Apologies

#### Item

#### 0.0 Agenda

#### 1.0 Welcome.

*AD joins the meeting 18:07.*

RO welcomes everyone to the Audit and Risk Committee- it is noted that the meeting is not quorate therefore the meeting adjourns until 18:20. RO offers his sincere apologies to the auditors for the delay in the meeting.

*SA joins the meeting 18:20.*

#### 2.0 Preliminary items.

##### 2.1 Apologies for Absence.

None.

##### 2.2 Declarations of Interest.

There are no other new declarations of interest other than those already standing *(in accordance with the requirements of section 177 of the Companies Act 2006)*.

##### 2.3 Urgent items of other business.

Resignation of Paul Gribbon.

The Audit and Risk Committee **CONFIRM** the resignation of Paul Gribbon from the Corporation Board.

Resignation of Sue Leonard.

The Audit and Risk Committee **CONFIRM** the resignation of Sue Leonard from the Corporation Board.

### 3.0 Minutes of previous meeting.

#### 3.1 Minutes of the meeting held on 3 December 2024.

The Minutes of the meeting held on 3 December 2024 were **APPROVED** as an accurate reflection of the meeting.

#### 3.2 Matters Arising.

None.

### 4.0 Internal Audit Reports.

#### 4.1 Progress Report.

The Committee **REVIEW AND NOTE** the Internal Audit Progress Report.

PG notes that there are a number of audits yet to be completed. SA asks for clarity as to why there are some audits that are so late? PG confirms that most of these were due to be at the end of the year to only audit that has been pushed back is the HR audit due to the changes in personnel and change in management systems.

SA asks if Audit and Risk Committee [ARC] were asked for approval for the movement of this audit? ZM notes that this is not practically to have all changes to come to the ARC committee.

**ACTION:** Audit and Risk Committee and Corporation Board are to kept informed of changes to the Audit Plan.

PG notes that this ARC meeting is very early in the year and therefore a number of the end year audits have not begun and asks if the scheduling of the final ARC meeting for next academic year could be reviewed.

**ACTION:** CB to review the Audit and Risk Committee dates for next year to ensure that the last ARC meeting is later in the year.

#### 4.2 High Needs Learner Support Final Report.

The Committee **REVIEW AND NOTE** the High Needs Bursary Funding Final Report which gives significant assurance.

It is noted that the report contains one medium recommendation and one low recommendation. PG notes the need for the reporting of this to stand out further- ZM adds that this is being covered more explicitly via Corporation Board reporting.

#### 4.3 Risk Management Audit Report.

The Committee **RECEIVE A VERBAL UPDATE** on the Risk Management Audit Report.

PG on the risk management process and to have an new approach for next year with Scrutton Bland aiding with this reshape. ZM adds that this will be a holistic risk register with an ownership at management level.

SA asks if there will be a report on this work? PG notes that this is an advisory discussion and management have seen a report.

SA asks if there will be a review planned for next year to check this? PG confirms that this planned. ZM adds that the risks are being captured but are not being reported in the most clear manner.

#### 4.4 Safeguarding Audit Report.

The Committee **REVIEW AND NOTE** the Safeguarding Audit which gives significant assurance.

It is noted that the report contains one low recommendation. AF comments that the low recommendation is being reviewed and actioned by Jane Belcher.

#### 4.5 Procurement Audit Report.

The Committee **REVIEW AND NOTE** the Procurement Audit Final Report which gives reasonable assurance.

It is noted that the report contains one medium recommendation and four low recommendations.

ZM notes that there is a cultural change with the change from ESS Ltd to SECG particularly around the use of tender waiver forms.

SA raises concerns about the due process not being followed and asked if there is a risk from a fraud perspective? PG responds that there is nothing that highlights any fraud has happen. PG notes is a red flag the amount of use of the waiver forms SECG is inherently slightly more exposed because of this practice and therefore the reliance on the forms needs to be reduced. PG adds that the policies are good, clear and understandable.

SA notes that the management response is about training but doesn't state explicitly that waiver forms should not be used. ZM details that this is a cultural issue that people have been over using the waiver forms and not following the full process.

RO asks if SECG took on the same staff for this process from ESS Ltd? ZM notes that there has been a significant change in staffing from ESS Ltd including a new procurement manager.

#### **4.6 Budget to Management Reporting Audit Report.**

The Committee **REVIEW AND NOTE** the Bursary Funding Final Report which gives significant assurance.

It is noted that the report contains three low recommendations.

#### **5.0 External Audit Recommendations Monitoring Report.**

The Committee **REVIEW AND NOTE** the Audit Recommendations Monitoring Report.

SA asks if there are any overdue Audit actions? ZM confirms that SECG are on track and any that are at risk are reported on. The Audit actions have an internal and external tracker that review the progress of actions which will be presented at the next meeting.

AD asks about the process for the clearing of the audit actions? ZM notes that he and SM discuss this regularly but this will not all be cleared in the next report due to the importance of some of the actions and the need for the Auditors to see consistent progress but all progress will be noted.

#### **6.0 External Audit Planning Memorandum.**

The Committee **REVIEW AND NOTE** the External Audit Planning Memorandum.

SM gives a presentation on the External Audit Planning Memorandum which comprehensively details the process. SM notes that the regularity issues across the sector are increasing; including those due to Managing Public Money [MPM]. SM details going concerns in his paper.

AD notes that the materiality has doubles and asks if SM is happy with this? SM notes that he is comfortable with this and anything over £52700 is reported to the Audit and Risk Committee.

AD asks about the audit process for a subsidiary that SECG is intending on winding up? SM responds that should the intention be to keep a company then accounts will be prepared however if the intention is to wind up the company then the accounts will not be prepared on the basis other than the going concern.

The ARC have a discussion around the rules around subsidiary companies now that FE is in the public sector noting that should a subsidiary be dissolved SECG will no longer be able to set up another. ZM and JS detail that SECG have a large number of subsidiaries and therefore closing one will have minimal impact as there are a number of others that could be utilised. SM notes that from a risk point of view it could be argued that it is better for a subsidiary to be wound up like ESS Ltd.

#### **7.0 Risk Management.**

##### **7.1 Risk Register.**

The Committee **REVIEW AND NOTE** the Risk Register.

RO asks that this is the document that will be changing in the next academic year? ZM confirms that this is the case.

AD asks if this document will then be owned by the various different areas? ZM confirms that this is the case and work has already begun around this.

SA asks who the Chief Accounts Officer is? DB confirms that she is.

AD asks if there needs to be risk added to the risk register on the subsidiary matters? ZM notes that the risks around the subsidiaries are planned to be more detailed in the new risk register.

### 8.0 Whistleblowing and Fraud Termly Report.

The Committee **RECEIVE A VERBAL UPDATE** on Whistleblowing and Fraud noting that there have been no incidents.

SA asks when there was a last review of the whistleblowing process? PG notes that this was looked by an Internal Audit around 2 years ago. DB notes that there has been a complete overhaul of the whistleblowing policy with training, website updates etc. DB comments that this may need to be Audited next year due to the movement of FE to the public sector to give additional assurance.

### Compliance.

### 9.0 RAG Rated Report on OfS Conditions of Registration Compliance.

The Committee **DEFERRED** the RAG Rated Report of OfS Conditions of Registration Compliance.

### 10.0 Governance.

None.

### 11.0 Policies.

None.

### 12.0 Any Others Business.

None

*Meeting moved to Confidential Business.*

*PG, SM, AF, DB, AM and JS left the meeting at 19:22.*

***There being no further business the meeting ended at 19:54 hrs***

Signed *Rick Oliver*

Dated 8<sup>th</sup> December 2025

## Meeting of the Audit and Risk Committee Meeting

### Matters Arising and actions from previous meetings.

### Actions to be confirmed ongoing/completed

### Actions confirmed completed will be removed from the table.

Item	Actions	Deadline	Lead	Status
<b>Tuesday 20 May 2025</b>				
4.1	Audit and Risk Committee and Corporation Board are to kept informed of changes to the Audit Plan.	As required	ZM	Noted and to be completed as necessary
4.1	CB to review the Audit and Risk Committee dates for next year to ensure that the last ARC meeting is later in the year.	ASAP	CB	Scheduled for 30 <sup>th</sup> June 2026

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<sup>i</sup> The code of conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.