



**USP College Corporation
Risk and Audit Committee**

**Minutes of the Meeting held on Tuesday 18 March 2025
Held on Microsoft Teams
Meeting commenced: 16.00hrs
Meeting ended: 17.15hrs**

Present

Robin Lodge	Independent Member	Chair
Roger Key	Independent Member	
Tony Wenden	Independent Member	
Nicola Curtis	Independent Member	

In attendance

Steven Hendy	Chief Finance Officer (CFO)
Leisyen Cox	Internal Audit Service - Scrutton Bland

Clerk

Sue Glover	Director of Governance
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Before the meeting commenced, the Risk and Audit Committee received a demonstration from Marcus Quartly of Risk Wizard of the new Risk Management Software System.

001.25 Declaration of Interest

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

There were no declarations of interest.

002.25 Apologies for absence

There were no apologies for absence.

003.25 Appointment of Chair of the Committee

The Director of Governance advised members that as the previous Chair of the Committee, Jenny Beaumont, has resigned from the Board it is necessary to appoint a new Chair of the Committee at this meeting.

Members were reminded that, in accordance with the Terms of Reference for the Committee, the Chair of the Committee is appointed by the Corporation from among the independent members of the Committee. A search for a new governor to replace Jenny is currently underway, but in the meantime Robin Lodge has agreed to take on the role of Committee Chair on an interim basis. It was unanimously agreed by the Committee that Robin Lodge should be appointed Chair of the Risk and Audit Committee on an interim basis until such time as a permanent replacement can be found.

Agreed

The Risk and Audit Committee recommends to the Corporation Board that Robin Lodge is appointed Chair of the Committee on an interim basis

- 004.25 Unconfirmed minutes of the meeting of the Risk and Audit Committee held on 3 December 2024**
The minutes of the meeting were approved and signed as a correct record.
- 005.25 Matters arising and action points from the minutes of the previous meeting**
Members reviewed the schedule of action points. It was agreed that all matters had been satisfactorily completed and there were no other matters arising from the minutes of the previous meeting.
- 006.25 College Policies – Whistleblowing Policy**
On behalf of the Director of HR, the Director of Governance presented, for consideration and approval, the Whistleblowing Policy.
- Members were reminded that the policy is presented on an annual basis for governors' approval. It has been reviewed by the College's Policies and Procedures Committee to ensure it is kept updated to meet legislative or other requirements and there are only minor title changes required at this time.
- Members reviewed the document and agreed there was nothing further to add.
- Agreed**
The Risk and Audit Committee recommend to the Corporation Board for approval the Whistleblowing policy
- 007.25 Fraud, Irregularity and Whistleblowing Matters**
The Committee was advised that there were no matters to report.
- 008.25 Quarter 3 Headline Risk Register 2024/25**
The CFO presented a report, which provided details of the headline risks together with the risk register summary for Quarter 3 2024/25.
- Members were advised that
- The headline risks have been reviewed and agreed by the Executive Leadership Team (ELT)
 - The review was carried out in January when the ELT considered the current headline risks
 - As previously advised, the upgrade of the 4Risk software has not been positive and the new system not very user friendly. An alternative Risk Management Software called Risk Wizard has been identified and the Committee are asked for feedback following the demonstration given at the start of this meeting
- In feeding back comments on the Risk Wizard system, members
- expressed a preference to have read access to the system to facilitate better engagement and understanding of the risks
 - suggested a review of the current reporting format to make it more useful and beneficial for the Committee
- It was agreed that at the next meeting, a suggested reporting format is presented for consideration.

Members considered the detail of the register presented, noting

- there are 22 headline risks, which includes one new risk
- no risks have been removed and no changes to risk ownership

It was noted that the new risk relates to being unable to create additional space to cope with the expected increase in student numbers at the Seevic campus. Members were informed of the challenges of creating additional delivery space at Benfleet due to increasing student numbers, which is forecast to continue until 2029 and the need to modernise the Palmers campus to make it more appealing to students. An architect has been engaged to review and suggest enhancements to the Palmers site.

In discussion, members also suggested seeking funding from the Trust to support the modernisation efforts at Palmers and were advised that once the review with the Architect is complete, potential contributions from the Trust will be discussed.

Agreed

The Risk and Audit Committee agreed

- to receive and note the risk management report and risk register Quarter 2
- the report and risk register are presented to the next meeting of the Corporation Board
- suggested reporting format for the risk register to be presented to the next meeting

009.25

Review of outstanding audit items

The CFO presented a report, which detailed the progress made against the internal audit recommendations for 2023/24 and 2024/25.

Members reviewed the detail of the report, noting the

- summary of the number of recommendations
- progress/completion against each recommendation
- that of the 25 recommendations made
 - 15 are complete
 - 5 are ongoing
 - 5 not started

Members were advised that those not yet started are linked to the most recent audit and the internal auditor was able to confirm that the responses to the recommendations made were satisfactory and there were no concerns.

Members agreed that good progress has been made to complete outstanding audit recommendations.

010.25

Risk and Assurance Progress Report 2024/25 – March 2025

The Internal Auditor presented the Risk and Assurance Progress Report detailing the planned and completed audits against the agreed internal audit plan.

Members noted the internal audits completed to date and those that will be completed during the remainder of the year.

011.25

Internal Audit Reports

The Internal Auditor presented for consideration the following final Risk and Assurance Report:

Payroll and Month End Reconciliations

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Significant’ green *‘Governance, risk management and control arrangements provide strong assurance that the material risks are managed effectively. There are some areas where the adequacy of controls should be improved further’*
- There were seven low recommendations raised, five related to Payroll and two to month-end reconciliations

Members reviewed the summary of findings, the recommendations made, and the actions being taken to address the issues raised. The CFO informed the Committee that the College’s procurement group is reviewing a proposal to purchase a module for system-based timesheet processing and there is a monthly reconciliation process to identify and investigate payroll discrepancies.

Risk Management

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Significant’ green *‘Governance, risk management and control arrangements provide strong assurance that the material risks are managed effectively. There are some areas where the adequacy of controls should be improved further’*
- There was one medium, and three low recommendations raised

Members reviewed the summary of findings, the recommendations made, and the actions being taken to address the issues raised. It was noted that the recommendations are largely linked to the implementation of the new risk management software.

Agreed

The Risk and Audit Committee agreed to accept the

- Internal Audit Recommendations monitoring report
- Risk and Assurance Progress report – March 2025
- Final Risk and Assurance report for
 - Payroll and Month-end reconciliations
 - Risk Management

Leisyen Cox left the meeting

012.25

Internal and External Audit Performance Indicators

The CFO presented for consideration an evaluation report, detailing the performance of the current internal and external auditors for 2023/24.

Members were reminded that both auditors were reappointed for 2024/25 following the re-tender exercise carried out in early 2024.

The Committee reviewed the evaluation of the performance of both auditors, noting

- Independence and objectivity
- Audit Strategy
- Areas for improvement
- Conclusion and reporting of audits

Members were informed that both auditors are performing well overall with no issues to report. There has been a rotation of partners at the internal auditors due to a promotion, which provided an opportunity to refresh the team.

Members suggested adding comments to explain more fully low ratings given and actions taken to address them.

Agreed

The Risk and Audit Committee agreed to receive and note that both auditors are performing well with no issues to report

013.25

Any Other Business

The Director of Governance informed the Committee that this would be Roger Key's last meeting as he would be leaving the Board in July.

Members took the opportunity to thank Roger for all his hard work and contribution to the Risk and Audit Committee, which had been much appreciated by the Board and the College.

There were no other items of any other business.

014.25

Dates of scheduled meetings of the Risk and Audit Committee 2024/25

Tuesday 10 June 2025

As there was no further business the Chair declared the meeting closed

SIGNED AS A CORRECT RECORD:

DATE: 17 June 2025

A handwritten signature in black ink, reading "Robin Lodge". The signature is written in a cursive style with a large, stylized 'R' and 'L'.