



**USP College Corporation
Risk and Audit Committee**

**Minutes of the Meeting held on Tuesday 17 June 2025
Held on Microsoft Teams
Meeting commenced: 16.00hrs
Meeting ended: 17.00hrs**

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
Shachi Blakemore	Financial Statement Auditor - Buzzacott LLP
Nigel Brunning	Governor Designate

Clerk

Sue Glover	Director of Governance
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015.25 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.

016.25 Apologies for absence

There were no apologies for absence.

016.25 Unconfirmed minutes of the meeting of the Risk and Audit Committee held on 18 March 2025

The minutes of the meeting were approved and signed as a correct record.

017.25 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.

018.25 Fraud, Irregularity and Whistleblowing Matters

The Committee was advised that there were no matters to report.

019.25 Department for Education (DfE) Framework and Guide for External Auditors and Reporting Accountants of Colleges

The Director of Governance presented for information the DfE Framework and Guide for External Auditors and Reporting Accountants.

Members were advised that the framework replaces the Post-16 Audit Code of Practice published by the ESFA, which set out a common standard for the provision of assurance in relation to funding of post-16 providers.

The new framework incorporates pre-existing requirements and guidance of the previous Code insofar that document referred to the audit and regulatory framework for colleges. That framework is essentially unchanged but in light of the reclassification of the sector in November 2022 and the publication of the College Financial Handbook, at Annex C the guidance to reporting accountants concerning those areas where regularity testing might be focused has been expanded.

Agreed

The Risk and Audit Committee agreed to receive and note the document

020.25 Terms of Reference and Annual Schedule of Business of the Risk and Audit Committee for 2025/26

The Director of Governance presented a report, which outlined the need to review, on an annual basis, the Committee's Terms of Reference and Annual Schedule of Business.

Members reviewed both documents, noting the minor changes proposed, and agreed these were appropriate and there was nothing further to add.

Agreed

The Risk and Audit Committee approves and commends to the Corporation Board for approval the Terms of Reference and Annual Schedule of Business for 2025/26

021.25 External Audit Strategy for the year ending 31 July 2025

The External Auditor presented, for consideration and approval, the External Audit Strategy for the year ending 31 July 2025, highlighting key areas of focus and relevant sector issues.

Members considered the key issues arising from the report, noting the

- Overview of arrangements
- Timetable
- Financial statements and regularity assurance
- Issues of audit significance
- Mitigating the risks of fraud
- Fees

The Committee was advised that the audit approach is similar to the previous year and that financial statements will be drafted in accordance with the Department for Education's (DfE) College Accounts Direction Handbook and the regularity assurance process will follow the framework and guidance issued by the DfE.

The External Auditor highlighted the key risks and focus for the audit as:

- Going concern and financial health assessment – the audit will focus on ensuring that any unadjusted material items that could affect the college's financial health are carefully considered
- The audit will review capital works on the Estate and that expensed items have been handled appropriately

- The going concern of ITEC and its financial plan to determine how it intends to come out of deficit

Members were informed of current sector issues such as:

- the case of Weston College and the issue around oversight of senior management pay
- the use of Artificial Intelligence
- Government funding for teaching pay which may prompt colleges to revise their budgets

In discussion, members were informed that the FE Commissioner had issued a report covering the outcomes of Weston College and it was agreed this would be shared with the committee.

Members were reminded that it is the Corporation's responsibility to 'sign off' on the going concern of the College and a review of this aspect will also take into consideration whether the College anticipates meeting its covenants in a period to December 2026.

Members were advised of the following fees proposed for 2024/25, which are exclusive of VAT

Financial Statements audit and regularity assurance	£34,820
Teachers' Pension audit	£1,320
Audit of the subsidiary's accounts (ITEC)	£2,780

Agreed

The Risk and Audit Committee approves and commends to the Corporation Board for approval and acceptance the External Audit Strategy for the year ending 31 July 2025 for the College and its subsidiary company, ITEC, and the fees agreed at this meeting

022.25

External Audit Letter of Engagement for the 2024/25 academic year

The External Auditor presented, for consideration and approval, the Letter of Engagement between Buzzacott and the College dated 9 June 2025, which reflect the changes of the ESFA no longer existing and its responsibilities being taken over the DfE.

Members reviewed the detail of the Letter of Engagement and agreed that there are no further changes required and that the letter should be signed by the Chair of the Corporation following the Board meeting in July.

Agreed

The Risk and Audit Committee endorses and commends to the Corporation Board for acceptance and approval for the period 2024/25 the Letter of Engagement between Buzzacott and the College.

023.25

Quarter 4 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 4 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 April when the ELT considered the current headline risks

- The new risk management system, Risk Wizard, will be implemented over the summer so that it is operational by the start of the new financial year in August
- All current and new risks are planned to be transfer to the new system during July
- Once the system is operational, Committee members will have the opportunity to discuss and agree how future risk management reports are presented and how to access the system outside of meetings

Members considered the detail of the register presented, noting

- there were no new risks and there are currently 22 headline risks
- no risks have been removed and no changes to risk ownership
- out of the 22 risks
 - 14 targets have been achieved up to Q4
 - 7 are on track to be achieved by the financial year end
 - 2 are not expected to be achieved, which had been previously reported

In discussion, members noted one missed target date related to GDPR compliance and were advised that this was due to the recent GDPR internal audit taking place and the date would be adjusted once the recommendations from this have been addressed.

Agreed

The Risk and Audit Committee agreed

- to receive and note the risk management report and risk register Quarter 4
- the report and risk register are presented to the next meeting of the Corporation Board
- once the new risk management system is operational, the Committee will discuss and agree reporting format and access

024.25

College Policies

The CFO presented the following policies for approval

- Fraud, Corruption and Bribery Policy
- Risk Management Policy

Members were advised that both policies are presented for annual review with no significant changes, aside from title changes.

Members reviewed each of the policies and agreed that there were no further changes required.

The Director of Governance presented the Data Protection Policy for approval.

Members were advised that the Data Protection policy is presented on behalf of the Director of MIS who has updated the policy to reflect the recommendations from the recent GDPR assurance review. Members reviewed the policy and proposed changes and agreed these were appropriate with no further changes required.

Agreed

The Risk and Audit Committee approves and commends to the Corporation Board for approval

- Fraud, Corruption and Bribery Response Policy
- Risk Management Policy
- Data Protection Policy

025.25**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 37 recommendations made
 - 10 are complete
 - 8 are ongoing
 - 19 not started
- Where implementation dates have changed the new dates have been provided

Members were advised that high level of those not yet started are linked to the most recent recommendations from audits carried out this year.

In discussion, members highlighted those with upcoming completion dates due in July 2025, such as Remote Working and were advised that these were expected to be completed by the due dates given.

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

026.25**Risk and Assurance Progress Report 2024/25 – June 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.

027.25**Internal Audit Reports**

The Internal Auditor presented for consideration the following final Risk and Assurance Reports.

GDPR Compliance

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Limited’ red *‘Governance, risk management and control arrangements provide limited assurance that the material risks are managed effectively. Urgent and significant action is required to improve the adequacy and/or operation of internal controls’*
- There was one high, two medium and two recommendations raised

The internal auditor advised that the audit identified several areas where enhancements are required to improve compliance with GDPR, which included data protection impact assessments and data mapping.

Members reviewed the summary of findings, the recommendations made, and the actions being taken to address the issues raised. Whilst it was disappointing to note the limited level of assurance given, it was pleasing to note the positive management responses to the recommendations with the deadline of August this year for completion of the high-risk recommendation, which is currently on track to be achieved.

Performance and Sickness 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 were two medium recommendations raised

Members reviewed the summary of findings, the recommendations made, and the actions being taken to address the issues raised relating to completion of probationary and return to work interviews.

Anti-Fraud Framework

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 low recommendation raised

Members reviewed the summary of findings, the recommendations made, and the actions being taken to address the issue raised relating to fraud awareness training for staff.

Follow-up audits

Members reviewed the detail of the report, noting

- reasonable progress has been made with implementing previously raised recommendations
- out of the recommendations raised 7 have been implemented, 4 partially and 3 not yet started

Agreed

The Risk and Audit Committee agreed to accept the

- Internal Audit Recommendations monitoring report
- Risk and Assurance Progress report – June 2025
- Final Risk and Assurance report for
 - GDPR Compliance
 - Performance and Sickness Management
 - Anti-Fraud Framework
 - Follow-up audits

028.25

Internal Audit Assurance Strategy and Annual Plan

The Internal Auditor presented, for consideration and approval, the proposed internal audit coverage for the 2025/26 year.

Members reviewed the detail of the report, noting the

- areas of highest risk register entries
- prior internal audit coverage and assurances
- areas proposed for internal audit in 2025/26
- four-year proposed internal audit plan for 2024/25 – 2027/28

Members reviewed the areas proposed and in discussion, agreed that there was a good level of cover for the relevant areas and were content with the total number of 34 days proposed at a cost of £21,696.76 +VAT.

029.25

Internal Audit Charter 2025

Members received the internal auditor's Internal Audit Charter which sets out the global standards by the Chartered Institute of Internal Auditors and demonstrates compliance with the new standards.

Agreed

The Risk and Audit Committee agreed to endorse and commend to the Corporation Board for acceptance and approval the

- Internal Audit Strategy and Annual Plan for 2025/26
- internal auditor's Internal Audit Charter 2025

030.25

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.

031.25

Dates of scheduled meetings of the Risk and Audit Committee 2025/26

Tuesday 2 December 2025

Tuesday 17 March 2026

Tuesday 9 June 2026

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

SIGNED AS A CORRECT RECORD:

DATE: 2 December 2025

