



**USP College Corporation  
Risk and Audit Committee**

**Minutes of the Meeting held on Tuesday 2 December 2025  
Held on Microsoft Teams  
Meeting commenced: 16.00hrs  
Meeting ended: 17.00hrs**

**Present**

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

**In attendance**

Steven Hendy	Chief Finance Officer (CFO)
Leisyen Cox	Internal Audit Service - Scrutton Bland
Beth Pritchard	Internal Audit Service – Scrutton Bland
Charlotte Larkin	Financial Statements Auditor – Buzzacott LLP

**Clerk**

Sue Glover	Director of Governance
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The Director of Governance informed members that Nigel Brunning who had been appointed as a governor in July and was to be elected as the Chair of the Committee had tendered his resignation to leave the Board. It was therefore proposed and agreed that Robin Lodge who had previously acted as the interim Chair of the Committee would continue in the role for this meeting.

**031.25 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.

Robin Lodge declared an interest regarding the implementation of 'an even better place to work' initiative which he had been involved in.

There were no other declarations of interest.

**032.25 Apologies for absence**

There were no apologies for absence, but it was noted that Nigel Brunning had tendered his resignation from the Board.

**033.25 Unconfirmed minutes of the meetings of the Risk and Audit Committee held on 17 June 2025**

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

**034.25 Matters arising and action points from the minutes of the previous meeting**

Members reviewed the schedule of action points, noting those that would be picked up under this agenda.

It was agreed that all matters had been satisfactorily completed and there were no other matters arising from the minutes of the previous meeting.

**035.25 Fraud, Irregularity and Whistleblowing Matters**

The CFO informed members that there were no matters to report.

**036.25 GDPR related matters**

Members were informed that GDPR related matters have become a standing item following a recommendation from the internal audit report on GDPR.

The CFO informed members that there were no matters to report at this time.

**037.25 College Policies**

On behalf of the Executive Director Information Systems & Funding, the Director of Governance presented the Freedom of Information Policy for approval.

Members were advised that the policy is presented for review as part of the College cycle of policies for review and approval.

Members reviewed the policy, noting the highlighted changes to streamline the policy and that it continues to meet statutory requirements and models best practice in the sector.

The Committee agreed there were no further changes to be made to the policy.

**Agreed**

The Risk and Audit Committee recommends to the Corporation Board for approval the Freedom of Information Policy

**038.25 Post-Audit Management Report for year ended 31 July 2025**

The external auditor presented the Post-Audit Management Report to the Risk and Audit Committee for the year ended 31 July 2025.

Members were advised that the audit had gone well, and the external auditor took the opportunity to thank the finance team for their assistance.

The Committee considered the detail of the report, in particular

- Executive Summary
- Financial Performance and Going Concern
- Key Audit Findings
- Key audit risks and outcomes
- Audit observations and recommendations
- Sector developments

Members were advised that

- as at 6 November 2025, the audit is complete with the exception of
  - Going Concern assessment that covers a period to at least December 2026 including latest management accounts and cash flow projections
  - Final funding reconciliation
  - receipt of Letter of Representation
  - confirmation prior to the financial statements being signed that no significant events have taken place since the time of the audit that would impact on the financial statements

The external auditor informed members of the financial performance

- the College had a surplus on continuing operations for the year of £467,000 (2024 - £205,000)
- the college's financial health rating is at the top end of 'good'

The external auditor further informed the Committee that no significant deficiencies in the accounting and internal control systems were found during the audit, and an unqualified audit opinion is expected. The CFO advised that he had requested minor amendments to the post audit report for clarity and accuracy, including correcting the surplus figure to £465,000 and clarifying the review of ILR data. A revised post audit report would be forwarded post meeting and presented to the Board next week.

In discussion, members were informed that the Finance and Resources Committee had reviewed the financial statements at their meeting held on 27 November and agreed that the result is consistent with the financial picture presented and had acknowledged that any recommendation to the Board on the approval of the financial statements lies with the Risk and Audit Committee.

### 039.25

#### **Financial Statements 2024/25**

The Committee was presented with the draft financial statements for the year ended 31 July 2025.

The attention of members was drawn to

- Member's report
- Statement of Corporate Governance and Internal Control
- Statement of Regularity, Propriety and Compliance with Funding body terms and conditions of funding
- Statement of Responsibilities of the Members of the Corporation
- Independent Auditor's Report to the Corporation of USP College
- Reporting Accountants Assurance Report

Members noted that the Finance and Resources Committee had given initial consideration to:

- Statement of Comprehensive Income and Expenditure
- Balance Sheet as at 31 July 2025
- College Statement of Changes in Reserves
- Statement of Cash Flows
- Notes to the Accounts

Members noted that, subject to the conclusion of outstanding audit items, it was the opinion of the Financial Statements auditor that the financial statements:

- *Give a true and fair view of the state of the College's affairs as at 31 July 2025 and of the College's surplus of income over expenditure for the year then ended, and*
- *Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice*
- *In all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;*
- *In all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and*
- *The requirements of OfS's accounts direction have been met'*

Members also noted the conclusion given by the Regularity Auditor that

*'In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.'*

**040.25 Letter of Representation**

The External Auditor presented the Letter of Representation in respect of the Financial Statements for the year ended 31 July 2025.

Members reviewed the detail of the Letter of Representation, noting the Going Concern statement.

**041.25 Regularity Audit Self-Assessment Questionnaire 2024/25**

The CFO presented the College's Regularity Audit Self-assessment.

The Committee was advised that self-assessment formed the basis of the separate external audit and regularity audit opinions.

Members noted that

- the self-assessment confirms the actions the College undertakes regularly to verify that its expenditure is appropriate and in accordance with relevant rules and guidance
- the self-assessment has been reviewed by the external auditor as part of their year-end audit function
- the Principal and Chief Executive and the Chair of Governors are required to sign the Regularity Audit Self-assessment for 2024/25 on behalf of the College

**Agreed**

The Risk and Audit Committee agreed that the following is presented to the Board and that the financial statements are approved and 'signed off'

- Post-Audit Management Report for the year ended 31 July 2025, subject to amendments as discussed
- The Financial Statements for USP College for the year ended 31 July 2025
- The Letter of Representation in respect of the Financial Statements for the year ended 31 July 2025
- Self-Assessment Questionnaire for the year ended 31 July 2025

**042.25 Meeting of the External Auditor with the Risk and Audit Committee**

The external auditor advised members that there were no issues to raise and asked if the committee wished to raise any issues without the presence of College staff. The Committee advised there were no issues they wished to discuss

**043.25 Annual Report of the Risk and Audit Committee for 2024/25**

The Director of Governance presented the Annual Report of the Risk and Audit Committee for the year ended 31 July 2025.

Members were advised that

- the Committee is required to provide an annual report to the Board and to the Principal and Chief Executive, as the Accounting Officer, which outlines the work undertaken by the Committee, and how the Committee has fulfilled its responsibilities as set out in its Terms of Reference
- The Annual Report of the Committee is required to be submitted to the funding agency together with the Financial Statements

Members considered the detail of the report, with particular reference to

- Clause 7 – Internal Audit
- Clause 8 – Financial Statements Audit
- Clause 9 – Regularity Audit
- Clause 13 – Assessment of the Risk and Audit Committee’s own effectiveness
- Clause 14 – Conclusion

Members discussed the detail of the report and agreed this gave a good summary of the activities relating to the financial year and assurance regarding risk management and internal control.

The Committee was pleased to present the report to the Board on 9 December 2025 to give an opinion that there are adequate and effective assurance arrangements in place and a framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets.

### **Agreed**

The Risk and Audit Committee approves the Annual Report of the Risk and Audit Committee to the Corporation Board and Principal and Chief Executive and commends the report to the Board for acceptance and approval

## **044.25**

### **Review of outstanding audit items**

The CFO presented a report, which detailed the progress made against the internal audit recommendations outstanding in 2024/25, which is aligned to the internal auditors follow up audit report in June 2025, which includes recommendations made in 2023/24.

Members reviewed the detail of the report, noting the

- summary of the number of recommendations
- progress/completion against each recommendation
- update where target dates have been amended
- that of the 30 recommendations made
  - 15 are complete
  - 14 are ongoing
  - 1 not started

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

## **045.25**

### **Risk and Assurance Progress Report 2025/26 – December 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 in 2025/26.

## 046.25 Internal Audit Reports

The Internal Auditor presented for review the following final Risk and Assurance Reports:

### Funding Assurance

Members reviewed the detail of the report noting the following:

- Assurance opinion – ‘Substantial’ assurance – *‘Based on the findings made within this report, substantial assurance can be taken that the controls in place to manage the audit risk areas are effective and are consistently applied in practice. Any recommendations raised relate to minor weaknesses or enhancement opportunities.’*
- 4 low recommendations

Members reviewed the summary of findings, the recommendations made, and the action being taken to address the issues raised.

### Artificial Intelligence (AI) advisory review audit

Members reviewed the detail of the report, noting that no assurance opinion was given as AI is an emerging risk. The College was noted to have a mature approach, including a policy/strategy and a Steering Group that is working to help guide staff and students on AI use within the College. Nine suggestions were raised, including incorporating AI into sustainability, well-being, business continuity and GDPR.

The Committee agreed that both reports presented a good outcome, giving assurance of the systems and controls in place. It was particularly pleasing to note the approach taken by the College on preparing staff and students on AI use.

## 047.25 Annual Internal Audit Report for 2024/25

The Internal Auditor presented for consideration and review the Annual Internal Audit Report 2024/25.

Members considered key sections of the Report, in particular

- the audit opinion
- key observations and management actions on previous recommendations
- Internal Audit Planned Coverage and Output
- The Quality Assurance Improvement Programme
- Performance Indicators
- Summary of Findings for the year ended 31 July 2025
- Audit Benchmarking Data

Members noted that it was the opinion of the Internal Auditors for the year ended 31 July 2025 that the College has:

- adequate and effective risk management processes;
- adequate and effective governance processes;
- adequate and effective control processes, and
- adequate and effective processes surrounding efficiency and effectiveness

It was noted that the opinions would contribute towards the assurances used by the Committee when preparing the Annual Report for the Corporation Board.

The Committee agreed that the internal reports presented and those throughout the year have been very positive and give the Committee and the Board assurance that there are effective controls and processes in place.

### **Agreed**

The Risk and Audit Committee agreed to accept the

- Outstanding audit items update
- Risk and Assurance Progress report – December 2025
- Final Risk and Assurance reports for
  - Funding Assurance
  - Artificial Intelligence advisory audit
- Annual Internal Audit Report for 2024/25

**048.25**

### **Annual Risk Management Report for 2024/25**

The CFO presented for consideration the Annual Risk Management Report for 2024/25.

The Committee was reminded that

- risk management is a standing item on the Committee's agenda and at each termly meeting consideration is given to the risk profile together with any change in the risk scores
- Headline Risks of the College are the main focus of the Committee and are monitored throughout the academic year
- it has a responsibility to
  - oversee the College's risk management process in accordance with its Terms of Reference
  - provide, in its annual report and in accordance with the DfE Framework and Guide for External Auditors and Reporting Accounts of Colleges, an opinion on the adequacy and effectiveness of the College's risk management

Members considered the detail of the report, noting

- there were sixteen headline risks at the end of 2024/25 that met the target risk rating, five of which remained above the target rating set
- a Risk Management internal audit took place in November 2024 focusing on the headline risks, a further internal audit will be planned in 2025/26 following the implementation of new risk management software
- three new risks were introduced during the year, covering government priority impacts
- a new risk management software, Risk Wizard, has now been implemented for the start of 2025/26 and training has commenced for all departmental managers to enable them to create their own departmental risk registers
- the headline risks for 2025/26

Members agreed that there continues to be appropriate arrangements in place for the monitoring and review of risk management at each meeting and that the headline risks for 2025/26 are appropriate.

In discussion, the CFO sought feedback on whether the number of headline risks were excessive and the internal auditor advised that in their view from the sector that this was manageable.

### **Agreed**

The Risk and Audit Committee endorses and commends the Annual Risk Management Report for 2024/25 to the Corporation Board for acceptance and approval

049.25

**Quarter 2 Headline Risk Register 2025/26**

The COO presented a report, which provided details of the headline risks together with the risk register summary for Quarter 2 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 October when the ELT considered the current headline risks
- there are twenty-one headline risks, two new risks have been introduced, the risk of inadequate due diligence related to a strategic partnership and the risk of an inappropriate apprenticeship delivery
- two risks were removed relating to impacts from changes to new government priorities and A level retention

Members considered the detail of the register, noting:

- there are two new risks for 2025/25 and two have been removed
- there are 21 headline risks, all of which are on track to meet target for 2025/26
- there are no changes to risk ownership

The Committee agreed that the headline risks in place for the College remain appropriate and that good progress has been made to ensure that they remain on track to meet the target set for 2025/26.

The CFO sought feedback on the new Risk Wizard reports presented and members advised these gave very clear and concise information of the risks together with the targets. A further suggestion was made on setting a limit of link actions to avoid creating a large list. It was agreed that the CFO would investigate the anomaly in the risk scoring reporting (inherent/residual/direction) and a further report following suggestions would be shared with the members. There will also be further feedback from manages once they start using the system.

**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 is presented to the next meeting of the Corporation Board

050.25

**Any Other Business**

There were no other items of any other business.

051.25

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

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: 17 March 2026**

