

CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Audit Committee
Monday 03 March 2025 1.30 pm– by Zoom

Members Present: Derrick Betts (Chair), Stephen Grainge, Andrew Dowsett, Grainne Brankin.

In attendance: Zoë Lawrence, Paul Bradley*, Paul Goddard (Scrutton Bland)*

*for relevant agenda items only

1	<p>Welcome and apologies for absence DB welcomed everyone to the meeting. There were no apologies.</p>
2	<p>Declarations of Interest in the agenda items There were no declarations of interest.</p>
3	<p>Minutes of the joint Audit and Finance Committee meeting held on 02 December 2024. The relevant sections of the minutes were approved as an accurate record.</p> <p>Matters Arising The actions had been completed and consideration of including an internal audit for GDPR for the following year was discussed.</p>
4	<p>STRATEGIC</p> <p>i. Deep Dive, IT and MIS risk register PB presented the IT and MIS risk register. He highlighted the three risks that had recently escalated to the strategic risk register. The first of these concerned cyber security and that additional investment was being made to the detection and response infrastructure and architecture. He also updated the committee on the cyber essentials accreditation, which had been a significant task often with moving goal posts. The submission had recently been uploaded and it was expected that the results would be known in the coming days. As soon as the outcome was received this would be reported to the committee.</p> <p>SG asked about multi factor authentication and whether this was in place. PB confirmed that it was for staff currently, and it was planned for all students soon. SG also noted that there were a number of IT related recommendations that were still to be implemented in the follow-up report. PB said that these would likely be completed following the business continuity exercise on 25 March 2025.</p> <p>The other two risks on the MIS risk register which had been escalated to the strategic risk register concern bursary funding and directed learning hours. The data collected by MIS had highlighted these issues which were being addressed by the relevant departments in the college including finance, student services and curriculum. It was acknowledged that the risk management process and scoring had brought these risks on to the strategic risk register though the impact may not warrant for them to be strategic risks.</p> <p>DB asked about the magnitude of any potential claw back of bursary funding. AT explained that there had been a self-declared underspend of £677k in 2023/24 which was not included in any operating surplus though did impact on cash. This level of underspend was not expected in the current year as the bursary had been pushed hard with students and a larger proportion of it was expected to be spent.</p>

	<p>ii. Strategic Risk Register</p> <p>AT presented the strategic risk register noting that several risks had reduced including the risk of achieving an Ofsted Good rating, and some of the governance risks. The majority of the risks related to finance (cash flow, banking covenants, and financial viability) in direct relation to the Wembley project, and there were six new risks relating to the Wembley project. The risks relating to the Wembley Project had increased largely due to the delays and uncertainty on timing. GB as chair of the Property & Infrastructure Committee echoed this and also that the procurement of the main contractor had not progressed as expected, with costs continually increasing. Members referred to the Corporation meeting in December when a review of the position on the project was undertaken with the decision to continue. A further review may be needed if there was any significant change from the current plan.</p> <p>Members discussed the merits of grouping these property risks together noting the value of having them separate at a project level. SG asked AT if she was particularly concerned about the cash flow and whether there was any point when she thought there would be insufficient cash as liabilities fell due. AT said that the college still had most of the £8.35m loan from the DfE, plus the college was aiming to be cash generative so she was confident of the cash position until the first tranche of money from the sale of the first phase of the redevelopment was received. She reminded members that the decant at Willesden had progressed in a different way to that originally planned, not requiring the same level of funding, though recognised that the project was still dependent on several funding sources some of which were uncertain. GB commented that the Corporation would need to approve the revised heads of terms and the procurement of the main contractor.</p>
5	<p>INTERNAL AND EXTERNAL AUDIT</p> <p>i. IA Reports</p> <p>a) Management Information</p> <p>PG reminded the committee of the value of this audit in providing assurance on the accuracy of data being used to monitor performance and for decision-making. The audit provided significant assurance with recommendations made to further evolve and improve the processes already in place, using the Power BI to drive enhancements. GB asked if the recommendations were somewhat form over substance and queried the degree of difference they would bring. PG said that it did not change the KPI, but how it was reported, with the potential to manage version control, automate systems to remove errors, and progress to real time data. He stressed that the recommendations were worded for the college to explore the options, not for them to be a requirement. The Committee noted the report.</p> <p>ii. Internal Audit recommendations – follow-up</p> <p>AT reported that significant progress had been made to date on most of the IA recommendations listed. A tabletop business continuity exercise had been planned for 25 March following which several of the business continuity recommendations could be closed out. The Committee thanked AT for the progress made, acknowledging that the final judgement on the completion of the recommendations would be from the internal auditors in their follow up audit in the Summer.</p> <p>iii. Internal Audit (IA) Progress Report 2024/25</p> <p>PG explained that the Estates IA had moved to June and there had been some delays with the IA on Additional/High Needs Learner Support due to sickness absence and the half</p>

	<p>term break, so it had not been possible to bring this report to this meeting of the Audit Committee. This would mean that there would be four IA reports for the next meeting with three being presented at the October meeting. Members considered swapping one of the planned audits for one on GDPR but decided that it was not of sufficient risk or priority at the current time.</p> <p>iv. Retender for external auditors DB reminded the committee of the process taken to date and that the references provided for the preferred bidder had responded positively to the concerns expressed about their level of FE experience. ZL set out the process from this point following Corporation approval at the end of March that there would be a handover with the existing external auditors and files would be shared. There would also likely be meetings with the Executive and Audit Chair in the run up to the next meeting on 9 June when the new external audit partner would present the strategy for the audit to take place in the Autumn. They would also likely meet with the Internal Auditors and review their reports. The Committee resolved to recommend the appointment of Hays Mac as the external auditors to the Corporation for approval.</p>
6	<p>POLICY REVIEWS</p> <p>i. Counter Fraud Policy The Committee requested the following changes to the policy:</p> <ul style="list-style-type: none"> • that the policy set out two lines for reporting fraud in the event that the CFO be conflicted or implicated in any allegations. The second line of reporting would be to the Director of Governance. • For the policy to seek that all allegations of fraud against staff be reported to the Audit Committee (indicating the location and type of fraud) to enable any trends or 'pockets' of fraud to be identified. • The inclusion of the word 'enforced' at para 18 referring to controls. • That reference to worse case scenario in on page 9 be amended to read be aware of or model rather than assume. <p>Subject to these amendments being made the Committee was content to recommend the policy to the Corporation for approval.</p> <p>ii. Business Continuity Policy The Committee had no comments on this policy and were content to recommend it to the Corporation for approval.</p> <p>iii. Risk Management Policy The Committee had no comments on this policy and were content to recommend it to the Corporation for approval.</p> <p>iv. Health & Safety Policy The Committee had no comments on this policy and were content to recommend it to the Corporation for approval.</p> <p>v. Anti-bribery, Gifts & Hospitality Policy This policy had a number of significant changes which had been recommended under advice received in an updated version from Eversheds. AD suggested a small change to para 12 of the policy for the Chair to approve any gratuities in excess of £25 received by the CEO. Subject to this amendment the Committee was content to recommend the policy to the Corporation for approval.</p>

7	<p>AOB (Reports circulated in advance)</p> <p>I. Freedom of Information (FOI) Report This report was requested at the previous meeting. It contained a summary of those that made requests under the FOI Act and what information they requested. It provided assurance to the Committee that the requirements under the FOI Act were being met by UCG. GB commented that she thought the overview of interest and as it showed themes in the information requested and any gaps.</p> <p>II. Health and Safety Termly Report AT presented this report highlighting the risk assessments that were completed ahead of the Ofsted inspection in December and the investment in Health and Safety training for staff. This included a three-day programme for leaders and managers and online training for all other staff on CPD days. An annual audit had also been conducted in respect of the college's insurance. GB thanked AT for the update and commented on the incident log in the report querying whether they were all health and safety incidents, and the level of consistent categorisation across the campuses. AT said that she thought the categories were defined by the Health and Safety Officer and there was some agreement that the way this was presented made it difficult to see any spikes or trends in incidents. DB suggested that clearer categorisation and summarising of the incidents be considered. AT agreed to feed this back. AD noted the number of epileptic episodes and that this had centred around one particular student. The committee asked that the increase in the incidents of violence against women and girls be looked into and reported back to the Committee, and for any significant increases in incidents to be highlighted in the narrative of the report.</p> <p>AD commented on the spread of first aiders across the campuses, and members discussed the rota system to enable all first aiders to maintain their levels of experience as far as possible. It was noted that UCG has mental health first aiders.</p>
7	<p>Date of next meeting Monday 09 June 2025</p> <p>Meeting closed at 3.02 pm</p>

Minutes taken by Zoë Lawrence 04 March 2025

ACTIONS

REF	ACTION	LEAD	STATUS
6	For the proposed changes to be made to the Counter Fraud Policy and Anti-bribery, Gifts and Hospitality Policy before being approved by the Corporation.	ZL	Complete
7ii	For the increase in violent incidents against women and girls reported in the Health and Safety report to be looked into and reported back to the Committee	AT	Complete
7ii	For the format of the report to be reconsidered to include narrative on any significant increase in a particular type of incident and for the categorisation of the incident log to be reviewed.	AT	Ongoing

SIGNED:

Date:

Derrick Betts, Chair