

**CORPORATION BOARD of UNITED COLLEGES GROUP**

**Minutes of the Audit Committee**

**Monday 06 October 2015 6.00 pm– by Zoom**

**Members Present:** Stephen Grainge (Chair Designate), Andrew Dowsett. Grainne Brankin.

**In attendance:** Zoë Lawrence, Paul Goddard (Scrutton Bland), Amanda Thorncroft (CFO), Ian Valvona (External Reviewer – Observer).

\*for relevant agenda item only

<b>1</b>	<b>Welcome and apologies for absence</b> SG welcomed everyone to the meeting. He reported that since the last meeting of the Audit Committee, Derrick Betts had decided to stand down as a governor due to family commitments. A recruitment exercise had taken place the week previously and a replacement governor to be a member of the audit committee had been selected for recommendation to the Corporation for approval.
<b>2</b>	<b>Declarations of Interest in the agenda items</b> There were no declarations of interest.
<b>3</b>	<b>Minutes of the joint Audit Committee meeting held on 09 June 2025.</b> The minutes of the Audit Committee meeting held on 09 June 2025 were approved as an accurate record.  <b>Matters Arising</b> The matters arising were included elsewhere on the agenda.
<b>4</b>	<b>STRATEGIC</b>  i. <b>Audit Committee Annual Report</b> An early outline draft of the Audit Committee Annual report had been prepared for review and further comment and additions. SG and AD agreed to send ZL drafting comments by email rather than go through each one at the meeting. The scope of work of audit committees and internal auditors in college corporations would also be referred to and updates made. The next draft would be shared with the committee at the meeting on 01 December for further comment and sign off from the committee before approval by the Corporation on 15 December 2025.  ii. <b>Strategic Risk Register</b> AT presented the strategic risk register setting out that the risks had not significantly changed from the previous version shared with the committee. SG noted that the risk register was dominated by finance risks associated with the Wembley Park Project and asked AT whether she was confident in managing these risks. AT said that a huge amount of work had been expended on getting the project to this point and more detailed papers would be prepared for the Corporation meeting on 22 October 2025. She explained the options that were being explored to fill the funding gap which included additional CIL, GLA grant and payment holidays on the loan to manage cash flow. Away from the £180m capital project, UCG had always had a good financial health. Based on the information known at the current time AT was of the view that the funding gap could be met and the cash flow managed. The Department for Education (DfE) were continuing to be

	<p>supportive. GB highlighted the governor duties as charity trustees to consider value for money in addition to affordability as the two things were separate. She queried if the project was VFM regardless of its affordability. GB also raised the definition of strategic risk used to develop the risk register, and whether a more 'top-down' analysis at a strategic level would be beneficial in addition to the scoring of bottom-up risks which were above tolerance. PG noted the cyber security risk and how this was more focussed on prevention and mitigations to stop an attack from happening than it was on the response in the event of a successful cyber-attack. GB related this to the discussion on IT infrastructure at the Property &amp; Infrastructure Committee where it was acknowledged that online learning was not part of the current strategic plan, though would be part of business continuity plans. AT reported that JISC had supported the college with a business continuity desk top exercise simulating a cyber attack in March 2025 which had identified strengths and weaknesses in UCG's response. <b>The Committee noted the risk register.</b></p> <p><b>iii. Internal Controls – HPL Hours</b>  AT brought to the Audit Committee's attention that the college had changed its system for recording and payment of HPL hours and sought the Committee's opinion on whether the new system (Alvius) provided sufficient controls against fraud. The paper listed the control features. The Committee noted that the system had only been in use for one month to date and suggested that a paper be brought back to this committee in six months' time when it had been in use for longer and a more detailed assessment of its suitability could be made.</p> <p><b>iv. Deep Dives for 2025/26</b>  Members discussed the options for 'deep dives' for future meetings this academic year, based on the risk register and wider risk considerations. Options including cyber security, physical controls in respect to building security and banking covenants were considered. It was agreed that the following two areas would be taken as deep dives:</p> <ul style="list-style-type: none"> <li>• Cyber security in respect of measures to restore and recover services following a cyber attack</li> <li>• Practical controls over entry to buildings in the event of an incident requiring building lock down</li> </ul> <p>In addition, a paper would be prepared for the committee for the March meeting setting out what would happen in the event that Barclays did not agree an amendment to the banking covenant if breached.</p>
5	<p><b>INTERNAL AUDIT</b></p> <p><b>i. Internal Audit Progress Report</b>  PG explained that there were currently two internal audit reports being finalised that were originally on the agenda for this meeting but would be postponed to the December meeting of the Committee. These were the Human Resources -Staff recruitment and retention audit, and the Follow-up audit. The delays may have been incurred due to the audits taking place over the summer leave period which would be avoided in future. It was agreed that the internal spreadsheet of internal audit recommendations would also be updated and provided for the December meeting.</p> <p>SG noted the range of assurance levels for each of the audits for 2024/25 and that a higher proportion of these were reasonable for that year compared to the prior year where more were given significant assurance. PG said that this was not necessarily a trend as it depended on the complexity of the area being audited. GB noted the demographic pressure information in the report and asked if it was possible to know these projections</p>

	<p>for student numbers further than three years into the future, particularly in respect of the redevelopment of the Wembley site. PG said that three years was considered reasonable for audit purposes. ZL offered to see if other information was available elsewhere in response to GB's query.</p> <p>ii. <b>IA Reports - Estates Management</b></p> <p>PG reported that this internal audit had received reasonable assurance. The main concerns were in relation to structured documentation, version control and consistent use of reporting frameworks which were in place. SG commented that he thought the list of items was quite long and of importance as basic management tools. PG confirmed this but explained that there was completion, but the process was not as clear as it should be and housekeeping needed to be improved. The management responses in the report committed to making the necessary changes by the end of October 2025, which would be picked up in the internal follow-up report for the next meeting.</p>
6	<p><b>AOB</b></p> <p>I. <b>Fraud Prevention</b></p> <p>This paper had been brought to the Audit Committee in response to the Economic Crime &amp; Corporate Transparency Act of 2023 which came into force on the 1 September 2025. UCG's Counter Fraud policy had been reviewed in response, plus AT proposed additional measures for fraud prevention including an extension of the role of the risk control group to include fraud, a fraud risk register and fraud prevention awareness training/communications strategy. The focus was to ensure that UCG had taken all reasonable steps in fraud prevention. Members discussed the challenges of implementing policies and assessing whether they were understood by staff. A small amendment was suggested to the policy. <b>The Committee resolved to recommend the amendments to the Counter Fraud Policy to the Corporation for approval.</b></p> <p>II. <b>Health &amp; Safety Annual Report</b></p> <p>AT presented the Health &amp; Safety report which had been prepared with a new format which she hoped rebalanced the focus of the report away from incidents and first aid to include the broader spectrum of H&amp;S responsibilities. GB said that she thought the report was improved and acknowledged the range of activities it covered. It was also noted that this would link with safeguarding and other security reporting. SG suggested that an amendment be made that the H&amp;S policy was being implemented, rather than there was adherence to it. He also noted the fire risk assessments of the buildings and suggested that the minor improvements be made where possible. <b>The Committee noted the H&amp;S Annual Report.</b> The report would also be shared with the Corporation for information.</p> <p>III. <b>GDPR Policies</b></p> <p>AT explained that these policies had been prepared by the outsourced Data Protection support GRCI Law who had also prepared the previous versions of the policies for UCG. There were several policies which were detailed. The Committee were of the view that the college was reliant on the external expertise and <b>resolved to recommend the policies to the Corporation for approval.</b> However, the Committee discussed the challenges of ensuring that staff understood their responsibilities in respect to GDPR given the significant level of personal and sensitive information the college held. AT said that GRCI Law would be providing a detailed briefing to managers on the policies which would be cascaded into their teams, plus there was a module on GDPR included in the cyber security training completed by all staff. PG also offered to provide some examples of work in other colleges in this area to share learning. Further discussion followed on the committee receiving assurance that there was compliance for key policies including safeguarding,</p>

	<p>cyber security, anti-bribery and GDPR. <b>It was agreed that the Audit Committee would receive a report on the level of mandatory training completed in each of these areas, and other support provided to staff to raise awareness.</b></p> <p><b>IV. Whistleblowing Policy</b></p> <p>ZL explained that this policy was a new version based on a template provided by Eversheds purposefully for the FE sector. She thought that some aspects were better articulated in terms of process compared to the earlier version so was proposing that it be adopted. There were no regulatory changes. <b>The Committee resolved to recommend this new version of the Whistleblowing Policy to the Corporation for approval.</b></p>
7	<p><b>Date of next meeting</b>  <b>01 December 2025 (Joint with F&amp;R Committee)</b></p> <p>Meeting closed at 7.28 pm</p>

Minutes taken by Zoë Lawrence 07 October 2025

#### ACTIONS

REF	ACTION	LEAD	STATUS
4i	SG and AD to send detailed drafting comments to ZL on the Audit Committee. ZL to make further updates.	SG/AD/ZL	Complete
4iii	A further report on the use of Alvius and internal controls to be brought back to the June meeting.	AT	
4iv	A paper to be prepared for the March meeting on actions to be taken in the event that an amendment to banking covenants was not an option when breached.	AT	
06iii	The Audit Committee would receive a report on the level of mandatory training completed for safeguarding, GDPR, anti-bribery and fraud awareness and other support provided to staff to raise awareness.	AT	

SIGNED: .....

Date:

**Stephen Grainge, Chair Designate**