

Minutes
Audit & Risk Committee
HRUC Governance

Date	25/09/2025	
Time	17:30 - 18:30	
Location	Microsoft Teams Meeting	
Present	Vincent Neate	Chair
	Grant Cooper	Vice-Chair
	Sofia Barbosa-Boucas	Governor
	Mario Michaelides	Governor
	Paul Miller	Governor
	Sandeep Kutty	Governor
	Keith Smith	Ex Officio, CEO
	Dylan McTaggart	Group Executive Principal
	Tim Hulme	Chief Operating Officer
	Shane Woodhatch	Chief Financial Officer
	Susan Evans	Financial Consultant
	Anil Pujara	Head of Internal Audit
Clerk	Clare Mitchell	Interim Director of Governance
Note Taker	Nataliia Tymkiv	

Minutes

1 - General Disclaimer at the Start of the Meeting

The meeting was recorded for the purpose of minuting. No objections were raised.

2 - Apologies

There were no apologies of absence.

3 - Minutes of the meeting on 25 June 2025

The Committee received the draft minutes. There were no comments and the minutes were approved.

Resolution: The Committee approved the minutes of the meeting on 25 June 2025 as an accurate record

4 - Action List

The Committee received the updated list of actions from the previous meeting.

The first outstanding action (Action 2) related to distinguishing between training compliance and cultural compliance in future reporting. This distinction had been noted and would be incorporated into future reports. This action was now closed.

The second outstanding item (Action 11) related to maintaining a record of late Committee and Corporation papers. The Committee noted that papers had been sent out on time for recent meetings, and this action was closed. The Committee emphasised the importance of timely paper distribution due to past complaints.

The Committee commended the improvements in paper quality and timeliness, which facilitated meeting preparation.

The Committee noted the action list update.

5 - Committee Self-Assessment

The Committee considered the arrangements for its annual self-assessment. This exercise would form part of the overall Board effectiveness self-assessment for 2024/25.

Governors were advised that a questionnaire would be circulated in early October to gather views on the Committee's effectiveness, any training or development needs, and the relevance of standing agenda items.

The Committee agreed the proposed approach and timeline and emphasised the importance of providing constructive and honest feedback to support continuous improvement.

Action: Finalise the committee self-assessment questionnaire and circulate it to members for feedback - CM

6 - Internal Audit Operational Plan 2025/26 and Strategic Plan 2026/28

The Committee considered the proposed Internal Audit Operational Plan for 2025/26 and the Strategic Plan for 2026/28. The plan had been developed following a full audit needs assessment undertaken with the Executive and informed by sector changes. It had been aligned to the College's strategic objectives and was designed to remain flexible in response to emerging priorities.

The 2025/26 operational plan proposed five core reviews: apprenticeships, payroll, financial controls, agency and temporary staff, and one risk-based audit to be determined following completion of the strategic risk register. Two compliance audits covering risk management and value for money were also planned. Four advisory pieces of work were scheduled: risk management framework, data quality management, environmental and sustainability, and one further advisory review.

The Committee sought clarification on the indicative time allocation for the risk-based audit. It was confirmed that around 15 days had been allocated for each audit, with contingency built in to allow for any additional time required, particularly in the first year as systems and processes were reviewed. If audits were completed ahead of schedule, the Committee would be informed of how any saved time would be used.

The Committee emphasised the importance of flexibility within the plan and was advised that provision had been made to amend the audit programme during the year if new or emerging risks were identified.

The CEO noted that an organisation such as HRUC could expect to have a significant number of inherently high risks. The focus should be on ensuring that effective mitigations were in place and this should be tested through the internal audit process.

The Committee reviewed the proposed strategic plan for 2026–28, which would be mapped against key risks and finalised annually. Future areas of audit focus were expected to include student experience, estates and infrastructure, governance and commercial activity.

It was confirmed that internal audit work would be delivered in compliance with IAS standards and ethical codes, with advisory work kept separate from management functions. Most activity would be completed in-house. External specialists would be engaged where required, such as in ILR and IT audits. Oversight of all external input would remain with internal audit. A five-year external quality assessment of the in-house internal audit service was planned for 2029/30.

The Committee sought assurance that the budget was sufficient to support the plan. It was confirmed that the total audit budget was £110,000, with £67,000 allocated to external audit and approximately £40,000 available for specialist internal audit support. Historically, expenditure had remained within this level.

The Committee raised a concern about wording in the Internal Audit Charter referring to the authority to “allocate resources and set timeframes.” Members requested that the wording be amended to clarify that the allocation of any additional resources would need to fall within the approved budget and in consultation with the Committee and the Executive. The Committee also requested that references to “unrestricted access” to records be revised to specify that this access applied only to audit related information.

The Committee sought clarification on the timetable and reporting process for the apprenticeship audit. It was confirmed that work would begin following approval of the plan, with findings presented to the Committee in February 2026.

Resolution: The Committee agreed to recommend the Internal Audit Operational and Strategic Plans and the Internal Audit Charter to the Corporation for approval at its meeting on 7 October 2025, subject to the requested amendments to the internal audit charter being made and reviewed by the Committee Chair and PM ahead of submission.

Action: Internal Audit Charter wording on resource allocation and “unrestricted access” to be revised and reviewed by VN and PM before submission to the Corporation. – AP

Action: Apprenticeship Audit IA report to come to the February 2026 meeting of the Committee - AP

7 - External Audit Plan and Fee 2024/25

The Committee noted that the Corporation had agreed that Cooper Parry should continue as the College’s external auditors for one further year. A new tender exercise for external audit services from 2026/27 would take place during 2025/26. The CFO confirmed that Cooper Parry had delivered a comprehensive external audit process in previous years.

The Committee considered the proposed external audit plan, timeline and associated fees for the financial year 2024/25. Draft audited financial statements and audit findings would be presented to a joint meeting of the Finance & Resources and Audit & Risk Committees on 3 December 2025, with Corporation approval to follow on 16 December 2025

The scope of the external audit would include key assurance areas such as income recognition, management override of controls, assessment of the College’s status as a going concern, compliance with pension reporting requirements, and review of third-party transactions. The fee for the external audit was confirmed as £56,200 (excluding VAT) and was included within the 2025/26 budget.

The Committee was informed that the finance team had completed the year-end accounts and closed the books one week ahead of schedule. All necessary documentation was being prepared for submission to the auditors, and the external audit was expected to proceed smoothly. A clean audit opinion was expected.

The Committee asked whether there were any other areas beyond those listed that the auditors would review. It was confirmed that, in addition to the key focus areas, the audit would include around 65 individual checks covering governance documentation, reconciliations, declarations of interest and related assurance evidence.

The Committee enquired whether there were any outstanding audit findings from previous years. It was confirmed that two findings remained open. The first related to items recorded on the fixed asset register with a nil net book value, which would be addressed as part of this year's audit process. The second concerned incomplete governor declarations of interest. Governors had now been asked to disclose all of the required information. Both recommendations were expected to be fully closed before the start of the audit.

Resolution: The Committee agreed to recommend the External Audit Plan and associated fee to the Corporation for approval.

8 - Implementation Update - Risk Management Framework

The Committee received an update on the implementation of the College's new risk management framework. Following approval of the revised approach in June 2025, significant progress had been made, including the formation of a Risk Management Group and the development of a new strategic risk register.

The Committee was informed that tactical risk registers had been produced for all five internal governance boards. Each of the internal governance boards was now responsible for identifying and managing risks within their remit and for maintaining tactical risk registers.

The risk management framework had been designed to embed risk ownership across the organisation through a bottom-up and top-down approach. Risks that could not be effectively mitigated at internal board level would be escalated upwards to EMT for potential inclusion in the strategic risk register. Likewise, EMT and the Corporation would have the ability to de-escalate risks back to the governance boards when they were no longer deemed strategic.

The first full version of the strategic risk register would be considered by EMT on 26 September 2025. Once reviewed by EMT, it would be shared with the Committee. The next steps would include re-articulating strategic risks, assessing existing controls and residual risks, applying scoring, and cascading risks to operational level where appropriate

The Committee noted that operational risk registers would be embedded across the College over the next 3–6 months. A dedicated intranet page containing guidance and documentation was being developed, and training sessions for staff with risk responsibilities would be delivered to support engagement and ownership. Risk would become a standing item at EMT, and regular reports would be submitted to the Committee.

The Committee's view was that the College's approach to risk management was now in a significantly stronger position than in previous years. The Committee emphasised the importance of moving from a predominantly operational focus towards identifying strategic, forward-looking risks linked to the College's objectives. AP confirmed that the new strategic

risk register would meet this requirement and that the escalation and de-escalation processes would support that transition.

The Committee challenged how it would be able to assess whether the new framework was effective in practice and how progress would be evidenced over time. The Executive confirmed that future reporting would track movement in risk scores between meetings, the application of the risk appetite, and changes in risk profiles over time.

The Committee asked that reporting not only track changes in scoring but also provide data on how many risks had crystallised, the reasons for crystallisation, and the quality of mitigation in place. Information should also be provided on whether risks crystallised due to ineffective mitigations or other factors, and the management response to those risks should be outlined.

The Committee noted the update.

Action: Committee to be sent the Strategic Risk Register following endorsement by EMT

9 - College Risk Appetite Statement

The Committee received the updated risk appetite statement. The updated statement had been approved by the Chief Executive and Accounting Officer, as agreed that the Corporation meeting on 8 July 2025, and was now being presented to the Committee for endorsement before integration into the College's risk management framework.

During discussion, the Committee suggested that the "next steps" section should distinguish between two separate uses of the statement: informing future internal audit planning and informing strategic decision-making. It was agreed that this change would be made.

Resolution: The Committee endorsed the updated risk appetite statement, which would be embedded within the College's Risk Management Framework.

Action: Distinguish between the use of the risk appetite statement to inform future internal audit planning and informing strategic decision making - AP

10 - Fraud/irregularities/whistleblowing and legal claims

The Committee received a verbal update from the Executive on new government legislation on the "Failure to Prevent Fraud" offence, which came into effect on 1 September 2025. HRUC met the criteria for classification as a large organisation so came within the scope of this legislation, which covered a range of fraud related offences.

The Executive reported that key HRUC policies would be updated to ensure compliance with the new legislation. including the Anti-Fraud Policy, Whistleblowing Policy, Money Laundering Policy, Anti-Bribery Policy, and Financial Regulations. Staff training sessions would be implemented where necessary.

In addition, the College would produce new documentation and procedures for the detection and investigation of suspected fraud, the monitoring of fraud prevention measures, and a fraud escalation process. This work would be completed by the December Audit & Risk Committee meeting, when the Committee will receive a further update on actions taken.

The Executive confirmed that no new incidents of fraud or whistleblowing had been reported since the last meeting and there were no legal claims to draw to the Committee's attention.

Action: Executive to produce new documentation and procedures for the detection and investigation of suspected fraud, the monitoring of fraud prevention measures, and a fraud escalation process for the December 2025 Audit and Risk Committee meeting - CFO

The Committee noted the above update, which was not considered confidential.

11 - Review of Qualification Achievement Rates: Data Submission Integrity

The Committee received a paper providing assurance on the integrity of HRUC's reporting of qualification achievement rates (QAR). This paper had been requested by the Committee following recent sector concerns regarding manipulation of QAR data at another high-performing College.

The paper set out the awarding and funding body requirements that Colleges were required to adhere to and detailed the systems that were in place at HRUC to validate data submissions and protect against human error/dishonesty.

The paper provided assurance on the specific areas of risk raised by governors; student achievement rates matching the course students planned to achieve at the point that they became eligible for funding and the validity of student withdrawal dates on or around the 42 day funding deadline. The Committee received assurance that HRUC did not reduce a student's qualification level in year, adjust planned end dates or allow apprentices to take a break in learning except in the strictly circumstances where this was permitted within the relevant regulations.

Further assurance was provided by the results of a national audit of QAR data completed for RuTC in 2023 and a funding assurance audit which took place in 2022/23 for HCUC. HRUC planned to arrange a full funding assurance audit in 2026.

Resolution: The Committee resolved that it was satisfied with the assurances provided relating to the accuracy and integrity of HRUC's QAR data.

12 - Health and Safety Compliance Assurance

The Committee received a report providing an update on the College's strategy for ensuring it continued to meet its statutory duties in relation to health and safety and that all activities were safe, legal and compliant.

Two appendices accompanied the paper: a new compliance assurance framework identifying key areas that would be reported on, and a new set of health and safety management standards produced by PlumSun, who had been appointed by the Corporation as HRUC's Competent Person in relation to health and safety.

The new compliance framework established three lines of assurance for each of the key areas. The COO and PlumSun acted as the third line of assurance for all areas. Progress had been made across most areas, although some legacy arrangements needed to be consolidated.

The College was working towards full implementation of the PlumSun compliance model by December 2025, with future reports to the Committee monitoring progress against each of the key areas. One additional key area from the original assurance framework, student training on equipment, had been omitted in the report and would be included.

Action: Student training on equipment to be added to the H&S compliance assurance framework - TH

The Committee noted that the framework did not include DBS compliance or compliance with safeguarding training. These were dealt without by People and Organisational Development (POD).

During discussion, the Committee emphasised the importance of maintaining a strong health and safety culture and ensuring that responsibility was not seen as outsourced following PlumSun's appointment. The COO reported that health and safety was now a standing item on internal governance boards and EMT agendas, helping to embed a health and safety culture across the organisation. The Committee also stressed the need to ensure sufficient resources were in place to respond to any actions that could arise.

A minor issue was raised regarding broken external links in the PlumSun documentation. It was agreed that this would be reviewed, and a corrected version of the document would be circulated.

The Committee noted the Health and Safety update.

Action: PlumSun documentation to be reviewed to address broken links and reissued - TH

13 - Policies for Approval

13.1 - Gifts and Hospitality Policy

The Committee considered the updated Gifts and Hospitality Policy, which had undergone a scheduled review. During discussion, the Committee agreed to include an additional provision requiring that any offer or acceptance of gifts or hospitality be declared within 60 days, rather than solely at the time of the annual declaration. It was noted that while such declarations could not be actively policed, setting a timeframe was considered good governance practice.

The Committee discussed how the updated policy would be communicated to staff. It was confirmed that once approved, the policy would be distributed via POD communications and published on the staff intranet, with a clear note highlighting the new 60-day declaration requirement. The Committee also discussed whether staff would be required to confirm they had read the policy. It was noted that this system was not currently in place. However, the planned introduction of a new learning management system would provide an opportunity to track such confirmations in future.

The Committee further suggested exploring a digital form (e.g. Microsoft Forms) to streamline declarations of gifts and hospitality and centralise records.

Action: Amend the Gifts and Hospitality Policy to require any offer or acceptance of gifts or hospitality to be declared within 60 days – CM/Policies Team

Action: Explore the option of adding a link to a Microsoft Form for declaring Gifts and Hospitality to the policy document. – Policies Team

13.2 - Conflict of Interests Policy

The Committee reviewed the revised Conflicts of Interest Policy, developed to address a recommendation from the previous year's external audit and to ensure appropriate declaration and management of potential conflicts. It was noted that the policy would apply to governors, committee members, the executive team, the senior leadership team, rather than to all staff, as obtaining declarations from all employees was not considered practical. It was agreed that the scope of the policy should be extended to all members of the Finance team.

During discussion, it was suggested that declarations of interest be made as soon as possible upon becoming aware of a conflict, rather than simply requiring an annual update. It was agreed that this wording would be reflected in the final version. The Committee discussed the difference between actual conflicts (which must be declared before involvement in any decision) and changes to personal circumstances (such as a close family member joining the College), which, while not necessarily constituting a conflict, should still be reported so that the Register of Interests could be updated.

Action: Scope of the Conflicts of Interest Policy to be extended to all staff in the Finance team - CM

Action: Conflicts of Interest Policy to be updated to require new interests to be declared as soon as they became known - CM

Resolution: The Committee approved both policies with the proposed amendments.

14 - Any Other Business

No additional business was raised during the meeting.

15 - Dates of Next Meetings

The dates for the next meetings were confirmed as follows:

- Wednesday 3 December 2025, 5.30pm - 6.30pm (joint with the F&R Committee)
- Wednesday 25 February 2026, 5.30pm - 6.30pm
- Wednesday 17 June 2026, 5.30pm - 6.30pm

The next meeting was a joint session with the Finance and Resources Committee focused on the external audit, financial statements, and related matters. It was agreed that there should also be a separate meeting to discuss items specific to the Audit and Risk Committee.

Action: Agree a date for a separate meeting of the Audit and Risk Committee in early December to discuss items specific to the Committee – CM and VN

In closing, the Chair commended members, staff, and presenters for their contributions and thanked everyone for their engagement throughout the meeting.