

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE
CONFIRMED MINUTES OF 26.09.2025 MEETING OF AUDIT AND RISK COMMITTEE

PRESENT: R Anderson (Chair/CG), D Budd (CO), A Coleman Cooke (CO), G Dobson (CG), M McClintock (CG), P Neal (CG), I Wallace (CG), M Wells (CG).

Z Lewis (CEO/Principal) for Item 6, and P Moody for Item 8

AUDITORS: R Barnett (RSM) via Teams, D Hoose (Forvis Mazars) via Teams, S Pringle (WBG).

OFFICERS: Z Foster (Head of Governance), S Marshall (VP – Digital and Campus Services), O Rodley (VP – Quality and Performance), C Whitehead (VP – Finance and Registry), M Wilson (Exec. Dir. Finance).

Key CG - College Governor CO – Co-opted Governor
VP - Vice Principal

1. Private Discussion with RSM and Audit and Risk Committee

Members of staff, D Hoose (Forvis Mazars), and S Pringle (WBG) left for this matter while a private discussion took place

2. Apologies for Absence

A Mullens (RSM) and G Gillespie (WBG).

Welcomes and Introductions were given to the following:

- G Dobson and P Neal as new Committee members and College Governors
- C Whitehead (new VP for Finance and Registry) and M Wilson (Executive Director of Finance)
- S Pringle representing WBG, the new Internal Auditors for the College

3. Declarations of Interest

- R Anderson declared any relevant interest in respect of LSIP and the Stamp Exchange in Newcastle (as the NECC are NSG's landlord).

4. Unconfirmed Minutes of 20.06.2025 – were approved as a correct record.

5. Matters Arising not on the Agenda –

Several matters arising items were discussed including:

- R Barnett confirmed that the outstanding matters arising (from Sept 24) in respect of clarity on the annual opinion would be addressed within the Annual Report which would be presented at the December meeting
- The resourcing of the Finance Team was discussed, specifically the extra resource provided, the new VP, and general team capacity all of which was positive. However, it was noted that the new finance system had only gone live as of 1 August 25 and there was the potential for this to impact some aspects of the Financial Statements Audit
- The provision of an exemplar Assurance Framework by RSM was discussed including the potential complexities and value of using such a model notably the considerable extra work to do this and whether the exercise would improve the risk management process itself. It was **agreed** that this may be piloted with one of the compliance risks from the risk registers as a starting point.
- O Rodley and M Wilson gave an update in respect of the Fraud Advisory guidance work with RSM which had resulted in a full session led by RSM with SLT with recommendations and action report to follow which would be shared with the Committee

6. Risk Management Update (including risk registers)

Verbal Overview – Z Lewis drew attention to key considerations for the Committee as a result of the recent SLT Risk Management group meeting including:

- re-naming of Ofsted risk in light of new Ofsted Framework and of considerations within the framework (e.g. inclusivity)

- reduction of four risks (global environment, health and safety, finance, and business continuity) and reasoning behind those decisions
- increase to two risks – Post 16 qualifications in light of defunding in some areas of delivery and Quality Assurance and achievement outcomes
- and the single red risk of recruitment and retention of staff and impact on most of the other risks, albeit acknowledging some stability for that risk currently.

The Committee's questions and debate included: the need to keep community cohesion a focus despite a positive College atmosphere so far this term with wider societal and community concerns drawn out; the numerous systems which support and monitor behaviour/activity etc. (including Prevent, safeguarding, Smoothwall, student surveys and network links with the local community); HE enrolment and future strategy considerations for the College and Board in a climate of a general reduction in numbers for colleges nationally; recruitment and retention particularly in key areas; considered discussion on recent cyber-attacks on education institutions and related assurances in relation to Ransomware demands and insurances, and wider assurances (including Cyber Essentials and Cyber Plus and a generally proactive approach) in the current climate; and AI (referenced within the Emerging Risk Radar report at Item 7.4).

Action for R Shuttleworth and J Wells to come to the next meeting to report/present on Cyber (noting what has changed, what the team are doing etc.) and AI respectively

Clarification was given in relation to Inclusive Learning staff turnover which led to a wider discussion on staffing across key areas where pay was disparate to other organisations, notably A Levels with Sixth Form Colleges/Schools.

Z Lewis left the meeting after item 6.

7. RSM Audits

7.1 Progress report - R Barnett detailed progress in which there was one outstanding audit (Bootcamps), the report of which would come to the December meeting alongside the annual opinion.

7.2 Follow Up – R Barnett detailed 'reasonable progress' and gave further information in respect of the 4 ongoing actions.

7.3 Financial Handbook Audit 'substantial assurance' was given for this audit with 1 low priority action plan which would be implemented within the Financial Regulations document ready for its December approval.

The Committee discussed: the medium risks still open within the Procurement area with C Whitehead giving an update in respect of her plans for a detailed review of the area to ensure as robust a process as possible.

Action by C Whitehead to bring an update/plan for Procurement to the December meeting.

7.4 Autumn Emerging Radar Risk - R Barnett highlighted this horizon scanning information piece which considered AI, cyber security and political instability – all discussed by the Committee at the meeting.

R Barnett, and the wider RSM team were thanked by the Committee and SLT for their audit work over their contract term.

8. DfE Post 16 Assurance Review report (Project S)

M Wilson and P Moody gave an overview of both Project S and the accompanying assurance review report.

The Committee have a full discussion which included: clarification of the nature of the report which was a result of a DfE pilot (Project S-implication) designed to consider flexibilities with adult funding; the robust wording of the report (and any potential impact) and appropriate responding challenge particularly in light of this being a pilot and lack of clarification on the actions (which were not categorised as 'low', 'medium' 'high'); the detail of the recommendations and plans to address the inconsistencies (including training and recruitment to a new role to document and second line check) and progress on all actions which were split between registry (with new processes now in place) and apprenticeships where work was expected to be completed by half term.

It was confirmed that the Funding Audit for Skills Bootcamps would give some assurance on progress, as would the Financial Statements Audit due to start in October.

S Pringle from WGB gave some context to DfE pilot processes generally and the robust nature of such activity, which was also confirmed by R Anderson.

P Moody explained there has been no confirmation on how the DfE will select colleges for audit next year – whether it will be MC or the four not selected for audit this year.

P Moody left the meeting at 2.38pm.

9. Exception Report

(This item was taken after Item 6 to enable O Rodley to leave the meeting 2-3pm)

O Rodley gave an update on progress notably in respect of procurement and outstanding actions to which assurances were shared.

S Marshall also updated in relation to Health and Safety progress which was going well and in which there would be a further audit after half term for full assurance (and which would come to the Committee).

10. Financial Statements and Regularity Auditor – verbal update

D Hoose (Forvis Mazars) detailed a 13 October 2025 start to the main audit (which would be hybrid in nature) and confirmed that planning and interim work had already taken place over the summer.

11. WBG Internal Audit Strategy 2025-2026

S Pringle gave full details of the approach of the new internal auditors including the planning process which had determined the suggested strategy for 2025-2026 and detail of the 4 level grading structure (**strong** being the highest). He also confirmed future adaptability of the plan where required and of the hybrid approach to the audits, which would all start with an in-depth scoping meeting.

The Committee had a full discussion including: the audit proposed under ‘environmental, social and governance’ with agreement that this was more environmental sustainability focused; ESG work locally in the Tees Valley and the College role in that; movement of the sustainability audit into 2026-2027; and for future years whether a student focused audit would be helpful (albeit acknowledging that a number of recent audits looked into various elements of the student experience).

Action by WBG to adjust the Audit Strategy Schedule for 2025-2026 with the following:

- Move sustainability audit to 2026-2027
- Pull forward AI/wider digital to 2025-2026 (replacing sustainability for the forthcoming year)

Subject to the above changes, the Committee **agreed** the Internal Audit Strategy for 2025-2026.

Action by WBG to share the scope for the AI/digital audit with SLT and Committee

S Pringle also drew attention to the annual training session which the firm offered to the College.

12. Regularity Audit Self-Assessment Questionnaire 2024-2025

Z Foster presented the annual regularity audit self-assessment questionnaire detailing its purpose within the Financial Statements Audit for new members of the Committee.

The Committee **agreed** to recommend the regularity audit self-assessment questionnaire to the Governing Body and for use by Forvis Mazars from 13 October 2025 for their Financial Statements Audit work (as per the recommendations above)

Both sets of auditors (Forvis Mazars and WBG) then left ahead of the remaining items below

13. Performance Indicators 2024-2025 and 2025-2026

As per the annual cycle, the following were considered and recommended for approval by the Governing Body at its October meeting:

2024-2025

- The outcome of the 2024-2025 Performance Indicators for the Internal Auditor (RSM)
- The outcome of the 2024-2025 Performance Indicators for the Financial Statement/Regularity Auditor (Forvis Mazars)
- Confirmation of the re-appointment of the Financial Statements/Regularity Auditor (Forvis Mazars) for a period of 1 year commencing 1 August 2025

2025-2026

- The 2025-2026 Performance Indicators for the new Internal Auditor (WBG)
- The 2025-2026 Performance Indicators for the Financial Statements/Regularity Auditor (Forvis Mazars)

14. Committee Review of Top Risks

After consideration the following were considered of particular attention for the Committee:

- Digital
- Compliance (considering the DfE audit report)
- Keep the political situation under review
- Procurement – via the review by C Whitehead

15. Any other Business

None taken

16. 2025-2026 Meetings

The following meetings were approved for the forthcoming academic year:

- **Thursday 11 December 2025 1pm** (where all Governors were invited for the first item via Teams to hear the report from the Financial Statements Auditor)
- Friday 13 March 2026 1pm
- Friday 19 June 2026 1pm

17. Members Discussion

Members of staff left for this confidential item.

The meeting closed at 3.05pm