

CHAIR APPROVED

The Corporation of New College Durham
Minutes of the Audit and Risk Committee
meeting held on 17 March 2025

Present:

Allen Eccles (Chair)
Emily Baxter

Jonathan Hamill
Kathryn McCloghrie

Apologies:

None

In attendance:

Paul Bradley (Chief Finance Officer)
Bob Metcalf (Executive Director of Finance & Corporate Services)
Adele Dowson (Vice Principal)
Peter Morrison (Vice Principal)
Elaine Bonham (Executive Director HR and Corporate Services) - *part 25/08 and 25/09*
Colleen Peters (Vice Principal) – *part 25/06 and 25/07*
Nik Whiting (Executive Director ICT and Corporate Services) – *part 25/07 and 25/08*
Stephen Pringle - WBG (Internal Audit Service)
Caroline Winter (Head of Governance & Corporation Secretary)

Action

25/01 Chair's introduction and starred items

The Chair welcomed everyone to the meeting and reminded members to declare their interests in any item of business to be discussed at the meeting. No interests were declared in any of the agenda items. Emily Baxter reminded the Committee that Wylie and Bisset provided the internal audit service to her employer. The Chair thanked Emily for the notification for transparency purposes and reaffirmed that the Committee had previously agreed this did not present any conflict in the business of the meeting.

25/02 Audit and Risk Committee private discussion with auditors

In line with best practice and as agreed at previous meetings, the Audit and Risk Committee met in private with the internal and external auditors to discuss matters of interest or concern. No concerns were raised, however a member fed back from recent induction training with the Association of Colleges (AoC) that a number of governor colleagues in other colleges had indicated that their Audit Committees did not meet their auditors in private without management present. The Committee agreed that it was useful to have space for private discussion in the event that this was required for any matter.

Paul Bradley, Bob Metcalf, Adele Dowson and Peter Morrison joined the meeting at 4.09pm.

25/03 Apologies for absence – none were received.

25/04 Minutes of previous meeting (Paper A)

The minutes of the meeting held on 25 November 2024 were agreed as accurate.

25/05 Matters arising not appearing elsewhere on the agenda

24/61 (arising from 24/37) – the Assurance Map had been updated and circulated to the Committee and would be shared with the Internal Auditors to enable cross-referencing to the Annual Internal Audit (IA) Plan and establish where external assurance was provided.

24/62 – members were advised that there was no definitive deadline for reporting on carbon emissions and whilst this was not mandatory it was encouraged. The College was required to have a sustainability lead and climate action plan by 2025 and would be well-placed to meet any additional requirements should the position change.

24/64 – the timetable in the IA plan had been reviewed with the Internal Audit Service and the dates confirmed as set out in the progress report on the current agenda.

24/65 – the College Financial Handbook was re-circulated to all Corporation members.

24/66 – the annual accounts narrative was updated to reflect the committee's comments prior to submission to Corporation.

24/67 - the Risk Management Group (RMG) added consideration of emerging opportunities to the regular review of the risk register and this is reflected in the RMG report on the current agenda.

24/67 - the Committee's Annual Report was updated to reflect members' comments relating to the membership changes during the year, details of support provided to manage the transition in membership and the assurance provided by the Committee.

24/67 – views were sought on the Committee's Annual Report and opinion from the governor unable to attend the previous meeting.

25/06 Report from College Risk Management Group (including Action Plan for 2024/25 (Paper B)

Paul Bradley presented Paper B, the report from the Risk Management Group (RMG). Members reviewed the latest risk profile and Paul advised that three new risks had been added to the register relating to the College's role as lead partner for the North East Institute of Technology and potential funding clawback, poor recruitment at one of the College's HE partners and the current external review of governance. Paul drew members attention to the section of the report covering emerging

opportunities which had been developed in response to the committee's discussion at the previous meeting.

Part of this item is recorded confidentially under confidential minute 25/06a.

Members requested that references to recruitment in future reports clarified whether this related to staff or students, to assist the understanding of governors new to the FE sector and its issues and challenges.

PB

In response to a member's suggestion around Corporation oversight of the College's activity in respect of sustainability and net zero ambitions, it was confirmed that Corporation now received an annual update on sustainability activities and that this was also monitored by the Finance and Resources Committee.

Members highlighted the high risk rating relating to a potential cyber attack and queried whether further testing of security systems was required. Paul Bradley explained that the risk rating in this area would always be at a high level due to both the likelihood and impact of an attack. Whilst the internal audit report due to be considered later on the agenda had provided strong assurance, this represented a snapshot in time and in an area that evolved so quickly, the College would continue to undertake a large amount of work to prevent an attack.

Part of this item is recorded confidentially under confidential minute 25/06a.

Members sought further detail in relation to the apprenticeship changes listed as an emerging opportunity. Paul explained that this related to process changes which previously delayed the receipt of relevant funding and to improvements to accelerate the process for conducting End Point Assessments (EPA) which were expensive to complete.

Members asked for further information on the emerging risk relating to T Level engineering work placements, given the College's focus in that area. Paul explained the requirement for these students to spend 20 per cent of their time in a work placement. Whilst there was a significant challenge in securing the number of placements required across all T Levels, engineering was a particular concern. Adele Dowson added that students were unable to achieve the full T Level qualification without completing a work placement and this had been raised in regular strategic meetings with the DfE contact, particularly in light of the anticipated further increase in engineering T Level students. Adele explained that the DfE had exercised flexibility in relation to the placement requirement in some subject areas but the current position remained rigid in respect of engineering. Members were assured however that the position had been resolved for the current year's students as 50 per cent had been placed with engineering

employers and 50 per cent with the Army engineering department at Catterick, so all were expected to achieve their qualification.

Members queried the risk relating to the external governance review and suggested that the wording was reviewed to reflect that the risk related to the Corporation's governance arrangements with the external review being one of the control measures.

**CW /
PB**

Members noted the current risk profile, the risk action plan for 2024/25 and the notes of the RMG held on 14 February 2025.

25/07 External Funding Update (Paper C)

Colleen Peters presented Paper C, which provided a summary of the audits of externally funded projects carried out in the 2024 calendar year.

Colleen advised that the report covered audits that in some cases dated back to the 2016/17 academic year and more recently some substantial programmes including Bootcamp contracts totalling £8.7m and over £2m UK Shared Prosperity Fund (SPF) initiatives. Colleen advised that the College's processes to ensure compliance with contractual funding requirements played a crucial role in mitigating against potential clawback.

Colleen explained the different audits and processes covering the Adults Skills Fund and European Social Fund and highlighted in particular the assurance provided through the DfE Quality Assurance and Improvement Visits to evaluate training delivery for skills Bootcamps. These visits involved a detailed and thorough assessment across a number of areas of delivery and those completed to date had been positive. Members also noted the Article 125 audits on European Funding as well as the audits undertaken by the College's Quality Department to review the accuracy and completeness of sub-contractors' documentation. Colleen confirmed that the outcomes of all audits during the year had been positive with no actions or recommendations, demonstrating the robustness of the College's systems and processes.

Members commended the positive outcomes achieved and commented that this was consistent with the position in previous years. In response to a member's question about potential risks in future audits, Colleen confirmed no key risks were anticipated when considering the College's current funding streams. The SPF and Bootcamp programmes involved significant funds which required amendments to some College processes and it had therefore been pleasing to receive assurance from the assessors. Members requested a breakdown of current funding streams to assist governor understanding of the College's external funding portfolio and related risks and opportunities. It was agreed to provide this for the next meeting of the Committee and at six-monthly intervals thereafter.

CP

Members noted the significant volume of audits undertaken and the associated operational and management efforts, and acknowledged the consistent success in achieving favourable outcomes year after year.

Colleen Peters left the meeting at 4.41pm.

25/08 Final Report – Cyber Security (Mobile, media and software control) (Paper D1)

Stephen Pringle presented Paper D1, the internal audit review of mobile, media and software control.

Part of this item is recorded confidentially under confidential minute 25/08a.

The overall conclusion of the review was a strong level of assurance over the relevant controls, with no recommendations and seven identified areas of best practice.

The Chair invited observations on the report from Nik Whiting, Executive Director, ICT and Corporate Services. Nik confirmed that the audit outcome reflected and linked well with the work undertaken to achieve Cyber Essentials Plus accreditation. As a result there was nothing unexpected in the report and Nik was pleased with the outcome.

[REDACTED]

In response to a member's question Stephen Pringle confirmed that the current audit had been deferred from earlier in the work programme and that whilst there were no other cyber security audits in the current year's plan, there were other areas that could be suggested in planning the audits for next year. Stephen explained that other elements of the College's cyber security had been reviewed in previous years and that this was a very wide-ranging area. Every year cyber security was the highest risk area across any organisation and the expectation was that all colleges would rate this as one of their top risks due to the effects and consequences. [REDACTED]

[REDACTED]

[REDACTED]

Members commented that the focus of discussions tended to be on defending systems and preventing entry rather than the response to a successful attack. It was suggested that this was considered as part of planning for the programme for the next academic year.

**PB /
SP**

[REDACTED]

Members welcomed the strong assurance provided by the report and sought further information on the benchmarking recommendations identified in similar audits undertaken in other organisations. Stephen cited an example that there were still some colleges permitting the use of memory sticks to upload and download information to/from systems, or organisations without strong Multi Factor Authentication. In the current audit this demonstrated that arrangements in other colleges were not as strong as NCD. Members commented that this information would be of interest and requested that future reports included a bullet point outlining any recommendations made elsewhere which may be useful for further management learning.

SP

Members noted the report.

Nik Whiting left the meeting at 4.57pm.

25/09 Final Report – Mental Health and Wellbeing (Paper D2)

Stephen Pringle presented Paper D2, the internal audit review of mental health and wellbeing.

Stephen explained that as an important area for any organisation, the review considered the approach to ensuring staff morale was high, the support for staff and student mental health, how this was embedded and communicated, arrangements to support lone workers, availability of counselling and occupational health services, trigger points and monitoring arrangements. The report provided strong assurance of the College's arrangements to promote wellbeing and good mental health, made no recommendations and identified nine areas of good practice. Stephen confirmed that the College was taking the actions it was hoped would be seen in any organisation and was performing at the highest level in this area compared with others.

The Chair invited observations on the report from Elaine Bonham, Executive Director Human Resources and Corporate Services and

from Peter Morrison, Vice Principal Higher Education. Elaine commented that the report was as expected and reflected the College values and whole-college approach to mental health and wellbeing. From a student perspective, there was a read across from the previous year's internal audit review of safeguarding. Peter advised that the College was taking a proactive rather than reactive approach to protect mental health and wellbeing and that it was reassuring to see this reflected in the report. There was a significant amount of student enrichment activity and different events which dovetailed with the approach to staff. The joint strategy and action plan was working well and had placed the College in a strong position.

Members commended the report and expressed confidence in the assurance that the College was going beyond the actions of other organisations. Elaine advised that the College was keen to consider approaches taken in other organisations but would only implement what was right for NCD based on occupational health service and sickness absence data alongside feedback from the staff survey.

In response to a member's question about the staff survey response rate, Elaine advised that the survey was ongoing at the time of the review but had closed with a 45% response rate. This was lower than the previous year and whilst disappointing, it was noted that a different approach had been taken this year. The rate was likely to be on par with other similar organisations at 50%, although it was recognised that some organisations achieved higher rates. Work to review and shape the approach for NCD staff would continue.

Members expressed surprise that the audit did not make any low level observations and commented that the Committee's role was to continue to challenge and would always welcome feedback on how the College could further improve.

Members noted the report.

Elaine Bonham left the meeting at 5.06pm.

**25/10 Internal Audit Progress Report (to 28 February 2025)
(Paper D3)**

Stephen Pringle presented Paper D3, the Internal Audit Progress Report. Members noted that the plan was on track and that the three outstanding audits would be reported to the June meeting.

Members noted the report.

25/11 Any other business – none.

Adele Dowson, Peter Morrison and Stephen Pringle left the meeting at 5.07pm.

25/12 Date of Next Meeting – 16 June 2025

25/13 Confidential Item - External Audit Provision (Paper E)

This item is recorded confidentially under confidential minute 25/13a.