CONFIRMED

The Corporation of New College Durham

Minutes of the Audit and Risk Committee meeting held on 9 March 2026 Online via MS Teams

Present:		**Apologies:**
Allen Eccles	Chris Patterson	Adele Dowson
Kathryn McCloghrie	Nigel Harrett	Angela Ingham
		Stephen Pringle

In attendance:
Paul Bradley (Chief Finance Officer)
Bob Metcalf (Executive Director of Finance & Corporate Services)
Colleen Peters (Vice Principal)
Nik Whiting (Executive Director of ICT & Corporate Services)
Audrey Cowan - WBG (Internal Audit Service)
Marc Breeze – Azets (External Audit Service)
Caroline Winter (Head of Governance & Corporation Secretary)

Action

26/01 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.

26/02 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 and gain further audit assurance. There were none.

26/03 Apologies for absence were received from Adele Dowson, Angela Ingham and Stephen Pringle.

26/04 Minutes of previous meeting (Papers A1 & A2)

The minutes of the meeting held on 24 November 2025 (including confidential minutes) were agreed as an accurate record.

26/05 Matters arising not appearing elsewhere on the agenda

25/53 – the HE partnerships risk had been revised and was subject to further review along with the full risk register as detailed in Paper B on the current meeting agenda.

25/53 – the HE partnerships risk paper was included on the current meeting agenda.

25/53 – the emerging risks were reviewed and updated before the report was circulated to December Corporation.

26/06 Report from College Risk Management Group (including Action Plan for 2025/26 (Paper B)

Paul Bradley presented Paper B, the report from the Risk Management Group (RMG).

Part of this item is recorded confidentially under confidential minute 26/06a.

Paul drew members' attention to the top 10 risks detailed in the report and updated on actions proposed in response to the external review of governance. The review team had advised moving to a more focused strategic risk register and risk owners had been tasked with reviewing their risks to determine whether they should remain on the strategic risk register or transferred to an organisational risk register. Members noted that work was underway to refresh the Risk Management Statement and Strategy, which would be shared with the Committee prior to submission for Corporation approval.

Members discussed the proposed approach to reducing the number of strategic risks and suggested that this would require more complexity than a simple focus on the highest scoring risks. It was agreed that movement within the register would be key and the need to consider emerging and increasing risks was also emphasised. Members felt that the distinction between strategic and organisational risks should be carefully considered with more attention to risk tolerance levels. The Chair was keen to recognise the work by the RMG to review the register and members asked whether the Committee would still have sight of the operational risks. Paul confirmed this would be the case, but emphasised the importance of Corporation being focused on the strategic risks, which if realised would impact on the College strategy. Members agreed that the board perspective should be on whether enough mitigation was being applied to risks and whether there was a need to reconsider strategic choices. In response to a member's concern on the input required to produce risk heatmaps, Paul confirmed that the approach to the example used later on the agenda had been straightforward. Members recognised the need to respond to the external governance review but emphasised the need to focus discussion on the risks themselves.

Members reviewed the areas of emerging risk and observed that some represented the biggest issues currently facing the College including qualification reform, the new inspection regime and artificial intelligence (AI). It was suggested that these should be included on the strategic risk register to enable governors to monitor assurance and that this section of the report be renamed to emerging issues rather than emerging risks. Members commented on the need to consider the impact of the cost of living on existing students, whether the College could influence university perceptions around qualification reform and the potential to consider the fragmentation of funding as part of the internal audit work programme. In relation to emerging issues Paul advised that in most cases a relevant risk was already documented in the Strategic Risk Register and that the emerging risks/issues informed their scoring. Whilst many of the issues mentioned were still at a horizon-scanning stage they were flagged in that section of the report until there was further information to inform a change in the risk score. In terms of influencing university perceptions around qualification reform, Paul confirmed this was already in hand as an issue identified during the introduction of T-Levels. It was anticipated the discussions on V-Levels would follow a similar track.

Part of this item is recorded confidentially under confidential minute 26/06a.

Following review of the strategic risk register and the College emergent risks and opportunities, the Committee agreed to note the movement in risks across the period, the recommendations of the external governance review and the discussions at the College Risk Management Group on 13 February 2026 including the Risk Management Action Plan.

26/07 Cyber Security – Business Continuity Exercise (Paper C)

This item is recorded confidentially under confidential minute 26/07a.

Nik Whiting left the meeting at 4.45pm.

26/08 HE Partnership Risks (Paper D)

This item is recorded confidentially under confidential minute 26/08a.

26/09 DfE Funding Assurance Review Outcome 2024/25 (Paper E)

Bob Metcalf presented Paper E, which reported on the outcome of the DfE Funding Assurance Review. The review concluded with an overall satisfactory opinion and confirmed that the College had substantially complied with DfE funding rules, with only minor adjustments required.

Marc Breeze left the meeting at 5.12pm.

Bob drew members' attention to a small clawback adjustment due to an overlap of HE and FE learners but explained that this had been identified and corrected in the following College ILR submission.

Bob confirmed that from a governance perspective the overall result was positive, and members congratulated the College for its performance, particularly given the scale and complexity of the audit and requested that the Committee's recognition was passed on to the individual members of staff involved for an excellent result. **BM / PB**

The Audit and Risk Committee agreed to:

- Note the outcome of the Funding Assurance Review
- Confirm the "Satisfactory" opinion and low level of identified errors outlined in the report provided adequate assurance of compliance with the relevant funding rules.

Marc Breeze re-joined the meeting at 5.16pm.

26/10 Final Report – Treasury Management (Paper F1)

Audrey Cowan presented Paper F1, the final report on Treasury Management. Audrey confirmed that the review provided a strong level of assurance that the College's arrangements for Treasury Management were appropriate and functioning well. No recommendations were raised in the review and several good practice points were noted.

Audrey drew member's attention to the benchmarking section of the report advising the College had received a lower number of recommendations compared with other colleges where treasury management was reviewed and confirmed that this was a good clean report.

The Chair invited observations on the report from Bob Metcalf, Executive Director, Finance and Corporate Services. Bob commented that the audit had been smooth and that he was pleased with the outcome, which recognised that nothing had been missed in the College's treasury management arrangements.

Members noted the report.

26/11 Internal Audit Progress Report (Paper F2)

Audrey Cowan presented Paper F2, the internal audit progress report, noting that two visits had been completed, and the reports considered by the Committee.

Audrey advised that the planned 16-19 funding review had been paused and an alternative review proposed. Paul Bradley explained that the pause was requested due to the overlap with the DfE funding review discussed earlier on the agenda and that to avoid duplication of work, a review of 16-19 work placements was proposed as an alternative.

Members commented that there was currently a significant reliance on work placements and that this would be a good area to review.

The Committee agreed to:

- note the Internal Audit Progress Report and
- recommend that Corporation approve the proposed change to the Internal Audit Plan 2025/2026

26/12 Apprenticeships Internal Audit Review – update on implementation of recommendations (Paper G)

The Chair introduced the item, advising that the Committee had previously considered the report and requested an update on implementation. The original report had been included in the agenda pack as reference for governors to support a verbal update.

Colleen Peters had been due to provide the update on implementation however as she was experiencing to ICT connection issues in the meeting it was agreed that given the assurance from the funding audit already discussed, this item would be deferred to the June meeting of the Committee. It was noted that the Committee would also be considering the follow up audit at the same meeting and that a written update on implementation would therefore be helpful. **CP**

26/13 External Funding Update and Audit Outcomes (Paper H)

Members reviewed Paper H, which outlined the audits and compliance reviews undertaken on external funding projects during the current academic year. The Chair commented that the paper provided good assurance, and it was noted that the audits of the European funded projects were still ongoing.

The Audit and Risk Committee agreed to note:

- The continued high volume of audits across externally funded provision
- The operational and management resource required to support compliance activity
- The consistently positive audit outcomes and strong assurance position

26/14 Any other business

Members commended management on the overall agenda pack commenting that the papers were much easier to read than previously, and thanked staff in particular for the well-prepared HE partnership risks paper.

26/15 Date of Next Meeting – 15 June 2026