

COLCHESTER INSTITUTE CORPORATION
Meeting of the
AUDIT AND RISK COMMITTEE
held on Thursday 10 July 2025
4.30pm at the Colchester Campus

Members:

Simon Attwood - Governor
Varun Verma – Co-opted Governor
Sally Messenger – Governor & acting Chair

In attendance:

Alison Andreas – Principal/CEO
Alison Bennett – Head of Governance
Mark Emerson – Vice Principal
Gary Horne MBE – Deputy Chief Executive
Olufolake Mustafa – TIAA, Internal Audit
Mark Eagle – MHA, External Audit

1. Apologies for Absence

Apologies for absence were received from Stephanie Bettinson and Michael Asare Bediako. The Head of Governance confirmed that the meeting was quorate, and it was agreed that Sally Messenger would chair the meeting in the Chairs absence.

2. Declaration of any conflicts of interest

No committee or staff member declared any financial or other interests in the business to be discussed.

3. Any Other Urgent Business

None.

4. Minutes of meeting held on 6 March 2025

CIC/AR/25/2/1, minutes of the meeting held on 6 March 2025 were **APPROVED** as a true and accurate record.

5. Action Sheet

CIC/AR/25/2/2, Action Sheet 2024-25, was received and matters arising from the minutes not covered elsewhere on the agenda were discussed.

06.03.25 Item 11.1 – IT Security Policy - Vice Principal to investigate best practice recommendations in relation to the frequency of password changes

06.03.25 Item 11.1 - IT Security Policy - Vice Principal to review the current arrangements in place to monitor the activities of those with admin rights.

The Vice Principal stated that these items would be addressed in more detail when the internal Cyber Security Audit report is received. However, after seeking advice, confirmed that the College IT Security Policy reflects best practice for both areas.

6. **Audit Planning Letter for the year ended 31 July 2025**

CIC/AR/25/2/3, Audit Planning Letter year ended 31 July 2025, was received and considered. MHA highlighted the risk around Going Concern which has reduced from no. 1 to no. 4 given the issue of defunding has reduced in potential severity. There have been no changes to the VAT rules for colleges. Fraud: the Deputy Chief Executive commented that the College receives training guides from Barclays quarterly which all finance staff are asked to confirm they have completed.

7. **Framework Documents 2024-25**

CIC/AR/25/2/4, Framework Documents 2024-25 were provided for Governor awareness. It was noted that for the 2024-25-year end there are no significant changes to the accounting standards or the accounts direction. The Post 16 Audit Code has been replaced by the College Auditor Framework and Guide. Further changes to college reporting are expected in the 2026-27 year. The updated FRS102 and FE HE SORP, will apply. The DfE is planning consolidation of college accounts from March 2027 onwards, but no further detail is available at present.

College oversight support and intervention: The Committee noted the reference to Governors within the document and **QUESTIONED** whether they should have greater awareness of its contents. It was confirmed that Governors did not need to have an in-depth knowledge of this aspect of Governance.

8. **Internal Audit**

8.1. CIC/AR/25/2/5, Assurance Review English and Maths, was received and presented by the Internal Auditor. A Limited Assurance opinion was confirmed with 4 recommendations.

Key recommendations are summarised below:

- Mathematics lesson plans to be reviewed to ensure that cover all required areas. A process to be put in place to ensure that changes in national curriculum are identified to ensure that lesson plans cover required areas. The College to engage Maths and English specialists to carry out a deep dive on issues in Maths and English, as specified in the QIP.
- Area Heads to come up with intervention plans with appropriate deadlines at the Area Monitoring Meetings to address issues with performance in Maths and English.
- Actions in the QIP to continue to be regularly reviewed by a relevant group, ensuring actions are implemented.

Good practice Identified:

- Maths and English attendance data is documented and monitored by the Area Heads. Poor attendance is identified and flagged.

Governors **ASKED** about the reference to the engaging of external specialists. The Principal said that the Executive were surprised by this recommendation, and were considering it.

In response to the review the Principal said:

Teaching to Curriculum: The College delivers the Foundation tier paper, covering only grades 1 to 5.

November Exams: The College Executive expressed concern at the comments regarding November exams. The Principal went on to say that a very small number of students are entered for these exams, typically first-year students who have been taught by the College for only a few weeks. As such, their performance is unlikely to be impacted by the College. The committee was assured that the matter has been referred to the Curriculum and Quality Committee, where it has been thoroughly reviewed.

Staffing and Recruitment: This has been an area of challenge for the coming year due to an increase in required teaching hours for Maths and English. While staffing needs have been met, it remains uncertain how many students will require top-up teaching until later in the academic year.

CIC/AR/25/2/6, Assurance Review Payroll, was received and presented by the Internal Auditor. A Reasonable Assurance opinion was confirmed with 2 recommendations.

Key Strategic Findings were noted as:

- Access to the Payroll system is restricted to approved staff members and the payroll exception report is checked and signed off by at least two senior staff members.
- Testing of travel and subsistence claims, overtime payments, addition of new staff members and removal of leavers from the payroll found no exceptions.
- Testing of a sample of sickness absence found that self-certification or statement of fitness were not provided for two of the staff members sampled.
- Line managers are not always notifying payroll of staff changes timely, which could result in staff overpayments. Payroll themselves are actioning changes timely.

Good practice identified:

Processes are in place to verify exceptions flagged in the payroll reports.

In response to the review the College said that there will always be late adjustments in the month due to timing on the outcome of HR processes. The People and Culture team are aware of issues that may or may not emerge and will continue to be proactive and adopt good practice of advising payroll processing staff of the possibility of late notice outcomes.

- 8.2. CIC/AR/25/2/7, Follow up report from prior audits, was received and it was noted that there were no outstanding actions to.
- 8.3. CIC/AR/25/2/8, Summary Internal Controls Assurance (SICA) Report, was received and presented by the Internal Auditor. It was reported that good progress is being made against the plan with 3 of the 4 audits having been completed, 2 of which were completed since the last committee meeting.
- 8.4. CIC/AR/25/2/9, Assurance Dashboard incorporating Audit Tracker, was received and presented by the Deputy Chief Executive

9. Risk Management

- 9.1. CIC/AR/25/2/10, notes of the Risk Management Committee meeting held on 19 June 2025, were received and noted. The Deputy Chief Executive explained that a College Leadership and Management Group (CLMG) workshop session had taken place on 23 June where risks within Curriculum delivery were considered and what can be done to mitigate those risks. Governors noted that the Risk Committee membership has increased. The Deputy Chief Executive said that the committee would like the Audit and Risk Committee Chair to attend the meetings going forward, as has happened in the past.

Governors **ASKED** whether there are still issues with recruiting teaching staff within the Electrical department for the upcoming academic year. The Principal replied that it remains a concern and as a result, the College may be unable to accommodate all applicants for the course. A cost-of-living pay award has been included in the 2025–26 budget. If approved by the Board, it is hoped that the increase will help attract staff in hard-to-recruit areas and support the retention of existing employees. Governors **ASKED** whether additional payments could be offered to retain existing staff. It was explained that a skills supplement is already in place for roles in hard-to-recruit areas. It was acknowledged that this is a national issue, and

the Association of Colleges is currently conducting a survey across colleges regarding the use of skills supplements.

- 9.2. CIC/AR/25/2/11, Corporate Risk Register as at 10.06.25 including review of highest risks, was received and the highest risks reviewed. It was reported that:
Staff retention and recruitment remain the top two risks. Turning students away can negatively impact the College's reputation and place additional strain on the wellbeing of existing staff. There is some uncertainty around income in areas where recruitment remains unclear. Although allocations have been announced, actual enrolment numbers are still unknown.
Physical Campus Capacity: this risk has been slightly downgraded. Discussions with the Department for Education (DfE) have indicated a positive outlook for ongoing capital support. Governors **ASKED** whether any repayments would be required to fund new buildings. The Deputy chief Executive explained that there is no obligation to repay funds upon asset sale unless a site is sold and the proceeds are not reinvested into the College.
Defunding has been downgraded, as there has been a gradual easing of defunding in previously at-risk areas. However, some subjects—despite strong student numbers—may still only be viable through T Level delivery. The situation continues to be monitored with each new release of information.
English and Maths Condition of Funding has also been downgraded.

Governors **ASKED** about the upcoming devolution plans. It was explained that the College views this as a positive opportunity, particularly in relation to the anticipated increase in flexibility around how Adult Skills funding can be allocated. However, no information has yet been provided regarding the actual funding amounts. The College continues to monitor this.

The College is in the early stages of implementing improved digital and AI technologies to enhance business support services, with further developments planned post-summer and into the new year. This work forms part of a nationally funded project focused on AI-assisted marking, specifically piloted in Music and Performing Arts. The project is funded by Jisc, and the College is one of only 10 colleges or universities in the country to be selected to participate. Governors **ASKED** which tools are being used in the pilot. It was confirmed that a commercial software platform called KEATH will be trialled, alongside free and in-house AI models. This combination will help the College evaluate which tools are most effective. All AI used in the pilot will be limited to non-high-stakes assessments. Governors **ASKED** about DfE guidance on the use of AI, it was noted that the Department for Education has issued general recommendations on AI tools that colleges might consider. Awarding bodies have released guidance on student use of AI in assessments. The College will also participate in a newly formed FE Leadership Group on AI, which will focus on collaboration, including shared investment in AI tools and approaches.

- 9.3. CIC/AR/25/2/12, Risk Management Policy, was received, considered and **APPROVED**.
The Deputy Chief Executive explained that there had been minimum changes, all of which were outlined within the document. Risk appetite statement updates are shown in red.
The area responsible for quality assurance and teacher management has been significantly expanded. It is now fully staffed and will report directly to the Deputy Principal. The team includes 2.4 full-time equivalent expert practitioners, and the College has also invested in a Personal Development Team to support students. The recently appointed Chair of the Corporation is beginning to shape governance practices and new and updated guidance continues to be issued. Oversight of AI is supported through a Change Advisory Board, which will guide implementation and ensure responsible adoption. Financial operations are governed by established regulations. The College is committed to ensuring that its financial health is not placed at risk. The College continues to seek expert advice in complex legal and compliance matters, strengthening its risk management practices. It was agreed that a new section focused on stakeholder engagement will be added to future reports.

DECISION: The Risk Management policy was **APPROVED** for recommendation to the Board.

ACTION:

- Stakeholder engagement section to be added to the Risk Appetite section of the policy.

10. Fraud Risk Review

10.1 CIC/AR/25/2/13, Fraud Risk Assessment, was received and considered. Following training delivered by Barclays, internal threats—specifically the risk of staff being susceptible to corruption—have been added to the assessment and scored as high risk. Governors **ASKED** about the use of consultants and the checks that are in place. It was confirmed that a Single Central Record (SCR) is maintained for non-employees and is regularly reviewed and is also subject to Ofsted inspection. Consultant access is typically time-limited, specific, and closely monitored.

ACTION:

- The Deputy Chief Executive to ensure the Whistleblowing Policy is frequently publicised to all staff.

10.2 CIC/AR/25/2/14, Fraud Risk Log was received. It was noted that there had been no reports of suspected fraudulent or irregular acts under the College's Fraud Policy since the last meeting of the Audit and Risk Committee.

11. Assurance against Weston College Report

CIC/AR/25/2/15, Assurance against the Weston College Report, was received. The committee was informed that the Governance, Remuneration and Search Committee (GRSC) had reviewed the document at its recent meeting and was satisfied with the College's response. The GRSC will continue to monitor the associated action sheet going forward.

12. Health and Safety

12.1. CIC/AR/25/2/16, Minutes of the Health and Safety Committee held on 20 May 2025 were received and noted. It was reported that:

Since the last meeting, one near miss has occurred and has been fully reported.

The audit compliance programme remains in progress and is expected to be completed by the end of the year.

Fire Marshal training has been completed since the previous meeting.

Governors **ASKED** whether the Health & Safety team has oversight of work experience checklists. It was confirmed that this will be incorporated into the audit plan going forward.

12.2. CIC/AR/25/2/17, Health and Safety Policy was received for recommendation to the Board.

The Committee noted that the policy provides little information regarding near misses and their reporting. It was agreed that this would be reviewed and updated.

DECISION: The Health and Safety Policy was **APPROVED** for recommendation to the Board subject to the requested changes on near misses and reporting procedures.

ACTION:

- Deputy Chief Executive to review and update the Health & Safety Policy section defining near misses and the reporting procedures.

13. Business Continuity Policy (BCP) and Disaster Recovery Procedures

13.1 CIC/AR/25/2/18, Business Continuity Policy and Disaster Recovery Procedure, was received and considered.

It was noted that there have been few changes; however, the Security Manager is currently reviewing the document. Should any significant amendments arise from this review, the document will be brought back to the committee. Governors **ASKED** whether there was a Governor contact list in case of emergency. The Head of Governance replied that there is not but would explore options.

Governors asked about the College's preparedness for dual incidents. The Principal said that she has recently participated in a mock terrorist attack exercise held at a college, which provided valuable insight into how emergency services coordinate during such events. Key learnings were shared with staff, and the Business Continuity Plan (BCP) was updated accordingly.

DECISION: The committee **APPROVED** the Business Continuity Plan for recommendation to the Board.

Action: The Head of Governance will explore options for contacting governors in the event of a college system failure.

13.2 CIC/AR/25/2/19, Business Continuity Plan appendices, was received and noted.

14. **Review of Meeting**

The following was agreed:

- Items/papers to be reported to the next Board meeting.
 - Risk Management Policy for approval
 - Health & Safety Policy for approval
 - Business Continuity Procedure for approval

- No matters discussed were deemed as being treated confidentially.

15. **2025-26 Meeting dates**

4 December 2025

12 March 2026

16 June 2026