

		AUDIT AND RISK ASSURANCE COMMITTEE (CONFIRMED MINUTES)	
	18 June 2025	Director of Governance Granville Road Sheffield, S2 2RL Tel: 0114 260 2620 Email : <a href="mailto:rebecca.bage@sheffcol.ac.uk">rebecca.bage@sheffcol.ac.uk</a>	
Venue:	Boardroom, City Campus		
Present:	Matthew Ainsworth (Chair) Sol Miah Professor Sarah Pearson		
In attendance:	Angela Foulkes CBE, Chief Executive and Principal (CEP) (for part of meeting) Martin Harrison, Executive Director Finance (EDF) Andrew Hartley, Deputy Chief Executive (DCE) Mark Pearson, Executive Director of Strategy and Systems Improvement (EDSSI)(for part of meeting) Lisa Smith, Risk Assurance Director, RSM UK Risk Assurance Services LLP Stuart McKay, Partner, MHA LLP (via Teams) Jean Tracy, Interim Director of Governance Rebecca Bage, Director of Governance		
		Action	
		by whom	by when
25/4/1	Welcome, introduction and apologies		
1.1	Apologies were received from Paul Senior and Adrian Abdulla.		
1.2	The meeting was quorate and started at 16:30.		
1.3	It was <u>agreed</u> that a short confidential item requested by the Chief Executive and Principal (CEP) be taken at the beginning of the meeting and that attending auditors be asked to join after this item.		
1.4	It was <u>agreed</u> that Item 14 – Performance of Internal Auditors Annual Review would be taken as the last item, noting that members of both audit firms would not be present.		
25/4/1.3	Additional Item - Confidential		
1.5	All committee members were present for this agenda item, the minutes of which are recorded separately.		
1.6	CEP left the meeting (at 16:35)		
1.7	Auditors joined the meeting ( at 16:39)		

<b>25/4/2</b>	<b>Declarations of interest</b>		
2.1	There were no new declarations of any potential conflicts of interest.		
<b>25/4/3&amp;4</b>	<b>Consent Agenda Items</b>		
3.1	The committee <u>approved</u> the minutes of the Audit and Risk Assurance Committee meetings held on 12 March 2025 subject to an agreed word change on 7.3.		
4.1	The committee considered the action tracker and <u>approved</u> the removal of those flagged as 'to close'.		
4.2	The actions RAG rated red were discussed and updates provided.		
4.3	<b>Action Ref 23/2/1.3 (ARAC Vacancy)</b> – The IDG advised that the appointment of a new external member had been considered at the recent Search Remuneration and Governance Committee and appointment recommendation will be considered at the July Governing Board meeting. Recruitment for new governors is ongoing.		
4.4	<b>Action Ref 25/1/4.5 (External Assurance Summary)</b> – The EDF advised that external assurance is not expected to be provided via a standalone paper. Instead, it is proposed that a series of focused papers be brought to the committee. Focus and approach was discussed, and it was <u>agreed</u> that the action be closed.		
4.5	<b>Action Ref 24/3/4.4 (Presentation of Risks)</b> – The EDF advised that the required action in relation to risk reporting will form part of phase 2 of dashboard development. This was <u>noted</u> .		
4.6	It was <u>agreed</u> that the six actions marked as completed could be closed.		
4.7	Committee members were asked if they had been able to access the dashboard. It was <u>noted</u> that one member was still to access. The Chair asked all committee members to access the dashboard and raise should support be required.		
	<b>Commissioning Assurance</b>		
<b>25/4/5</b>	<b>Strategic Risk Register update &amp; Risk Assurance Map Summary -</b>		
5.1	The Executive Director Finance (EDF) presented the Strategic Risk Register update (Confidential Report) and Risk Assurance Map Summary Report.		
5.2	The committee <u>noted</u> that there had been twenty amendments made to live risks, no changes to scores and two risks deleted as a result of the previously agreed combining of two risks. The EDF proposed the deletion of a risk related to apprenticeships and this was discussed.		

5.8	5.3	The committee <u>noted</u> that the Risk Assurance Board Summary had been updated, and that risk movement remains stable across the areas of most risk. No significant changes were reported.		
	5.4	The committee <u>noted</u> that the Strategic Risk Register had been reviewed, and risks mapped to the college strategy 2025/2030.		
	5.6	<b>A governor asked</b> whether risk appetite is something that is being considered with regards to the dashboard. The EDF advised that this is referenced in the risk policy and will be brought to the governing body for discussion.		
	5.7	A governor shared his thoughts on risk in the context of the college's journey from good to great reflecting on the positive trajectory of travel. The EDF advised that the Risk Assurance Map will be aligned to the college strategy and that mapping had been completed. He explained the focus of phase 1 and phase 2 of this work.		
	5.8	The committee: <ul style="list-style-type: none"> <li>- <u>received</u> the report for assurance</li> <li>- <u>approved</u> the removal of risks from the risk register</li> <li>- <u>considered</u> the Risk and Board Assurance Summary for assurance</li> </ul>		
<b>25/4/6</b>		<b>Internal Audit and External Audit: progress report on completion of recommendations and management actions</b>		
	6.1	The EDF presented the report on progress against the management actions previously agreed for both internal and external audits.		
	6.2	The committee considered the report, <u>noting</u> progress made and recommendations.		
	6.3	The EDF highlighted the requirements of the Procurement Act 2023 and committee oversight of ensuring that the college meets the legal and regulatory obligations was discussed.		
	6.4	<b>A governor asked</b> whether the college is achieving value for money. The current approach was explained, including recent and upcoming tenders (e.g. catering), to ensure competitive procurement and cost-effectiveness.		
	6.5	<b>A governor asked</b> if there was a further update with regards to the recruitment timeline (Internal Audit Ref 1). The EDF advised that he was awaiting a further update and would update when known.		
	6.6	The committee: <ul style="list-style-type: none"> <li>• <u>received</u> the report for discussion</li> <li>• <u>noted</u> the progress made</li> <li>• <u>approved</u> the completed actions</li> <li>• <u>approved</u> the extension to the deadlines for the actions requested and continued extension of the due dates for actions in progress as indicated in the report</li> </ul>		

	<b>Receiving Assurance</b>		
<b>25/4/7</b>	<b>Department for Education Publications</b>		
7.1	The DG positioned a report which set out the key changes in the following DfE publications: - College Financial Planning Handbook 2025 - Guide for External Auditors and Reporting Accountants March 2025		
7.2	The committee <u>considered</u> the updates in the publications and the implications for governors was discussed. <b>A governor asked</b> if the updates introduced significant changes or new expectations for governors. The DG and EDF advised that the changes were predominantly around the increased clarity and refinement of clauses and/or guidance already detailed. MHA LLP Partner (External Audit) and RSM Risk Assurance Director (Internal Audit) also shared their views in the context of audit.		
7.3	<b>A governor asked</b> about the auto grading system and queried whether this needed to be monitored. The EDF explained that this was already done and formed part of the financial health grading process.		
7.4	<b>Action</b> - an action was agreed for the DG and EDF to review the key changes table detailed in the report and assess what areas are already been covered by TSC via its existing processes and procedures and what further actions, if any, are required including. This to include consideration of committee oversight of adherences to the requirements of the DfE publications (which is generally expected to fall either within ARAC or FEGP).	DG/EDF	July 2025
7.5	The committee: <ul style="list-style-type: none"> <li>• <u>received</u> the report</li> <li>• <u>noted</u> the key changes in the following DfE guidance for information; - College Financial Planning Handbook 2025 - Guide for External Auditors and Reporting Accountants March 2025</li> <li>• <u>noted</u> that the updates that will also be shared at the Governing Body meeting in July 2025.</li> </ul>		
<b>25/4/8</b>	<b>Internal Audit Plan for 2025/2026 and approval of fees</b>		
8.1	The RSM Risk Assurance Director (Internal Audit) (LS) presented the Internal Audit Strategy 2025/26 to 2027/28 which included the Internal Audit Plan for 2025/2026 (Confidential). She advised that this was for the audit year ending 31 July 2025 and that the usual processes and risk profile had been followed.		
8.2	The committee <u>noted</u> that discussions had been held earlier that day between the RSM Risk Assurance Director and the EDF where the plan had been presented.		
8.3			

8.4	<p>Linked plans were explained by LS and areas of focus detailed in the audit plan considered and discussed.</p> <p>The committee <u>noted</u> that the audit plan includes the use of a specialist on Equality, Diversity and Inclusion (EDI) and this will ensure focus on the college's EDI ambitions.</p>		
8.5	The committee <u>noted</u> the core activity around internal controls that was referenced in the plan including systems to pay, single central record, and payroll review.		
8.6	The committee was asked to consider whether the strategy and plan was in line with the risk profile for the college and this was considered and discussed.		
8.7	<b>A governor asked</b> if there were any actions required as a result of the updates to the College Financial Planning Handbook and the RSM Risk Assurance Director advised that there were no actions as a result of the changes and the college is already complying with the public money principles.		
8.8	The committee considered the fees detailed <u>noting</u> that they were slightly higher than previous year due to an increased number of days in plan and increase to day rate.		
8.9	<p>The committee:</p> <ul style="list-style-type: none"> <li>• <u>received</u> and <u>noted</u> the report</li> <li>• <u>approved</u> the Internal Audit Plan for 2025/2026</li> <li>• <u>approved</u> the auditor fees</li> </ul>		
<b>25/4/9</b>	<b>External Audit Strategy for Year Ending 31 July 2025</b>		
9.1	Partner, MHA LLP (External Audit) (SM) presented the Audit Planning Memorandum (Audit for year ending 31 July 2025)- Confidential Report. The Chair reminded the committee of the requirement of those charged with governance to approve the report and the committee's role in considering the report and recommending approval to the Governing Body.		
9.2	SM appraised the committee of how the audit work would be reported back on.		
9.3	The committee <u>noted</u> the independence statement and report safeguards outlined in the report. Work that will be performed under a separate engagement letter was advised.		
9.4	The committee <u>noted</u> that there would be an enhanced work programme in relation to related party transactions. SM explained that this was due to taking into account the Weston report and lessons learnt. This was discussed.		
9.5	The EDF referenced the Economic Crime and Corporate Transparency Act highlighting that the college is subject to certain legal duties and potential liabilities introduced by the Act. He advised that a risk		

	<p>assessment has been carried out and a fraud risk workshop had been suggested. The committee <u>noted</u> that the Fraud Policy was to be reviewed and will be brought to the next committee meeting.</p> <p>SM advised that there were no concerns reported at this point and that a risk of claw back is looking possible which is being looked at by MHA LLP. This was discussed.</p>		
9.6	<p>SM advised of recent changes in relation to novel, contentious and repercussive (NCR) transactions. Ensuring awareness of NCR transactions which fall under the core principles of managing public money was highlighted to governors. This was discussed.</p>		
9.7	<p>Governors welcomed the update and report, commenting positively on the added value provided by audit and the assurance it offered around compliance.</p>		
9.8	<p>The committee considered the fees <u>noting</u> that the increase was greater than the estimated rate of inflation for the period during the audit field work. Reasons for the increase, as detailed in the report, were considered.</p>		
9.9	<p>The committee:</p> <ul style="list-style-type: none"> <li>• <u>received</u> the report</li> <li>• <u>agreed</u> to recommend approval of the report and fees to the Governing Body.</li> </ul>		
	<b>Receiving Assurance</b>		
<b>25/4/10 a and b</b>	<b>Internal Audit Reviews</b>		

10.1	The EDSSI joined the meeting for this agenda item at 17:50 and provided comment to the committee with regards to the assurance reports.		
10.2	LS presented the <b>Internal Audit Progress Report June 2025</b> , which the committee <u>noted</u> and received for assurance.		
10.3	The committee considered the progress report on the 2024/2025 internal audit plan. It was <u>noted</u> that work is underway in terms of the remaining audit for the rest of the year and all field work is expected to be completed by the end of the academic year. LS advised that the Appendix did not include the progress report and that this would be recirculated.		
10.4	LS appraised of priority actions and highlighted the performance against KPIs detailed in the report.		
10.5	Referencing the report, <b>a governor asked</b> whether the recurring, seemingly administrative issues reflect systemic concerns or sector-wide trends, and whether processes are in place to address them. LS confirmed the issues are typical across the sector given the volume of learners and said that the college has appropriate procedures to identify and manage such cases. She assured that the findings aligned with patterns seen in similar organisations.		
10.6	A governor referred to the outstanding actions detailed in the action plan. The EDF advised that reporting back on the action plan forms part of the rolling programme and that an assurance report would be provided at a future meeting.		
10.7	The EDSSI thanked LS for her report and context. He shared that the report had contained more than he would have hoped, assured of actions in place and advised that the committee would receive a further update in September. He referred to the work undertaken by the internal funding compliance team in college and explained how this provided an additional level of assurance.		
10.8	The committee confirmed that they were happy with progress being made and that the assurance provided was in accord to the agreed audit plan.		
10.9	The committee: <ul style="list-style-type: none"> <li>• <u>received</u> the report and for assurance</li> <li>• <u>approved</u> the actions detailed in response to recommendations</li> </ul>		
10.11	The EDSSI left the meeting at 18:00.		

<b>25/4/11</b>	<b>Internal Assurance Annual Reports</b>		
<b>25/4/11a</b>	<b>Data Protection Officer's Annual Report</b>		
11.1	The committee <u>received</u> for assurance the Data Protection Officer's Annual Report which had been prepared by the Data Protection Officer (DPO).		
11.2	The committee considered the report and welcomed the assurance provided which evidences that the college is meeting its legal duties for data governance and freedom of information.		
11.3	The committee <u>noted</u> the data contained in the report and updates provided. They acknowledged that there had been eleven data breaches during the reporting period, all of which were deemed low risk. None were reportable to the Information Commissioners Office (ICO).		
11.4	<b>A governor asked</b> how cyber security was tested and the EDF explained the approaches taken, security measures and testing in place and what staff training was provided. It was requested that cyber security be included in the audit plan and this was discussed.		
11.5	<b>Action</b> – The EDF to consider factoring data protection compliance into a future audit plan and report back to the committee on this although noting this would not form part of the 2025/2026 plan.	EDF	Nov 2025
<b>25/4/11 b</b>	<b>Fraud and Corruption Report</b>		
11.5	The EDF positioned the Fraud and Corruption Report which was received for assurance and <u>noted</u> by the committee.		
<b>25/4/11 c</b>	<b>Gifts and Hospitality Log</b>		
11.6	The DG positioned the Gifts and Hospitality Log which was received for assurance and <u>noted</u> by the committee.		
11.7	<b>A governor asked</b> for clarification with regards to approvals and assurance was provided on procedures in place and compliance to the financial regulations, the college's anti bribery policy and conflicts of interest policy.		
<b>25/4/11 d</b>	<b>Whistleblowing Annual Report and Periodic Review of Whistleblowing Policy - CONFIDENTIAL</b>		
	The minutes for this agenda item, are recorded separately.		
<b>25/4/12</b>	<b>External Assurance Summary</b>		



12.1	The EDF presented the External Assurance Summary Report providing the committee with an update in relation to external assurance activities which have taken place outside of standard internal and external audit work.		
12.2	The committee considered the information in the report and <u>noted</u> the external assurance documentation detailed in the associative appendices. There was discussion with regards to the college's current cyber security capabilities.		
12.3	The committee: <ul style="list-style-type: none"> <li>• <u>noted</u> the information provided in the reports.</li> </ul>		
<b>25/4/13</b>	<b>FE Commissioner Report – Weston College</b>		
13.1	The IDG positioned the FE Commissioner Report – Weston College for assurance and asked the committee to consider the proposed actions contained therein.		
13.2	The committee <u>noted</u> that the report was considered by the Search Remuneration and Governance (SRG) committee when they last convened and had also been shared with the Governing Body.		
13.3	The committee considered the recommended actions detailed and how these would be reported back on was discussed.		
13.4	<b>Action:</b> DG to ensure that actions agreed by ARA committee resulting from the Weston College Report recommendations are monitored and reported back on at a future ARA committee meeting.	DG	Nov 2025
13.5	<b>Action:</b> DG to ensure that the approved recommendations for changes to Standing Orders and Instrument and Articles is factored into the Governing Body meeting in July 2025.	DG	July 2025
13.6	<b>Action:</b> The EDP to consider if the Senior Post Holders (SPH) pay policy requires updating in light of the Weston College Report recommendations.	EDP	July 2025
13.7	The committee: <ul style="list-style-type: none"> <li>• <u>received</u> the report for assurance</li> <li>• <u>approved</u> the recommendations detailed in the report</li> </ul>		
<b>25/4/14</b>	<b>Performance of Internal Auditors Annual Review</b> – this item was considered between items 17 and 18 to allow for auditors to have left the meeting.		
	<b>Committee Business</b>		
<b>25/4/15</b>	<b>Committee Self-Assessment, Terms of Reference review and Workplan 2025/2026</b>		

15.1	The DG positioned the documents that had been circulated in respect of committee performance during 2024/2025 and planning for 2025/2026.		
15.2	<p>The committee:</p> <ul style="list-style-type: none"> <li>• <u>noted</u> the ARA Committee self-assessment 2024/2025 and <u>agreed</u> to confirm assurance to the Governing Body on the work of the committee.</li> <li>• <u>agreed</u> to recommend the amended ARA Committee Terms of Reference to the Governing Body for approval subject to factoring in of suggested amendments.</li> <li>• <u>approved</u> the ARA Work Plan 2025/2026</li> </ul>		
<b>25/4/16</b>	<b>Committee Meeting Dates</b>		
16.1	The committee <u>approved</u> the proposed meeting dates as detailed in the ARA Committee Work Plan 2025 /2026 subject to a discussed date change for the joint ARA/ FEGP committee meeting in November 2025.		
<b>25/4/17</b>	<b>Whistleblowing Policy – Review of</b>		
17.1	The reviewed policy was considered and <u>approved</u> by the committee.		
17.2	The Chair thanked the members of the audit firms, who then left the meeting. (18:20)		
	<b>Managing Assurance Providers</b>		
<b>25/4/14</b>	<b>Performance of Internal Auditors Annual Review</b>		
14.1	The EDF positioned the Performance of Internal Auditors Report which provided an update on the performance of the current internal audit services provider.		
14.2	It was <u>noted</u> that the provider is in the second year of a three-year contract which will end on 31 July 2026.		
14.3	The committee were pleased to <u>note</u> the positive feedback detailed in the report which was supported by KPI performance data. This was considered and discussed.		
14.4	The EDF referred the requirements of The Procurement Act in the context of tenders and contract reviews. The committee were supportive of following good practice and testing the market noting that a tender process would need to be carried out early in the calendar year. Involvement of the ARA committee chair and other members was discussed.		
14.5	Governors fed back favourably on the current provider referencing quality and timely assurance reporting and value added. They acknowledged the positive engagement with the EDF and team, and the valuable impact that audit work has on students in the context of money well spent and statutory and procedural compliance.		

14.6	<p>The committee:</p> <ul style="list-style-type: none"> <li>• <u>approved</u> the recommendation to continue the contract with the current internal auditor providers for the 2025/2026 academic year</li> <li>• <u>supported</u> the running of a formal tender process in year to allow for auditors to be in place for 2026/2027</li> </ul>		
<b>25/4/18</b>	<b>Review of meeting</b>		
18.1	The committee reviewed the meeting and reflections were shared highlighting student focused decision making, positive challenge and purposeful reporting and discussions.		
<b>25/4/19</b>	<b>Date and time of next meeting</b>		
19.1	The Chair reminded those present that the meetings for 2025/2026 would take place on Mondays, 08:30 to 10:30.		
19.2	The next meeting of the ARA Committee will be held on 29 September 2025, in the New Boardroom, City Campus.		
19.3	The meeting closed at 18:30		