Minutes
SEG Audit Committee Meeting
Governor Meetings

Date	10/02/2026
Time	3:00 PM - 5:00 PM
Location	Clouds Restaurant; (conservatory)
Present	Mo Kundi (Independent Member and Committee Chair) Laura Bell (Independent Member) Andy Bridson (Independent Member)
In Attendance	Paris Bonwick (Vice Principal Business Services) Claire Dalrymple (Wylie and Bisset) Lisa Farnhill (Dir. Governance and Compliance Ade Kosolo (TIAA) (up to and including item 11) Paula Smith (Dir. Finance)
Apologies:	Kevin Burke (Independent Member) David Mutori (Independent Member) Diane Hutchinson (Independent Member)

Agenda

1 - Welcome & Apologies for Absence
The Chair formally opened the meeting and expressed appreciation for everyone's attendance. Apologies for absence were acknowledged and accepted.

Item 1: Accepted

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2 - Declaration of Interests
The Chair requested members to declare any conflicts of interest related to the agenda items to ensure transparency and compliance. The Dir. Governance and Compliance declared their dual role as Data Protection Officer. No further declarations were made.

Item 2: Noted

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3 - Approval of Minutes
The Chair presented the minutes of the meeting held on 27th November 2025 for approval. Members reviewed the minutes and agreed to accept them without any amendments.

Item 3: Approved - The minutes of the meeting held on 27th November 2025 were approved.

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4 - Reviewing the Impact and Actions of the Previous Meeting
The Director of Governance and Compliance provided an update on progress against matters arising from the previous meeting. It was confirmed the gratitude of the Committee had been extended to the previous Committee Chair for offering their expertise and support ahead of the Committee's review of the accounts. It was proposed she should continue to be invited to events and lunches to maintain a connection and offer thanks for her continued support.

Detailed discussions from the previous meeting and the attendance at the Resources Committee meeting were noted, and it was agreed not to duplicate these discussions as they would be covered under the risk review item and forthcoming audit of risk.

Members noted an example report from the Health and Safety of Estates audit was embedded into the document, and the internal controls report was included in the pack.

The impact statements from 27th November 2025 were accepted and approved.

Item 4: Approved - The impact statements from 27th November 2025 were approved and updates against matters arising and action noted for the assurance they provided.

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5 - Confidential Items

The Chair advised that some minutes from the meeting on 27th November 2025 were highlighted for redaction, with the Committee agreeing the sensitivity of these sections, approving their redaction form the public copy of the minutes.

It was noted that there were no items on the current agenda that needed to be held without the presence of staff, with the auditors asked to withdraw for the review of the performance of the external audit service. The Chair confirmed that if anything confidential arose during the meeting, it would be addressed accordingly.

Item 5: Approved – The areas of minutes identified for redaction from the minutes of the meeting held on 27th November 2025 were approved.

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6 - Fraud Reporting and Reassurances

6.1 - Training

The item began with a detailed presentation on the new Fraud Act of 2025 and its implications for the education sector provided by the internal audit service, TIAA.

The key requirements for education providers were outlined, including leadership accountability, robust fraud control measures, and proper documentation to defend against failure to prevent charges. Measures introduced by the Act to improve fraud prevention were outlined, which included carrying out a fraud risk assessment, establishing counter fraud policies, implementing strong financial controls, and providing comprehensive training for all staff, contextualised for each role and level of responsibility. The importance of documenting all actions and maintaining a fraud risk register was emphasised.

Members asked about the consequences of noncompliance and discussed the range of training currently available. Members were informed that fraud training was provided to the finance team, and all staff were required to complete cyber security training, however, it was not specific to financial fraud, being advised of research already underway to find the most suitable options for staff.

The Committee asked about compliance and assurance with the new requirements, with extensive discussions held around control measures and recent audit activity. Whilst acknowledging that most suggested fraud prevention measures were in place, the Committee indicated there was a need to test the effectiveness and robustness of the controls in line with the legislative framework. TIAA confirmed a review of fraud controls was embedded into all finance audits. The Committee then discussed at length the detail of the fraud risk register, suggesting further examples could strengthen assurances provided by the risk register, with examples offering an element of benchmarking in terms of the level of detail needed.

The Committee considered the benefits of an additional audit focusing on fraud and compliance with the new statutory duties, highlighting how the legislation was already in force, with a need for the Board to be suitably assured that all reasonable measures were in place. Consideration was given to the most appropriate timing for the review, asking if this could form part of the forthcoming procurement audit, or should be undertaken as an in-depth as a standalone review. It was agreed that this would be discussed further under item 8.3, the review of forthcoming scheduled audit work.

Item 6.1: Resolved – The Committee resolved to accept the assurance provided by the overview of the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

Action: Consider how and when to carry out an internal audit of fraud.
Action: Seek additional examples of a fraud risk register

6.2 - Incident Reporting

The Vice Principal Finance informed the Committee that there had been no new incidents of fraud since the last review of the register. Members were commended improvements to processes which meant that the fraud log also included attempted fraud and phishing attempts, noting there were no significant incidents to report. The importance of maintaining a robust incident reporting mechanism was reiterated, and members discussed the need for regular updates on fraud incidents and actions taken, noting the reporting and logging would be strengthened by additional training for all staff, with comparisons made to increases in near miss reporting following health and safety training.

Members asked TIAA about reporting frequency requirements and best practice, being advised there was no mandated frequency. The Committee reflected and agreed it should be a standing item, noting that policy ensured the Audit Committee Chair would always be alerted immediately if there was a significant incident.

Item 6.2: Resolved – The Committee noted and accepted the update.

Action: Update fraud reporting to a standing item.

6.3 - ECCTA compliance report and risk assessment

The Vice Principal Finance presented the ECCTA compliance report, providing assurance on the six principles and requirements of the ECCTA. Members reviewed the document and discussed the importance of ongoing monitoring and value of effective risk assessments.

Members reflected further on the need for proper documentation and evidence of compliance, emphasising the need to seek and share good practice in terms of fraud risk registers. It was agreed that the fraud risk register needed to be a live document, updated regularly to reflect emerging risks, enhanced mitigations and all actions taken.

TIAA were asked to provide additional support and examples, with it agreed a specialist in within TIAA would be asked to provide additional support in this area.

Item 6.2: Resolved – The Committee noted and accepted the update.

Action: TIAA to provide examples and best practice guidance for drafting a fraud risk register

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7 - Risk Management

The Vice Principal Finance presented the Committee with a summary of all changes made, highlighting new risks identified and added to the register.

Members discussed at length the risk added around IT-related costs, linked to the Resources Committee feedback and need for a new strategy to ensure adequate resource allocation and sufficient provision to enable delivery of the strategy. The Vice Principal Business Services informed the Committee that the Resources Committee had been influential in driving forward a more long-term and costed IT strategy, with a draft due to be presented in March. Members discussed the cost implications of maintaining the current IT estate, noting the number of devices was in excess of what was needed as a legacy of the merger. The current refresh cycle, planned investments, timeline for refreshing equipment and potential associated costs for upgrading were discussed, noting the unknown aspects had been the rationale for adding this to the risk register. The Vice Principal Business Services confirmed that it was expected that formulation of a clear fully costed strategy would reduce the risk rating, confirming it was currently scored as a medium risk as a result of the unknown aspects.

The Committee discussed the newly drafted Ofsted risk, noting this was considered a high risk due to a number of factors, including the lack of information, data and support, which limited the ability to effectively prepare for inspection due to the new framework, the impact inspection has on staff, as well as a lack of understanding outside of the sector of the new grading system.

Members outlined examples of recent marketing seen that continued to use the old Ofsted gradings, with reputational impact of inspection considered, asking about recent inspection activity and reports published. The Committee reviewed some inspection reports, discussing how the report card system, and number and range of gradings increased the complexity of outcomes. It was proposed this may be beneficial for governors, to focus their oversight, however, conceded it was not helpful to other stakeholders, proposing parents, who had

previously used this to help them chose a setting, may now find this more confusing than helpful, especially during the transitional period where there are neighbouring colleges with inspections from both frameworks.

The item concluded with a discussions around the risk review cycle, noting the data points and benchmarking that supported with improving mitigations and the reduction of scores at different points in the year. A summary of recent training attended by a member was provided, resulting in a discussion around the need to reconsider how materialised risks are presented, noting these are then issues, not risks.

It was agreed any further review of the format and content of the risk register should be deferred until after the outcome of IAS review of risk management, which may provide recommendations or advice on improving the risk management process.

Members agreed to continue to review the risk register regularly and ensure all risks are adequately managed ahead of a review of the format and process.

Item 7: Resolved – The Committee noted and accepted the update.

Action: review the content and format of the risk register, including how materialised risks are managed.

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8 - Internal Audit Reports

The Committee reviewed the progress of internal audits since the last meeting. Members noted that three audits had been completed: creditors, governance, and risk management, however, the reports were not yet available.

The Vice Principal Finance explained that the delay in the risk management audit was due to staff absence and the challenge of obtaining information from the college. The Dir. Governance and Compliance advised that there had been a substantial volume of information requested, with the compilation prioritised by the SLT, however, this was then not reviewed in a timely manner, resulting in links to access the folders expiring. It was clarified that the information had been provided by the college, and that the delay was in it being reviewed. Members were assured the review of the information provided had been comprehensive, outlining examples of elements questioned and clarified in the revie, indicating there had been no concerns with the quality of the work, but the timeliness, and pressure put on staff to provide information.

Members expressed concern over the delay in receiving reports, being informed that they were all now working through the final steps of review ahead of release.

8.1 - Implementation of Audit Recommendations

The Vice Principal Finance presented a report on the implementation of previous audit recommendations.

Members reviewed the report and discussed the progress made in implementing the recommendations, with questions asked around the asbestos management, with details provided of action taken and inspections scheduled.

It was noted that some recommendations were still pending, and the importance of timely implementation was emphasised.

Item 8.1: Noted.

8.2 - New Internal Audit Reports and Updates

The discussion provided an overview of new internal audit reports on creditors, risk management, and governance. Clarifying that reports remained in draft, and were not yet released, with verbal updates provided where no report was available.

Members reviewed the outcomes and recommendations, noting the need for further action in some areas. The importance of having comprehensive audit reports and timely updates was reiterated.

Item 8.2: Noted.

8.3 - Recommended Updates to the Internal Audit Plan for 2025/26

The Committee considered changes to the internal audit plan for 2025/26, reflecting on the discussion from their previous meeting relating to enrolment concerns and the extensive assurances provided within the Resources Committee meeting.

The Committee reviewed the current internal audit plan and discussed at length their current priorities. The Committee held an in-depth discussion on whether procurement, fraud, marketing and income/debtors were considered more appropriate focus areas than any of the scheduled reports, questioning which reviews had been scheduled due to perceived risks, and which were routine. Members insisted that any reviews being deferred or replaced, needed to be supported by significant justification.

The Committee proposed that the last procurement audit felt recent; however, following detailed consideration of the new requirements introduced by the Procurement Act, and an outline of what would be included in the review, the Committee agreed that on balance, risks relating to procurement compliance had increased. Members noted that while larger procurements are delivered through CPC frameworks, a substantial proportion of lower-value and departmental procurement remains devolved, creating inconsistency and increasing the potential for non-compliance. The Committee noted that the Act places enhanced obligations on the College relating to contract registers, waivers, declarations of interest and value-for-money assessments and agreed that internal audit scrutiny was essential to provide assurance around compliance.

Members considered whether the reports and reassurances received within their joint meeting with the Resources Committee meant they no longer felt the need to prioritise a standalone marketing audit this year. In response to members outlining what they had wanted to be incorporated, TIAA summarised the potential scope for marketing, highlighting the differences between a marketing review and that of admissions and enrolment, providing an outline of the outcomes and timing of previous reviews. Members proposed that whilst marketing continues to play a critical role in supporting enrolment, which needed reassurance ahead of the recruitment window closing, members agreed that meaningful data will not be available until September, risking a review now potentially not providing value for money. They reflected on the recent Admissions and Enrolment audit which provided analysis and assurance of some of the areas being considered. The Committee concluded that a marketing audit did need to be completed, but that the scope and timing needed careful consideration, to be agreed between the auditors and SLT and then reviewed by the Committee. When considering what this should replace, the Committee asked if sufficient resources were available to have this added and not replace any of the other items included, with TIAA confirming they had the capacity to complete an additional review, and the Vice Principal Finance agreeing the costs could be covered.

Members also reflected on their review of the ECCTA requirements, and discussed the increased fraud risk associated with devolved procurement, use of waivers, contract completeness and rising income streams such as apprenticeships, lettings and high-needs funding. The Committee concluded that the procurement audit needed to be maintained in the current cycle, which would also provide assurance relating to fraud in the current academic year. They confirmed that a standalone and in-depth fraud review should still take place and could replace income and debtors in the next academic year, clarifying marketing should be added as an additional review. In clarifying the timing of the marketing review, the Committee asked for it to be completed as soon as possible, at a time that would provide the most value, based on the availability of data and scope. It was agreed that the Committee, and specifically the member with significant experience in the field of marketing, should review and agree the scope of the review of marketing ahead of work commencing

Item 8.3: Resolved - The Committee agreed to retain Procurement as a 2025/26 internal audit priority, ensuring a strengthened scope to address statutory compliance, waivers, declarations of interest, contract registers and value-for-money processes. The Committee resolved to commission a standalone Marketing audit, and to add in fraud to the 2026/2027 cycle, replacing the Income and Debtors audit.

Action: TIAA and the VP Finance will schedule a scoping meeting for the marketing audit.

Action: The Vice Principal Finance will circulate the scope of the Marketing audit to the Committee for review prior to commencement.

8.4 - Summary Internal Controls Assurance (SICA) Report

Members were given a detailed overview of the report, noting that the version provided in the pack was not the latest available, with an action noted for the updated report to be circulated to members.
The report, which provides information and assurance, was noted to be an essential document for the committee's review, with members indicating the links to additional information and guidance were helpful.

Item 8.4: Noted

Action: Circulate the summary of internal controls assurance report to all members

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9 - Termly Compliance Report Including Relevant Cttee KPI's

The Vice Principal Business Services summarised several critical areas of compliance and assurance, starting with IT and Cyber Security.

Members discussed recent major cyber-attacks on private organisations and within the education sector, discussing the impact and potential mitigations. The conversation highlighted the importance of the new cyber security bill and its implications for accountability within organisations. The Committee discussed the necessity of recovery plans and backups of data, noting that while many systems had been moved to cloud based storage systems, some still require on-premise solutions for effective disaster recovery. Members asked about the security and GDPR implications of cloud storage and discussed the impact of AI on cyber resilience and use in cyber-attacks.

The Health and Safety update provided details of routine checks and reviews including dangerous substances. The Committee was informed that the audit conducted on 10th December revealed minimal issues and risks, with some areas requiring improved housekeeping which had already been addressed.

Members were provided with details of staffing updates, and the use of agency staff to backfill where staff had moved into new roles. Members commended improvements to the staff induction, which improved health and safety training, which now included a tour, ensuring new staff are well-acquainted with campus safety procedures, including evac chair locations.

Members asked about the health and safety implications of the opening of The Bridge, confirming the tour they had attended provided insight to the excellent facilities available, seeking assurance that consideration had been given to any risks associated with the new facility and enhanced needs of the learners using the facility. Members were informed a risk assessment had been completed, with mitigations including experienced specialist staff. Members were assured that the risk assessment would be repeated once enrolments were confirmed, then the specific needs of enrolled learners could be taken into account.

Members were given details of testing undertaken in relation to Critical Incident Management Planning, noting there had been no incidents, but updates to systems and processes and ongoing testing to key areas.

Progress in policy reviews was outlined, noting that a number of outdated HR policies had now been reviewed by the Resources Committee, with plans in place to combine a number of other staff policies into a handbook for ease of use.

GDPR compliance was discussed, with the Dir. Governance and Compliance providing an overview of the types of requests received and support provided to requestors. Members discussed the workload challenges of managing subject access requests, breaches and freedom of information requests, due to the statutory time frames, suggesting clarity should always be sought to maximise the time available for responses.

Item 9: Resolved – The Committee resolved to accept the assurances provided by the updates provided.

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10 - Annual Strategies And Policies To Be Reviewed And Recommended To The Corporation

10.1 - 10.1. Health and Safety,

The annual report on health and safety was presented by the Vice Principal Business Services, highlighting trends and data from the past year, confirming this tallied with the termly reports presented. Members noted how the report showed an increase in incidents at the start of the year, with members questioning the causes and mitigations, noting this was attributed to the number of people onsite, induction of a large number of students into workshops and unfamiliarity with equipment and the site.

The Vice Principal Business Services confirmed a review of data from other colleges had showed similar trends for increased incidents in the first month of the academic year. Members asked if there was any benchmarking data for health and safety, being advised there were too many variables in terms of college size, courses offered, location, demographic of learners, class sizes etc. Members agreed no accurate comparisons could be drawn, beyond general trends relating to peaks in incidents as already considered.

The Committee reviewed the health and safety policy, noting updates to job titles and facilities. The new health and safety officer was commended for her efforts in refining and condensing the policy, ensuring it was comprehensive and up-to-date. Members agreed the policy should be submitted to the Corporation for approval.

Item 10.1: Approved – The Committee agreed the health and safety policy should be submitted to the Corporation for approval.

10.2 - 10.2. IT Disaster recovery plan and any updated policies

The updated IT disaster recovery plan was discussed, noting significant improvements in cyber incident response procedures. Members noted the plan now includes modernised categories for software services, on-premise servers, equipment, and devices.

The Committee acknowledged the importance of these updates in enhancing the resilience of the college's IT infrastructure. Members agreed the plan should be recommended for board-level approval.

Item 10.2: Approved - The Committee resolved to recommend the updated IT disaster recovery plan, including modernised categories for software services, on-premise servers, equipment, and devices, should be recommended for Corporation approval.

10.3 - GDPR and Data Protection Policies

The committee reviewed updates to the data protection suite of policies, including the data protection policy, rights of individuals policy, personal data breach policy, and record management retention policy.

Members were informed updates were made in response to the latest ICO guidelines and legislative changes. It was highlighted that most changes were procedural, ensuring that the policies accurately reflected the college's practices in managing data breaches and protecting personal information.

The Committee agreed to recommend these updates to the Corporation for approval.

Item 10.3: Approved – Members agreed to recommend the updates to the data protection suite of policies for approval by the Corporation.

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11 - Committee Improvement Update

The Director of Governance and Compliance provided an overview of progress against the committee's identified areas for improvement.

Attendance issues were discussed, noting that while statutory requirements were met, the committee aimed for higher standards. Members considered if the time of the meeting needed to be reconsidered, with it confirmed that this would be done ahead of the annual calendar of meetings being agreed.

Members discussed how the report highlighted improvements in raising awareness of, and understanding legislative changes, with positive feedback provided on the earlier fraud update.

The Committee's efforts to streamline reports and make them more strategic were also commended, noting the new compliance report provided concise updates whilst signposting to legislative updates and guidance, thanking the Vice Principal Business Services and Dir. Governance and Compliance for their work in improving the presentation of these areas.

Item 11: Resolved – The Committee resolved to note the progress made and to continue to monitor and address attendance issues.

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12 - Review Of Performance Of Auditors

REDACTED

Item 12: Resolved – redacted

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13 - Items to be Reported to Corporation

The Chair summarised the items from the meeting that needed to be reported to the corporation. Key items included updates to the health and safety policies, GDPR policies, and changes to the internal audit plan.

Members were asked to propose any additional items of importance for information or assurance. Members proposed they should outline the depth of discussions around risk and assurance, however, did not feel any additional reports needed to be included, confirming the summary should aim to ensure that the Corporation was well-informed of the Committee's activities and decisions.

Item 13: Approved

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14 - Date of Next Meeting & Close

The Chair confirmed the date of the next meeting as Wednesday, 13th May 2026. Closing comments were provided, and the meeting was formally at 5 pm, with members advised that the Governance Committee would be meeting in the Boardroom at 5.30 pm.

Item 14: Noted