

## **MILTON KEYNES COLLEGE**

### **AUDIT & RISK COMMITTEE**

**Part 2 Minutes of the meeting held on Friday 28<sup>th</sup> March 2025**

**Microsoft Teams**

**09:00 – 11:00**

Committee Members	Attendance Record 2024-2025	Present at this meeting
Richard Bartlett-Rawlings (Chair)	2 of 2	Richard Bartlett-Rawlings
Ian Bickers	2 of 2	Ian Bickers
Jasmine Fergusson	1 of 2	<i>Sent apologies</i>
Mat Gotkowski	2 of 2	Mat Gotkowski
Amit Nayyar	2 of 2	Amit Nayyar
Total percentage attendance this meeting	80%	4/5
Total percentage attendance year to date	90%	9/10

In attendance: Sally Alexander (CEO), Jason Mansell (COO), Susan Akhtar (Group Director of Finance), Karen Brown, Head of Governance, Sam Samuels, Governance Partner

Attendance in part: Kaye Dwight (Group Director: Funding, Data and Exams), Amy Langford (Group Director: Inclusion), Alasdair McWilliams (Data Protection Officer), Jon Wilson (Executive Head of IT), Steven Connors, Validera

### **PART 1**

**Confidential (minuted separately)**

### **PART 2**

*Sally Alexander, Jason Mansell, Susan Akhtar and Kaye Dwight joined the meeting*

### **PROCEDURAL**

#### **2.1 Welcome and Apologies**

Richard Bartlett-Rawlings welcomed everyone to the meeting. Apologies had been received from Jasmine Fergusson who is working in the USA.

#### **2.2 Declaration of Interests**

None previously declared

#### **2.3 Minutes of the Last Meeting**

***The Committee approved the minutes of the previous meeting:***

- ***22<sup>nd</sup> November 2024 (2.3B and Confidential 2.3A, 2.3C and 2.3D)***

## Matters arising

Date Raised	Action	Who	Status
22.11.24	1. Financial Statements – review the wording explaining the provision	RBR / SSA	Complete
	2. Feedback on the draft Financial Statements	Committee Members	Complete
	3. Financial Statements - add a foreword	SSA	Complete
	4. Update on Sports Central	JM	<b>Carry Forward</b> (discussed at item 3.4)
	5. Review the wording of the Safeguarding Controls	JM	Complete – agenda item 3.5
	6. Review the residual risk for Risk P or discuss at this meeting	JM	Complete - agenda item 3.5
	7. Review how data security training compliance is reported	AMcW	Complete – agenda item 4.3
	8. Feedback on Committee's Annual Report	Committee Members	Complete
	9. Ask the External Auditors which firms are providing internal audit services in this area	SSA	Complete

### 3.0 2024/25 ASSURANCE

#### 3.1 ESFA Funding Assurance Review (2023/24 student records) *(previously circulated as Paper 3.1)*

Jason Mansell reminded the Committee that Mazars carried out a Funding Assurance audit of the 2023/24 student records on behalf of the ESFA and made 12 (non-mandatory) recommendations which have since been implemented (as reported in Paper 3.4). Most corrections were made in the 2023/24 ILR and 2023/24 Funding Claim. The College expects to receive an invoice of £5,360 for the outstanding elements.

##### Funding Assurance (2024/25 student records)

Kaye Dwight advised the Committee that Validera (Karl Bentley) had carried out a Funding Assurance review of 2024/25 records last week (Karl is known to the College having carried out similar reviews over recent years). The review enabled the impact of actions taken following the RSM audit last year, and the more recent ESFA audit, to be tested.

The report has not yet been received however the summary findings have been communicated and demonstrate that significant progress has been made in ensuring the accuracy of learner records and bursary and no funding errors or issues with planned hours were identified in the sample records. There are likely to be four medium and some low level recommendations.

The report, with the management response, will come to the June meeting.

Governors noted the positive improvement and asked about the actions taken to ensure that information was being correctly recorded and the College was not under claiming. Kaye responded that procedures had been tightened, and the team had been restructured. There were regular compliance meetings with every area and increased analysis of funding and data reports to ensure they reconcile. The Exams, Planning & Organisation Group reviews timely withdrawals and achievement claims with a focus on Adult English & maths. Automation of the reports is being explored.

A Governor suggested that AI tools may be helpful to verify information and offered a follow-up conversation.

**Action 1: Kaye Dwight and Mat Gotkowski by 30<sup>th</sup> April 2025**

**The Committee:**

- ***Noted the ESFA Funding Assurance Review Report and approved the management responses***
- ***Noted the update on the Funding Assurance Review***

*Kaye was thanked for attending and she left the meeting*

**3.2 Internal Audit 2023/24 (previously circulated as Paper 3.2)**

Steven Connors led on this item.

Progress against the Annual Plan

Five of the seven planned audits for 2024/25 have been completed, four are reported at this meeting leaving two, plus the 'follow-up' to come to the next meeting in June. The audits reported below confirm a robust set of internal controls.

The follow-up audit will be carried out in June and will check that previous audit recommendations (from this year and previous years), have been implemented.

**3.2.1 IT Cyber Security**

The opinion is that the systems and controls provide '**substantial assurance**'. There were three green (desirable recommendations and two good practice suggestions).

Although there was a recent communication to staff about the data security risk of using AI tools, this was not forwarded to governors. The Board protocols will be updated and the guidelines communicated to governors.

**Action 2: Karen Brown by 30<sup>th</sup> April 2025**

The Committee enquired whether the data security risks from AI were included in the mandatory training for staff and governors (which may be a consideration for the Risk Management Group).

**Action 3: Jason Mansell by 30<sup>th</sup> April 2025**

Steve Connors confirmed the importance of Board training on data privacy and cybersecurity (currently this training is mandatory on appointment and re-appointment).

**3.2.2 Performance Management**

The opinion is that the systems and controls provide '**substantial assurance**'. There were no recommendations or good practice suggestions.

**3.2.3 Safeguarding**

The opinion is that the systems and controls provide '**substantial assurance**'. There was one green (desirable) recommendation relating to the Safeguarding Link Governor signing the Single Central Record.

**3.2.4 Payroll and Expenses**

The opinion is that the systems and controls provide '**substantial assurance**'. There was one blue (good practice) suggestion.

***The Committee noted the report and approved the management responses***

**3.3 Internal Audit Satisfaction Questionnaires** *(previously circulated as Paper 3.3)*

There was a discussion about the feedback in Part 1 of the meeting. Steven Connors confirmed that the communication issues had been resolved.

***The Committee noted the satisfaction questionnaires.***

**3.4 Progress in implementing recommendations from previous audit reports** *(previously circulated as Paper 3.4)*

Internal Audit

Jason Mansell updated the Committee on the continued good progress in implementing previous audit recommendations:

- Since November 2024 (when Audit & Risk Committee papers were written), there have been 22 (internal and external) audit recommendations of which 18 have been completed and 4 are not yet due:
  - Internal Audit: as of 6<sup>th</sup> March, there have been 3 internal audits this year (Core Financial Controls: Income and Debtors, IT Cyber Security and Performance Management) with 7 recommendations of which 4 have been implemented and 3 are not yet due. Recommendations from the Safeguarding and Payroll & Expenses Audits will be added to the tracker.

Sports Central

There is one recommendation carried forward from 2021/22 and relates to the absence of a contract with MK City Council re Sports Central.

At the meeting in May 2024, the Committee approved an extension until 31 October 2024 to put in place a signed lease for Sports Central.

MK City Council has now accepted that the lease in its original form is not signable and in January 2025, instructed their lawyers to update the lease. The Group Director: Estates is liaising with the Council concerning a new 10-year lease with a 5-year break clause. The liability and costs relating to the 3G pitch are subject to ongoing discussion.

When the lease is agreed, joint branding will be considered.

- External Audit: 2 of the 3 recommendations have been implemented (the third is not yet due). One of the completed actions refers to reconciliation of prison income and Governors asked if the new PES contract gives any assurance that the reconciliation process will be quicker. Jason responded that although there are obligations in the contract on both parties, the College has no control on the Authority meeting its obligations. However, the College does take appropriate mitigating actions when assessing the level of funding to be released into the statutory accounts (which are reviewed with the College's external auditors).
- Mazars Funding Assurance Review: all recommendations have been implemented as reported at item 3.1

***The Committee reviewed the report and noted progress***

*Amy Langford, Jon Wison and Alasdair McWilliams were welcomed to the meeting*

### **3.5 Risk Management & Board Assurance** *(previously circulated as Papers 3.5A, 3.5B and 3.5C)*

Jason Mansell reported that since the A&R Committee meeting in November the College's Risk Management Group (RMG) had met three times, and the minutes had been circulated (Paper 3.5C).

- The Strategic Risk Register (SRR) (Paper 3.5B) has seventeen strategic risks of which two residual risks are red (high impact and / or likelihood), twelve are amber (medium impact and / or likelihood) and three are green (low impact and / or likelihood) (no change from November 2024).
- The red residual risks are:
  1. Risk C - Harm to students, staff, and members of the wider college community – Safeguarding.
  2. Risk P - Data breach and / or cyber incident resulting in a fine, data losses and reputational damage.
- The residual risk relating to Strategic Risk E: Inability to recruit and retain appropriate student numbers has increased due to an emerging sub-risk (E6) that the College is not able to respond in a timely way to processing the increasing number of student applications for 2025/26. The mitigation actions are being monitored by the RMG.

Governors requested the College also considers the risk of being over capacity and unable to meet student demand. Jason advised that he is modelling student numbers for the next ten years and will take that analysis to the RMG for discussion and updating the SRR if appropriate.

**Action 4: Jason Mansell by 19<sup>th</sup> June 2025**

The Committee had invited Amy Langford, Jon Wilson and Alasdair McWilliams to the meeting to discuss Risks C and P.

#### **a) Safeguarding (Risk C)**

Amy Langford confirmed that the controls have been updated to reflect the effective actions taken by the Safeguarding team to mitigate this risk (including the substantial assurance from Internal Audit as reported at 3.2.3). Whilst the controls mitigate the likelihood, some aspects of Safeguarding relate to external factors over which the College has no control, and the impact could be catastrophic. The red rating does not mean that the controls are ineffective, but it emphasises the importance of safeguarding so that everyone remains vigilant. There is no organisational complacency.

Governors asked questions to which Amy responded:

***What would be Ofsted's view of Safeguarding being ragged as red? Does a red rating mean everyone is more focused?***

Yes.

At the last inspection Safeguarding was judged to be 'effective' and the inspector understood the College's vigilance and commitment to safety. Inevitably, Safeguarding incidents are happening but there are effective processes to manage the risks. The new Ofsted framework will give a more detailed narrative rather than a one / two word judgement.

Safeguarding is a key focus in staff briefings and student voice activities to ensure that everyone is aware of local risks and the measures in place to keep them safe.

***Can Governors speak directly to students (about safeguarding) for assurance and to triangulate student and staff feedback.***

Yes, that can be arranged. Campus Managers are receiving this feedback regularly.

**Action 5: Amy Langford and Ian Bickers by 19<sup>th</sup> June 2025**

The conclusion was the red rating was appropriate for Safeguarding, but an explanation was needed so there is a consistent message and understanding. Whilst the inherent risk is red, no level of controls can reduce the residual risk to amber hence the need to remain vigilant. It is constantly red because it is important and dynamic not because it is being ignored.

It was agreed that:

- An explanation will be added to the SRR for all risks which are ragged red.
- The Safeguarding explanation will confirm this is not due to the absence of controls but to remain vigilant.
- For other risks ragged red, the explanation may include planned actions to implement further controls with the aim of reducing the risk to amber.

**Action 6: Jason Mansell by 30<sup>th</sup> April 2025**

- b) Data breach and / or cyber incident (Risk P) (Paper 3.5A, Annex 1)  
**Confidential (minuted separately)**

***The Committee received the additional assurance on Safeguarding and Cyber Risk, and recommended the Strategic Risk Register to the Board for approval***

*Amy, Jon and Alasdair were thanked for attending and they left the meeting*

**3.6 College Financial regulations (previously circulated as Paper 3.6)**

Susan Akhtar advised that a comprehensive review of the Financial Regulations had been completed to ensure compliance with the ESFA Financial Handbook and the Procurement Act 2023 (changes effective from February 2025) and to reflect current practice. The limits for declaring gifts and hospitality had been increased. There is a new Annex 2 which summarises the authorisation limits and a reference in Section 10 to a new Reserves Policy (Consent Paper 4.6).

Since publishing the report, the Post 16 Audit Code of Practice has been withdrawn as a standalone document and it was agreed the Financial Regulations should be amended prior to submission to the Board.

**Action 9: Susan Akhtar by 23<sup>rd</sup> April 2025**

The Committee agreed the proposal to review the Financial Regulations every two years (rather than on a rolling cycle), unless there were significant changes.

It was agreed that minor changes to Annex 1 (ELT and GLT members) could be delegated to the COO.

Susan confirmed that when approved by the Board, the revisions will be communicated to staff. Budget holders declare annually that they have read the Financial Regulations.

**Action 10: Susan Akhtar by 31<sup>st</sup> May 2025**

**The Committee:**

- ***recommended the revisions to the College Financial Regulations to the Board for approval (subject to references to ACOP being amended)***
- ***agreed that future reviews should take place every two years (unless there are changes needed in the meantime)***
- ***delegated authority to the COO to make changes to post holder titles in Annex 1 if required***

## **CONSENT AGENDA**

***The following items were approved by consent / without discussion:***

**4.1 Subcontracting** *(previously circulated as Paper 4.1)*

***The Committee received assurance on Subcontracting***

**4.2 Anti-Fraud and Corruption** *(previously circulated as Paper 4.2)*

***The Committee received assurance on anti-fraud and corruption***

**4.3 Data Security / GDPR** *(previously circulated as Paper 4.5)*

***The Committee noted the assurance on Data Security and GDPR***

**4.4 Health & Safety: Spring Term 2024/25** *(previously circulated as Paper 4.4)*

***The Committee noted the assurance on Health & Safety***

**4.5 Business Continuity Plan** *(previously circulated as Paper 4.5)*

It was agreed that:

- before submitting to the Board for approval, the BCP will be:
  - amended in section 1.4 (and 2.1 if appropriate) to describe the BCP strategic role of the Board and its responsibilities
  - amended in section 1.5 to refer to governors and training

**Action 11: Jason Mansell by 23<sup>rd</sup> April 2025**

- the planned training should include governors (on their role and responsibilities)

**Action 12: Jason Mansell by 31 October 2025**

***The Committee recommended the Business Continuity Plan to the Board for approval***

**4.6 Reserves Policy Plan** *(previously circulated as Paper 4.5)*

***The Committee approved the Reserves Policy.***

## **ANY OTHER BUSINESS**

- 5.1** Nothing was raised.

## **NEXT MEETING: 19<sup>th</sup> June 2025**

## **PART 3**

**Confidential (minuted separately)**

Approved by

A handwritten signature in black ink, appearing to be 'RS' followed by a long horizontal stroke.

Richard Bartlett-Rawlings  
19<sup>th</sup> June 2025