

# MILTON KEYNES COLLEGE

## AUDIT & RISK COMMITTEE

Part 2 Minutes of the meeting held on Thursday 19<sup>th</sup> June 2025

Microsoft Teams

08:30 – 10:15

Committee Members	Attendance Record 2024-2025	Present at this meeting
Richard Bartlett-Rawlings (Chair)	3 of 3	Richard Bartlett-Rawlings
Ian Bickers	3 of 3	Ian Bickers
Jasmine Fergusson	2 of 3	Jasmine Fergusson
Mat Gotkowski	3 of 3	Mat Gotkowski
Amit Nayyar	3 of 3	Amit Nayyar
Total percentage attendance this meeting	100%	5/5
Total percentage attendance year to date	93%	14/15

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

Hugh Swainson (Buzzacott), Steven Connors (Validera)

Attendance in part: Kaye Dwight (Group Director: Funding, Data and Exams) (in part)

### 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. Richard referred to this being Mat Gotkowski's last Audit and Risk meeting and he thanked him for his contributions and support.

#### 2.2 Declaration of Interests

None previously declared

#### 2.3 Minutes of the Last Meeting

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

- ***28<sup>th</sup> March 2025 (2.3B and Confidential 2.3A, 2.3C and 2.3D)***

## Matters arising

Date Raised	Actions arising from the last and previous meetings	Action Owner	Current position
28.3.25	1. Discuss how AI tools could assist with reconciling data and funding reports	KD / MG by 30/4/25	<b>Complete:</b> MG has passed on information and KD is considering how this can be applied (new action raised in 3.1 below)
	2. Issue guidelines to governors on the use of AI tools and update the Board protocols.	KB by 30/4/25	<b>Complete</b> - circulated 1/4/25
	3. Review if AI data security risks are included in the mandatory training for staff and governors	JM & RMG by 30/4/25	<b>Complete</b> – reported in Paper 4.2A
	4. Review the risk of being over capacity and unable to meet student demand and update the SRR if appropriate.	JM & RMG by 19/6/25	<b>Complete</b> – reported in Paper 4.2A
	5. Receive assurance from students re safeguarding	AL / IB by 19/6/25	<b>Complete</b> – discussed at item 4.2
	6. Amend the SRR: <ul style="list-style-type: none"> <li>Explain all risks ragged red.</li> <li>Safeguarding explanation - not due to the absence of controls but to remain vigilant.</li> <li>Others – add planned actions to implement further controls with the aim of reducing the risk to amber.</li> </ul>	JM by 30/4/25	<b>Complete</b> – reported in Paper 4.2B
	7. Agree the consequences for staff who do not complete mandatory training on time	JM & RMG by 19/6/25	<b>Complete</b> – reported in Paper 4.2A
	8. Evaluate the risk of a data breach against the cost of onboarding and offboarding occasional workers.	JM & RMG by 19/6/25	<b>Complete</b> – reported in Paper 4.2A
	9. Amend the Financial Regulations (re withdrawal of the ACoP) before submitting to the Board for approval	SA by 23/4/25	<b>Complete</b>
	10. When approved by the Board, communicate the amendments to the Financial Regulations to staff	SA by 31/5/25	<b>Complete</b>
	11. Amend the BCP (re Board responsibilities) before submitting to the Board for approval.	JM/LS by 23/4/25	<b>Complete</b>
	12. Include governors in the BCP training	JM/LS by 31/10/24	<b>Carry Forward</b> (not yet due)
22.11.24	4. Update on Sports Central	JM	<b>Complete</b> – included in Paper 4.1

## 3.0 2024/25 ASSURANCE

### 3.1 Validera Funding Assurance Review (2024/25 student records) (previously circulated as Paper 3.1)

As reported at the last meeting, Validera completed a Funding Assurance review in March 2025 of 2024/25 learner records. The review enabled the impact of actions taken following the RSM audit (March 2024) and the ESFA audit (summer 2024), to be tested.

Summary findings were communicated at the last meeting and the College has responded. The review demonstrates that significant progress has been made in the last year to ensure the accuracy of learner records, planned hours and bursary.

There were 17 recommendations (7 medium and 10 low level), mostly relating to data errors, which have all been actioned.

The monthly compliance meetings with curriculum teams are supporting the positive progress and are ensuring greater data ownership. The meetings were endorsed by the FE Commissioner's Team during the CEFSS visit.

Governors asked questions to which Kaye responded:

***There was a high error rate for apprenticeship records but only 15 of 686 records were sampled. Is this a concern?***

The auditor did not ask to increase the audit sample and advised that as the rules relating to apprenticeships are complex and change regularly, data errors are to be expected. The College is confident this is not an area of concern. The MIS team is now working very closely with the apprenticeship team.

***Can you make use of technology / AI to check data records (e.g. where cross checks are necessary), to free up the team to manage more complex risks?***

Technology systems are now talking to each other e.g. OneFile and ProSolution. We are reviewing how else we can use automated checking (but probably not for apprenticeships as the rules are too complex).

**Action 1: Kaye Dwight by 21 November 2025**

***The Committee noted the Validera Funding Review and approved the management responses.***

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

### **3.2 Internal Audit 2024/25 Progress Report (previously circulated as Paper 3.2)**

Steven Connors, Internal Auditor, led on this item.

#### Progress against the Annual Plan

The seven planned audits for 2024/25 have been completed and the final two are reported at this meeting. The 'follow-up' audit has been completed (substantial assurance given) and will be reported at the next meeting.

Six of the audits this year received 'substantial' assurance which confirms the robustness of internal controls.

#### **3.2.1 Prison Contracts**

The opinion is that the systems and controls provide '**substantial assurance**' (highest level of assurance). There were two good practice suggestions.

The focus was on plans to transition from the PEF to the PES contract.

#### **3.2.2 Commercial Activities**

The opinion is that the systems and controls provide '**adequate assurance**'. There was one amber recommendation and two good practice suggestions.

The scope included Sport Central, Bursary and Refectories.

Governors asked questions to which Susan Akhtar and Jason Mansell responded:

***What is the size of commercial activities (by income) and is this reported?***

Total income is c.£600,000 with substantial costs.

***Is management monitoring the financial performance of commercial activities and is there a plan to maximise opportunities?***

Finance reviews are taking place monthly, and there is a plan to review the longer-term strategy.

Due to higher than planned student numbers this year, the decision was taken to focus on Sport Central, nursery and refractories as we do not have capacity for lettings. When we know student numbers for 2025/26, we can decide on whether to increase commercial activities.

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

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

There was a high level of satisfaction for the prison contract and commercial activities audits.

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

**3.4 External Audit Draft Strategy and Planning Memorandum 2024/25 (previously circulated as Paper 3.4A)**

Hugh Swainson, External Auditor, advised that he had met with management and planned out the audit work, including the financial statements audit, regularity assurance review and Teachers Pensions Scheme audit. The timetable was noted.

Hugh drew attention to:

- Continuity of the team
- The timetable (with field work starting earlier at the College's request)
- Income recognition reliance i.e. key controls not a detailed analysis
- The Prison contract will not be reliant on an external reconciliation before sign-off
- Regularity - no change (includes compliance with Managing Public Money)
- Capital projects
- Accounting estimates including pension and provisions
- Fraud Risks e.g. unauthorised payments, cyber fraud, overriding controls, and procurement
- New guidance e.g. College Financial Handbook, withdrawal of ACoP

Governors added that assurance on capital projects will be key as there are significant projects taking place over the summer which have very tight timescales.

Jason Mansell gave an update on the legal claim which will be subject to DfE approval.

## **Presentation of the External Audit Findings to Governors** *(previously circulated as Paper 3.4B)*

The Committee agreed the proposal to invite all Board members to the November Audit & Risk Committee (in part), when the external audit findings will be presented. Hugh Swainson has advised that this approach meets the requirements of paragraph 3.7 of the [Framework for auditors and reporting accountants of colleges](#)

**Action 2: Karen Brown by 20<sup>th</sup> June 2025**

### **The Committee:**

- **recommended the External Audit Strategy and Plan for 2024/25 to the Board for approval**
- **noted and accepted the audit advice to comply with paragraph 3.7 of the [Framework for auditors and reporting accountants of colleges](#)**

## **4.0 2024/25 COLLEGE ASSURANCE**

### **4.1 Progress in implementing recommendations from previous audit reports** *(previously circulated as Paper 4.1)*

Jason Mansell updated the Committee on the continued good progress in implementing previous audit recommendations. The Risk Management Group monitors the recommendations at every meeting so there is good ownership.

#### Internal Audit

- 2021/22: one recommendation is outstanding relating to Sport Central however a new lease has finally been agreed thanks to the tenacity of the Group Director: Estates. The College will pay an increased service charge which caps the liability for the 3G pitch. The action will be marked as complete when the lease is signed.
- 2024/25: there have been 25 audit recommendations this year (excluding the audits reported at 3.2 above) of which 17 related to the Funding Assurance Audit (item 3.1 above). Overall, 17 actions have been completed, with 8 outstanding (but not yet due).

#### External Audit

- 2023/24: one recommendation is outstanding relating to the fixed assets register. The planned completion date is July 2025.

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

### **4.2 Risk Management & Board Assurance** *(previously circulated as Papers 4.2A, 4.2B, 4.2C)*

Jason Mansell reported that since the A&R Committee meeting in March the College's Risk Management Group (RMG) had met three times, and the minutes (of two of the meetings) had been circulated (Paper 4.2C). The RMG has taken responsibility for monitoring policy completion and there is a new policy process to drive consistency.

- The Strategic Risk Register (SRR) (Paper 4.2B) has seventeen strategic risks of which two residual risks remain 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 March 2025).

- 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 paper provides an update on actions requested at the last meeting:

- a) There will be a campaign to raise awareness of AI data security risks. An Open University short course is being considered.
- b) The risk of being over capacity and unable to meet student demand was considered by the RMG. Jason has analysed student numbers for the next ten years and this will inform development of the Strategic Plan 2026 - 2031.
- c) Ian Bickers met with a group of students to receive assurance on safeguarding (see below).
- d) The two red risks in the SRR now include a further explanation as agreed.
- e) The staff professional standards are being updated to include the completion of mandatory training and the consequences of non-completion (compliance has already increased).

Governors asked whether it was appropriate to downgrade Risk L (Failure to deliver FE Climate Roadmap and other Group sustainability actions). Jason explained it was downgraded after the College's Climate Action Plan (CAP) had been approved by the Board. The College is now working to deliver the CAP and has secured SALIX funding which will fully decarbonise the Bletchley main building and motor vehicle workshop. The annual CAP report will come to the July Board with an update on progress.

### Future Risks

The RMG is starting to consider future risks based on potential scenarios and uncertainties (as opposed to emerging risks which are based on known information).

Future risks might include Universal Studios, East-West rail, growth of MK outside the scope of the current 2050 plan, new technologies, EDI developments, ageing workforce etc. and could impact the next Strategic Plan (so are being considered as part of the research). The College wants to make sure it is having the right conversations with the right people at the right time to understand the opportunities and risks, so these are key stakeholder conversations. When the new Strategic Plan is published, the SRR will be realigned to it.

Governors commented that if there is a high level of uncertainty, mitigating for the unknown may not be a worthwhile exercise.

It was suggested that future risks could be included in Risk K (ineffective partnerships prevent the College from delivering Vision 2026) although the 2026 date may need to be extended.

### Assurance on Safeguarding

Ian Bickers advised that he had met with a group of 8 students to seek additional assurance on safeguarding. The students, who were honest and transparent, shared their own challenges and spoke very positively about their experience at College. They knew how to raise issues and how the College would support them. All agreed that they felt safe and the College had made a very positive impact on their lives.

Ian will share this information at the next board meeting when Safeguarding is discussed.

**Action 3: Ian Bickers by 16<sup>th</sup> July 2025**

***The Committee received assurance on Risk Management and recommended the Strategic Risk Register to the Board for approval***

## **5.0 2025/26 ASSURANCE**

### **5.1 Draft Strategy and Plan for Internal Audit 2025/26 (previously circulated as Paper 5.1)**

Susan Akhtar advised that the three year internal audit plan was aligned to the risk register. The plan for 2025/26 includes three areas which are tested every year: prison contracts, safeguarding (i.e. off-site controls) and core financial controls (i.e. procurement). Other proposals are counter fraud health check, bursary and learner support, stakeholder engagement (learner voice) and ISO27001 leaving 5 days contingency in the plan. Total days are 45 (same as 2024/25).

The discussion was minuted as confidential.

1. The ISO27001 internal audit will be extended to involve a deeper dive which will include external access to college systems and college access to external systems.
2. There may be a need to update the sub-contracting standard before July 2026 from any unallocated days or additional days.

The IAS Strategy and Plan will be updated as discussed before it is circulated to the Board for approval.

**Action 4: Susan Akhtar and Steven Connors by 8 July 2025**

***The Committee recommended the Internal Audit Strategy and Plan for 2025/26, subject to action 4, to the Board for approval.***

## **6.0 GOVERNANCE**

### **6.1 Contracts above £10k involving a Related Party Transaction (previously circulated as Paper 6.1)**

The College Conflicts of Interest Policy is reviewed by the Search & Governance Committee annually. The Executive is not aware of any contracts above £10k which involve related party transactions based on Declarations of Interest updated annually by Governors and Budget Holders.

***The Committee noted the assurance on contracts involving related party transactions***

### **6.2 Managing Public Money (MPM) (previously circulated as Paper 6.2)**

This is a new item for the March and November meetings.

There have been no transactions requiring DfE approval. As discussed at the Board meeting on 30 April 2025, the Board will be seeking DfE approval in relation to the legal claim.

***The Committee noted the assurance on Managing Public Money***

## **7.0 CONSENT AGENDA**

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

### **7.1 Subcontracting (previously circulated as Paper 7.1)**

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

### **7.2 Anti-Fraud and Corruption (previously circulated as Paper 7.2)**

Jason Mansell drew attention to the Economic Crime and Corporate Transparency Act 2023.

From September 2025, a large employee will be criminally liable where:

- a person associated with the organisation
- commits a specified fraud offence
- for the benefit of the organisation or someone to whom the organisation provides services
- unless the organisation, at the time of the offence, had reasonable procedures in place to prevent fraud.

Organisations may face an unlimited fine if convicted.

Based on turnover and number of employees, the College will be within scope.

This will be included in the counter fraud health check internal audit.

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

### **7.3 Data Security / GDPR (previously circulated as Paper 7.3)**

***The Committee:***

- ***noted the assurance on Data Security and GDPR***
- ***noted the Data Protection Act Annual Report***
- ***noted the Freedom of Information Annual Report***

### **7.4 Health & Safety: (previously circulated as Papers 7.4, 7.4A, 7.4B, 7.4C)**

***The Committee:***

- ***noted the assurance on Health & Safety***
- ***reviewed the Health & Safety Annual Report 2024/25, Health & Safety Policy and Health & Safety Policy Statement 2025/26 and recommended these to the Board for approval***

### **7.5 College Financial Regulations (previously circulated as Paper 7.4)**

***The Committee recommended V5.1 of the College Financial Regulations to the Board for approval***

### **7.6 Terms of Reference and Committee Plan for 2025/26 (previously circulated as Papers 4.6A and 4.6B)**

***The Committee approved the Committee's Plan for 2025/26 and recommended the Terms of Reference to the Board for approval***



**7.7 Travel and Subsistence Expenses Policy** (*previously circulated as Paper 7.7*)

***The Committee recommended the Travel and Subsistence (Expenses) Policy to the Board for approval***

**ANY OTHER BUSINESS**

**8.1** Nothing was raised.

**NEXT MEETING: 21<sup>st</sup> November 2025**

Approved by

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

Richard Bartlett-Rawlings  
21<sup>st</sup> November 2025