

**Barnet and Southgate College Corporation
Audit & Risk Committee meeting
held on Wednesday 17th September 2025
at 18:00**

**Governors
present:**

Diane Moore, Chair
Alex Middleton (on Teams)
Adam Morley (on Teams)

In attendance:

Maxine Bagshaw, Director of Governance & Corporation Secretary
Neil Coker, CEO and Principal
Leisyen Cox, Internal Auditors (Scrutton Bland)
Simon Evans-Evans, COO
Sarah Surrey, CFO

Item	Description	Action
1	Preliminary items 1) Apologies for absence Apologies for absence were received from Thomas Streater and Paul Goddard (Scrutton Bland). 2) Confirmation of eligibility, quorum and declarations of interest It was confirmed that the meeting was quorate and standing declarations were noted. Adam Morley advised that he is currently working as a consultant for Middlesex University, including on a memorandum of understanding for partnership work and that the college is one partner. Committee agreed that this potential conflict should be registered as an interest but did not present a particular conflict of interest for the agenda items at this meeting. 3) Requests for matters of urgent business It was confirmed that no requests for matters of urgent business had been raised in advance of the meeting. Chair took the opportunity to highlight the issues that have been made public regarding the financial difficulties at Dundee University and noted that the lessons learned were of interest both to the ARC and to the Finance Committee. She undertook to	*

	provide the material to the Director of Governance for onward circulation.	
2	Minutes 1) Minutes of the meeting held on 8th July 2025 The minutes were reviewed and committee agreed they were an accurate record of discussions. Chair noted that an overview of content had been provided to board at the July 2025 meeting. AGREED: to approve the minutes of the meeting held on 8th July 2025. 2) Matters arising and outstanding actions Committee noted the progress updates provided on the tracking document. Committee specifically discussed: - Line 1 – request for a cyber-attack simulation to take place, including a ransom request. COO confirmed that a date has been set and will coincide with the next College Management Group (CMG) meeting. - Line 4 – compliance testing against the College Financial Handbook. Chair requested that the governor guidance note created by Micheal Norton be provided to the CFO for review and updating, incorporating the material on 'shoulds' and 'musts' provided to this meeting, with the revised version placed on the agenda for review next quarter. AGREED: to note the content of the updates provided.	*
3	2024/25 Internal Audit Reports 1) <u>Payroll</u> Key matters highlighted by internal auditors were: - This is the last audit area to be reported on for the 2024/25 academic year - Outcome of the review is a 'reasonable' assurance opinion - This area was last audited in 2021 when a 'significant' assurance opinion was provided - Several areas for improvement have been identified and these are set out on in section 2 of the report under the heading 'action plan' - Two medium and one low priority recommendation. In the main they relate to checks and verification processes required to identify and correct any errors. - Medium recommendations made include: - Establishing a comprehensive variance report with commentary - Ensuring a consistent sign off process is in place - Maintaining an error log, with the opportunity then to reflect on weaknesses and lessons learned.	

	• One low risk recommendation is to ensure that contracts of employment are issued before a member of staff starts. These must also include salary information so that payroll officers can check this aligns with payroll data. Governors all agreed that the report was clear and, given this was an area of concern during the past academic year, were reassured by the content. They acknowledged that human errors do occur and agreed that the considerable staff turnover in this area could have led to a greater negative impact than is evident from the review. CFO provided assurance that all actions agreed have already been implemented. CEO confirmed that the college has worked hard to minimise the risks of a single point of staffing failure in the future. Staff in place have 'held things together' and should be given credit for this. He advised that the team had responded well to implementing both consolidated and non-consolidated pay increases during the year despite the complexity involved. One governor asked LC if there were any systematic issues which would cause concern? Committee were given assurance that there were no systematic failures and the audit report focussed more on the problem of controls in place not being consistently followed. One governor asked which action would have the biggest positive impact? Auditors advised that it will be maintaining the error log so that trends can be easily seen. College also needs to ensure that procedures are applied consistently. Committee asked whether, having completed the agreed actions, it was reasonable to assume that the assurance level could move back up to 'strong' from 'reasonable'? Auditors confirmed that this is the case. In relation to the new starter contracts, committee asked whether the college had completed all necessary screenings and that the issue was solely that not all contracts had been signed. CEO advised that, reflecting on the start of this academic year (2025/26) there was only one new member of staff where there was an issue and this was because they purposefully withheld information. He agreed that the college should have all contracts signed as a matter of routine practice. Challenge from the committee was that the college needs to be confident that the right checks and screening activities are also fully completed 100% of the time. CEO provided assurance that the SCR (Single Central Register) was tested by Ofsted who were satisfied with the processes and content. AGREED: to note the content of the report provided. 2) <u>2024/25 Annual Report</u> Key matters highlighted were: • Page one of the report provides the opinion for the year	
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	• Seven audit assignments were completed during the year as well as three follow up reviews. Three with significant assurance and four with reasonable assurance. • In the follow-up reviews, eighteen medium risk recommendations were tested. Several of these related to the GDPR audit. Committee asked whether BSC is an outlier in terms of GDPR improvements needed. Committee were given assurance that this isn't the case, with GDPR being an audit area typically leading to a string of recommendations. Challenge from the committee was for the college to action any training needs requirements in this area. Committee were advised that college is now using a new training platform which should make tracking and compliance much easier to check. • Three follow-up reviews completed at the request of the college. Whilst there was a 'slow start' to the year there was more pace towards the end. There were good engagement levels from college staff, with a specific focus on clearing historic actions, so all in all a positive development which should be continued. Question and challenge from the COO were for the summary of GDPR actions to make it clear that recommendations made relate to training aspects rather than any breaches. LC agreed to make this change to the final report. Chair referred to an email received in advance of the meeting from Thomas Streater where he had asked what needs to be done to improve the levels of assurance obtained from audits. Staff advised that audit areas identified do link to areas of potential concern and therefore it is unlikely that audit opinions will all be 'green'. All agreed that it should not be the intention to focus and test areas that are strong but to continue to look at areas where it is believed improvements can be made. Committee agreed that what is important is seeing an upward trajectory in audit outcomes.. Challenge from the committee was that the measure of success should be implementing and following agreed recommendations rather than solely the number and/or categorisation of the actions agreed. More generally, challenge from the committee was that the college should look to having internal controls in place and working effectively across all areas. Auditors provided an overview of the recommended actions for the year, and it was noted that there were no 'limited' assurance findings. They have benchmarked BSC's position with other clients and BSC is not an 'outlier'. One governor asked whether achieving 'strong' as opposed to 'significant assurance' audit opinions is possible. Auditors confirmed that it is. Challenge from the committee was for staff to consider the timing of audits carefully as this can be an influencing factor in terms of data availability, capacity, preparedness etc. [College needs to be cognisant of this.]	
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	Chair asked what auditors view is of the college at this point. Auditors commented on the large amount of turnover and change within certain teams and that this will have impacted upon how staff approach audits. They noted that having a permanent CFO now in post is especially beneficial. CFO advised that it is important in the year ahead to embed and evidence practices and procedures, and having stable and appropriately-trained staff in place, will have a positive impact. Plan is to routinely test compliance to obtain assurance. One governor referred to section 4.3 of the report and asked whether any funding agency reports and/or communications should be included. Auditors confirmed that they do not provide an opinion on these, only audits that they have completed themselves. Committee referred to the quality assurance improvement plan at section 5.2 and asked if there are any BSC specifics. Auditors advised that this relates to their own firm across all clients, with nothing being specific to BSC. AGREED: to note the content of the report provided.	
4	2025/26 Internal Audit Plan Auditors presented this and asked for the ARC to take the opportunity to review it. They reminded that risk management is a planned area of focus but that it is likely to be an advisory review rather than an audit. All agreed that the scope of this work would be important to get right. In relation to the planned audit on destinations, committee questioned whether data would be available by the November 2025 onsite testing date envisaged. It was agreed that ELT would review this and amend the timing of the audit if required (Exec, September 2025). Committee asked what would usually be tested during this audit. Auditors advised that it would include: • Data collection • Benchmarking • Positive destinations and how to maximise these. • Meeting DfE criteria and guidance. CFO noted that there were no planned 16-19 audit areas and commented that this was unusual. It was agreed that the CFO and auditors would review the reasons for this outside the meeting (CFO/Scrutton Bland, September 2025). CEO questioned whether a HR audit would also be helpful, with a focus on: • Single Central Register (SCR) • Recruitment and onboarding • Recruitment and retention Auditors advised that they could cover these elements in various health check audits if required	* *

	CEO commented that the SCR is occasionally a point of contention between the HR and safeguarding teams and therefore obtaining external assurance would be beneficial. CEO asked whether an audit would pick up gaps that have been 'cleaned up' in advance of on-site testing. It was confirmed that it would but not forensically. Team will track and test dates on the system e.g. obtaining DBS, right to work docs etc. It was agreed to add a Single Central Register health check to the plan for the year. To include: • DBS checks • KCSIE training compliance • Processes and procedures for agency staff use It was agreed to commission a health check this year and then a deeper dive in a future year. It was agreed that contingency days within the current plan would be used for this. One governor asked what a 'staff utilisation' audit would look at. It was explained that this will test one element of college financial efficiency. Committee reviewed the follow up work planned, and all agreed that continuing to do this on a termly basis would be helpful. This would ensure that momentum is maintained in 25/26 with an expectation that this can be reduced in future years. Committee then discussed the contract with internal auditors and asked when it is due to go out to tender. CFO and LC confirmed that she would check and then update the committee (CFO, October 2025) AGREED A, to note the content of the update provided, and B, Reconsider planned audit areas and timings in light of meeting discussions today.	*
5	Audit Actions Tracking Committee reflected on the tracking of audit actions and were reminded of the context, both from internal and external audits. CFO confirmed that most of the internal audit actions still not complete are now almost due and completion will be tested in the first planned follow up visit. CFO confirmed that she is the ELT lead who will drive this forward and check within college that agreed action dates are met. Challenge from the committee was to ensure that all the 2023/24 external audit recommendations have been addressed in full and for the 24/25 external audit to demonstrate the progress made. Committee chair noted that the CFO had met with external auditors earlier that day and asked for feedback to the committee. CFO confirmed that it had, albeit their online portal presents some challenges. College has asked them to be very clear what they want and by when. Recommendation from the committee was for	

	the CFO to have sight of the tender submitted and contract agreed so there is clarity in relation to expectations and commitments. AGREED to note the content of the update provided.	
6	Risk Management CFO introduced this item and confirmed: • Register was reviewed again by ELT last week. • No significant changes made. • Team is now in the process of reconsidering as the college moves into the internal audit review. College is happy to take external advice on this. . Challenge from the committee was that it is important to keep the register a 'live' document. CEO indicated that the board also needs to provide some clarity on risk appetite versus risk tolerance. Proposal is to link this to the strategic plan and KPI's currently being updated. It was agreed that a risk management and register update would be provided at the next meeting (CFO, November 2025) AGREED: to note the content of the update provided.	*
7	College Financial Handbook – Compliance Checks CFO referred to the schedule of 'musts' taken from the handbook and confirmed that this will be tested as part of the external audit. She advised that providing explicit responses to the 'musts' will give compliance assurance. AGREED to note the content of the update provided.	
8	Anti-Fraud Policy and Procedures CFO introduced her report and explained the legislative changes, particularly the new offence for staff to commit fraud for the benefit of the organisation. She expressed the view that what will be important is making sure the college has the right training as well as the necessary checks and balances in place. CFO confirmed an intention to review that current arrangements in place are strong enough and that the focus will be on areas most vulnerable to fraud. Expectation is that further guidance will be issued as this legislation is applied over time, including any circumstances giving rise to fines being imposed. Challenge from the committee was to identify any networks that the college can connect with where examples of common areas of concern can be shared. AGREED: to note the content of the update provided.	

9	ICO Reportable Incidents 2025/26 It was confirmed that there were no new instances to report.	
10	Date and time of next meeting This was confirmed as 25th November 2025 at 6pm on Teams. (Leisyaen Cox left the meeting at 7.20pm) Meeting closed at 7.40pm.	
11	Confidential Items It was agreed that confidential items would be recorded on a separate basis.	