



SOUTH GLOUCESTERSHIRE AND STROUD COLLEGE
FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Approved minutes of a meeting
Held on Tuesday 16 September 2025
Held via TEAMS

Present:	Yusuf Ibrahim	Corporation Member & Chair
	Mike Croker	Co-Opted Member
	Phil Eames	Co-Opted Member
	Martyn Smith	Corporation Member
	Carl Waterer	Corporation Member
In attendance:	Matt Grannan	Director of Finance
	Jude Saunderson	Deputy CEO & Chief Financial Officer
	Louise Tweedie	RSM – Internal Audit Service
	Sharon Glover	Clerk

1. **Apologies for Absence**

Apologies were received from Nathan Coughlin (Bishop Fleming) and David Withey (CEO & Principal).

2. **Declarations of Interest**

There were no declarations of interest received.

3. **Auditor Concerns**

The Chair reported that RSM and Bishop Fleming had no issues to raise in the absence of College management.

4. **Other Items of Urgent Business**

The Clerk sought the Committee's approval for the appointment of Martyn Smith as Audit Committee Vice-Chair, to replace Phil Eames.

It was resolved:

To appoint Martyn Smith as Vice-Chair of the Audit Committee.

5. **Minutes of Previous Meeting**

The minutes of the meeting held 12 June 2025 were approved as a correct record, ready for signing by the Chair.

6. **Matters Arising From Those Minutes**

- a) Corporation approval of the following was noted:
- i) Bishop Fleming Letters of Engagement.
 - ii) Whistleblowing Policy & Procedure.
 - iii) Internal audit needs assessment, strategic plan and annual plan 2025/26.
 - iv) Revisions to the Audit Committee Terms of Reference.
 - v) Re-appointment of RSM as the Internal Audit Service for 2025/26 and 2026/27.
- b) Action log – Members noted that all actions had been completed. In relation to minute 7, the Clerk reported that Bishop Fleming advised that requirements from the College’s Financial Handbook are built into policies and procedures and suggested a simple assessment that requirements are covered by the college’s policies and procedures. Following a discussion between the Deputy CEO & CFO and Clerk it was proposed that an assurance report is provided and had been included as an agenda item at the meeting.

At this point Liam Evans (Vice Principal Corporate & Community) and Lisa Godwin (Curriculum Director of DISE) were welcomed to the meeting.

7. **Subcontracting Assurance report**

Strong assurance was provided on the current sub-contracting arrangements with Nelsons Trust and DiSE (Diploma in Sporting Excellence). Following an EQA visit, assessing Nelsons Trust provision, positive feedback was provided and no action points raised. RSM also completed an audit of DiSE which received “substantial assurance” with two minor actions, which have been nearly completed. The college identified seven risks for DiSE and assurance was provided that all risks have been proactively managed by various actions taken.

The report was noted.

At this point Liam Evans (Vice Principal Corporate & Community) and Lisa Godwin (Curriculum Director of DISE) were thanked and invited to leave the meeting and Gavin Murray (Deputy Principal C&Q) and Ben Winter (Data Protection Officer) were welcomed to the meeting.

8. **GDPR & Freedom of Information Report**

Members were informed that the report and appendices served to provide assurance to the Committee. Also appended were revisions to the Freedom of Information and Data Privacy and Protection policies. Following consideration of the report members discussed the results of phishing emails and, when asked, confirmation was received that many people affected were students. However, the Executive Director of People & Organisational Culture was

looking at improving staff responses to ensure that relevant training has been completed. This is work in progress and testing will continue.

**The report was noted and it was resolved:
To recommend Corporation approval of the Freedom of Information and Data Privacy and Protection policies.**

At this point Gavin Murray (Deputy Principal C&Q) and Ben Winter (Data Protection Officer) were thanked and invited to leave the meeting.

9. **Risk Management Annual Report**

Members received the draft Risk Management Annual Report, that will be appended to the Audit Committee Annual Report. Members referenced Martyn's Law and the current social climate with increased protests and questioned whether any further considerations are needed. The Deputy CEO & CFO advised that the college is doing much to support its learners and its staff. Learner behaviour has improved across each campus and a different approach has been taken to staff training. The risks reflect the current climate and will continue to be monitored. The Deputy CEO & CFO also felt that more actions are being taken as part of the curriculum induction, but this would be an area that the Deputy Principal, C&Q was best placed to provide further comment.

Members raised that risk management is very dependent on the attitude of the CEO & Principal and invited comment on his approach to risk management. Members were informed that the CEO & Principal was supportive of a strong risk management approach and would like to see this embedded more across the organisation with links and alignment to the college strategy. Therefore, the proposal is to defer any changes in the risk appetite and then review in light of the new college strategy. It was proposed that a workshop is held for the Senior Leadership Team, to which governors will be invited, to consider the risk appetite and the risks embedded in the organisation and impacts on key decision making. One member suggested that it would be helpful to introduce deep dives on areas of risk at the Audit Committee meetings with invitations extended to college staff to attend. It was agreed that the Chair, Clerk and Deputy CEO & CFO should discuss further outside of the meeting.

Members raised that the highest level of risk is moderate which could suggest an over controlling environment that could inhibit development and innovation. Members questioned whether there are any commercial areas where higher levels of risk are acceptable. Members were informed that this discussion had recently taken place with the Executive Team and it was felt that with the introduction of a new college strategy this would be timely to trigger a review of risk appetite. Members suggested that risk appetite could be discussed at the Governor strategic event on 13 November 2025 as risks need to be considered as part of the development of the strategy. One member raised that the risk approach taken at SGS is the best that they had seen across the various charities and other educational organisations they had been involved with.

The report was noted.

Action: Chair, Clerk, Deputy CEO & CFO.

10. **Internal Audit**

- a) Draft 2024/25 Annual Report – RSM reported that all audit reports have now been finalised and a positive audit opinion has been achieved. RSM will produce the usual benchmarking report for the spring meeting covering analysis across their sector client base.

However, SGS is in line with other GFE colleges in the sector with 75-85% of their clients falling into the same audit opinion as SGS. RSM recognised the need for GFE colleges to balance risk with finite resources whilst operating in an efficient manner.

The report was noted.

- b) Progress report – Members received a progress report detailing the scheduling of audits and timeframes for presentation to the Audit Committee.

Also provided was an RSM Higher Education client briefing, as the college is regulated by the OfS. RSM drew members attention to the key provisions of the Economic Crime and Corporate Transparency Act 2023 relating to the “failure to prevent fraud” offence, effective from 1 September 2025. When asked, confirmation was received that this offence was an extension of the Act and only applies to large organisations. Taking into consideration the criteria set to define a large organisation, RSM confirmed that this offence applies to SGS. RSM offered to provide further information on the criteria and guidance to the Deputy CEO & CFO. Members discussed in detail examples of how this offence could apply at the college and the best forms of defence, for example via financial regulations, policies, procedures, segregation of duties, training and proof of training. The Deputy CEO & CFO confirmed that a lot of fraud training is provided to staff and policies and procedures will be reviewed to reflect this new offence. RSM also offered to provide nugget training or have further discussions with the Deputy CEO & CFO outside of the meeting.

The report was noted.

Action: RSM

Deputy CEO & CFO and Director of Finance.

11. **DfE Regularity & Propriety Questionnaire**

The Deputy CEO & CFO reported that the questionnaire is updated annually by the DfE and presented to Corporation for sign off by the Chair of the Corporation and CEO & Principal. The questionnaire will then be used by the external auditors as part of their end of year audit. Members were informed that a schedule had been appended with further information relating to staff payments. Confirmation was received that all payments comply with managing public money requirements and that only statutory redundancy is paid.

The report was noted.

12. **Waivers/Breaches of Financial Regulations**

Members discussed the breaches of financial regulations, particularly those reported for Estates/Procurement. Members questioned whether there was an underlying training issue. Members were informed that these will be reviewed in detail. When asked, confirmation was received that there are no repeat offenders and that certain areas are dealing with higher volumes so are more likely to be subject to breaches and are subject to further training needs. Members were informed that the Procurement Team are asked to focus on value for money and for single suppliers in some instances it would be beneficial to plan these in advance to allow negotiation of fees. When asked, confirmation was received that £30k represented a cumulative, not single, spend. The Chair asked that the procurement waivers table appended to the report was clearer next year in terms of cumulative spend in a given financial year.

The report was noted.

13. **Gifts & Hospitality Register; Fraud Register and Fraud Risk Assessment action plan and Declarations of Interests Register**

The Deputy CEO & CFO confirmed that the two entries on the Declarations of Interests Register are no longer relevant and the committee was updated on reasons why. The entries on the gifts and hospitality register were of low concern and there was nothing to report on the Fraud register.

The Director of Finance provided an oral update that one entry had been added to the Fraud Risk Assessment action plan following the June Audit Committee meeting and had now been completed. Further work is needed to develop the risk assessment process.

The registers were noted.

14. **College Financial Handbook 2025**

The Deputy CEO & CFO presented a report to provide assurance on compliance with the revised College Financial Handbook 2025. RSM

advised that they had not seen any self-assessment template against the Handbook, as suggested by Bishop Fleming.

Assurance was also provided that a thorough review was completed on the first edition of the Handbook, resulting in updates to the Financial Regulations. Members were informed that most of the changes in the latest edition related to the former Post-16 Audit Code of Practice and changes to senior staff pay, which had resulted in revisions to the Senior Post Holder Remuneration policy. Members were also informed that the Clerk had also undertaken a thorough review of the Handbook.

Members asked whether future changes to the Handbook were anticipated and were informed that further iterations were expected over the next few years. Members asked if compliance with the Handbook needed to be explicit in the Committee's Terms of Reference. Members were informed that there is a general expectation of compliance with the Handbook and other regulatory guidance, which is regularly changing so no need to specifically make references to these documents in the Terms of Reference. The Clerk advised that she prepares reports for the Committee when changes occurred in the former Post-16 Audit Code of Practice and suggested that the same approach is taken for updates to the Handbook.

The report was noted.

15. **Audit Action Plan**

The Deputy CEO & CFO reported no concerns on the action plan. Assurance was if there are controls in place to reconcile the two longstanding actions and that the low priority risk will be picked up as part of the development of the new financial system. It was reported that a robust discussion had taken place with the Executive Team to ensure that realistic timeframes are provided relating to actions for completion.

The report was noted.

16. **Any Other Business**

There was no other business raised.

17. **Key messages for Corporation**

The following were the key messages for the Corporation:

- Martyn Smith appointed as Vice-Chair of the Audit Committee, to replace Phil Eames.
- Subcontracting – assurance report presented.
- Freedom of Information and Data Privacy and Protection policies presented to Corporation for approval.
- Risk appetite to be reviewed alongside the development of the new college strategy.
- RSM annual report will provide a positive audit opinion.

- Failure to Prevent fraud offence – an extension of the Economic Crime and Corporate Transparency Act 2023 and is applicable to SGS.
- DfE Regularity & Propriety Questionnaire – to be presented to Corporation as there is a requirement for this to be signed off by the Chair of the Corporation and CEO & Principal. The questionnaire is to be used by Bishop Fleming as part of their end of year audit process.
- College Financial Handbook 2025 – assurance provided of the college's compliance with the latest version.

18. **Date of Next Meeting**

Thursday 20 November 2025, 3pm, WISE Campus.

Members were reminded that RSM would be providing nugget training at 2.30pm.

The meeting commenced at 3.08pm
Matt Grannan left at 4.22pm (during item 15)
The meeting closed at 4.30pm
The meeting was quorate.