IEG GROUP AUDIT COMMITTEE

20th May 2026
5:00 PM - 6:30 PM
Remote

ATTENDANCE

PRESENT

Andrea Beesley-Hewitt	
Alison Davies	
Tony Keeling	Chair
Peter Walker	
Vishy Srinivasan	

IN ATTENDANCE

Lee Glover	Validera
Rachel Nicholls	
Alexandra Owen	
Jane Spurgin	
Claire Sutherland	RSM
Ed Thomas	

APOLOGIES

Roopa Patel-Harji	Validera

1. WELCOME AND APOLOGIES

The Chair welcomed members to the meeting.

(a) **Apologies for absence:** Apologies were received from Roopa Patel-Harji (Validera).
(b) **Eligibility, quorum, interest and hospitality disclosure:** No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and no new interests or hospitality were declared.
(c) **Requests for urgent business**: None, however the Risk evolution proposal was considered at Agenda Item 10 as any other business

2. MINUTES AND ACTIONS

(a) **Minutes of last meeting (18th March 2026)**: the minutes were **approved** as an accurate record and for signature. **(ACTION 1)**
(b) **Matters arising from the minutes**: None
(c) **Actions from the minutes (Action Tracker)**: Members **noted** and **welcomed** the completed actions/the action in hand.

3. INTERNAL AUDIT

Members **received, considered** and **discussed** the following reports:

(a) Validera - Internal Audit Progress Report
- the progress report presented information on progress against annual plan;
- members **expressed their disappointment** that the final internal audit reports for *Health & Safety Management* and *Business Continuity* were delayed and not ready for the meeting. Validera advised that the drafts had been issued but the final reports were pending further discussion with management to resolve potential misalignments in language and interpretation regarding some actions and responses. It was clarified that these are not points of contention.

- Committee members discussed the option of IA receiving reports before they had been finalised so that progress could be demonstrated and discussion between Executive and IA's where there was initial misalignment could be identified. After a detailed discussion it was agreed that the current process of receiving final internal audit reports should remain but that audits should be planned earlier in the year to help avoid this issue in future years

(b) Audit Report: Corporate Governance

- substantial assurance was achieved with no recommendations;
- one good practice suggestion relating to target timeframes for mandatory training;
- members **welcomed** the excellent report, noting that it reflected the positive journey travelled to date and the work undertaken in this space.

(c) Audit Recommendations Tracker Report

- good progress has been made since last meeting with the number of outstanding actions reducing;
- looking forward, putting a bespoke tracking tool in place to monitor the closing down of action points enabling the Committee full oversight of all actions was welcomed. Validera has been developing a tracking tool which may be available for the start of the next academic year, and discussions will be held to explore this option **(ACTION 2)**

(d) Internal Audit Strategy

- members **considered** the internal audit strategy (2025/26 – 2027/28), previously agreed, and **reviewed** the position for 2025/26 in terms of work yet to be completed and the plans for the following two years;
- **consideration** was given to which areas could potentially be pulled forward into the summer period;
- areas discussed for 2026/27 were financial controls; cyber security, exams, marketing and safeguarding including tracking/monitoring/interventions for vulnerable learners;
- areas discussed for later years were potentially income generation and forecasting for UCP; resource utilisation, property portfolio/CAPEX;
- in discussing how UCP is covered under the audit plan, it was agreed that there should be a Group approach but there may be instances where focus is on UCP;
- as the Strategy is refreshed, reference to be made to whether an area covers FE only or HE only or Group, to help with understanding **(ACTION 3)**.

The Committee **requested** that:

- over the summer management and Validera will review the schedule and identify summer audit areas – revised schedule and scoping documents to be approved by members outside of the meeting **(ACTION 4)**;
- at the September 2026 meeting the Committee will formally approve the finalised strategy, scopes and revised schedule **(ACTION 5)**.

4. EXTERNAL AUDIT

RSM presented their Financial Statements Audit Planning (2025/26) document which it is required to issue. In summary, the audit risks remain broadly unchanged from 2024/25 although the accommodation strategy has been downgraded as the CGT building has now been completed and the risk has gone from the Plan

Members **welcomed** the Audit Plan and **noted** that the annual RSM FE Emerging Issues report, whilst not available in time for this meeting, will be distributed outside of the meeting to all governors **(ACTION 6)**.

5. PROCUREMENT REPORT (COMMERCIALLY SENSITIVE)

6. FRAUD REPORT

The fraud report and risk review from 1 Feb 2026 – 30 April 2026 was presented to the Committee, summarising the known frauds and attempted frauds suffered by IEG during that period. Governors were asked to note the effectiveness of controls against fraud during the reporting period.

Members discussed the following points:

- the overall aim is to become as cashless as possible – some recent incidents of counterfeit £20 and £10 notes have resulted in refectory outlets being issued with pens to check notes;
- counterfeit notes are returned to the bank, but they do not refund the money. IEG to check accounting treatment – written off as a loss or other **(ACTION 7)**;
- there have been a couple of low-level thefts which are being investigated;
- the focus is on ensuring that controls are adequate;
- recent instance where a parent tried to obtain sensitive information inappropriately, but this was detected by a staff member before any information was shared – Members asked that congratulations be passed to the staff member **(ACTION 8)**

The Committee **noted** the report and **commented** that the incidents identified were relatively trivial when considering the volume of transactions across the Group, which speaks to the positive culture of IEG.

7. CYBER SECURITY & DIGITAL REPORT (CONFIDENTIAL)

8. BUSINESS CONTINUITY (CONFIDENTIAL)

9. RISK REPORTS

The Committee received a report summarising the May 2026 review of the risk environment for 2025/26. Members **noted** the following:

Scope & Framework Alignment

- The review encompassed four registers for IEG and UCP (Group Board Assurance Frameworks [BAF] and Contingency Risk Registers).
- Intentional duplication is maintained for independent board reporting. However, complete duplicates have been removed from the IEG register to streamline the Audit Committee's joint review.
- The incoming CFO has conducted a comprehensive, "fresh-eyes" review. While the extensive text changes across the registers have not impacted risk scoring, they reflect updated terminology from new risk owners.

Board Assurance Framework (BAF) Updates

- IEG BAF: Residual risk scores remain unchanged.
- UCP BAF: Focuses on enrolment, finance, and staffing.
    - *Staffing Shortage Risk:* Downgraded due to a wider HE sector slowdown in staff turnover linked to ongoing sector financial challenges.

Risk Methodology & Reporting Evolution

The Committee **noted** the heavy volume of text in the current registers and discussed how to improve the overall risk culture:

- Scoring Consistency: A holistic view reveals that individual risk owners take varied approaches to rating risks. To address this, management will introduce standardised score descriptors to support owners to define and rates risks consistently.

- Mitigation vs. Explanation: The Committee **observed** that narrative "explanation" has been creeping into the reports. Future iterations will pivot away from commentary to focus strictly on actionable, active mitigations.
- Document Evolution: The CFO will work with risk owners over the summer to refine the contingency risk registers. The long-term goal is to transform them into much shorter, dynamic, and practical tools for everyday operational use.

IEG Operational & UCP Contingency Risk Register Changes
The Committee **discussed** the key changes to the contingency risk registers as detailed in the Committee papers and these **changes were accepted**.

10. ANY OTHER BUSINESS

The Committee **considered** and **discussed** a Risk Evolution Proposal put forward by the Chief Finance Officer (CFO):

Executive Summary & Core Proposal

- Context: Post-merger, IEG successfully consolidated its risk management into a single system. Management now proposes transitioning its risk management to allow for even deeper, more meaningful risk oversight.
- Strategy: The CFO proposed a model based on past best practice, shifting strategic risk oversight away from a single committee to all committees of the Board:
    - Delegated Challenge: Distribute strategic risks to the relevant committees possessing the specific expertise to robustly challenge risk owners.
    - Deep Dives: Enable the Audit Committee (AC) to pivot toward conducting regular, detailed "deep dives" directly with risk owners to secure stronger assurance.
    - Dynamic Framework: Refocus the registers away from text-heavy compliance spreadsheets toward shorter, intuitive, and "living" documents focused strictly on active mitigations.

Governor Discussion & Feedback

- Governance & Efficiency: Governors **questioned** whether this model would create siloes or increase staff workloads. Management clarified that risk tracking will complement existing committee agendas rather than introducing entirely new tasks.
- Risk Condensation & Frequency: Governors **recommended** condensing the current list of 12 strategic risks to ensure ongoing relevance. It was requested that a column be added to the proposal document to propose the frequency of deep dives so critical areas are not left unreviewed for too long.
- HE Risk Ownership: A discussion regarding Higher Education (HE) risks concluded that while financial accountability remains with IEG, the UCP Council and the Finance & Resources Committee should jointly hold ownership of HE-specific risks to leverage their sector expertise.

Auditor Input

- Internal Audit: Emphasised that defining clear quantifiers is essential for effective escalation and reporting.
- External Audit: Endorsed the "living and breathing" approach to risk. Offered access to their risk benchmarking publications and risk workshops, advising that data governance and AI are currently emerging as major cross-sector risks.

Executive & CEO Stance

- The CEO confirmed that, while the current risk system remains fully operational and effective, this evolution represents a significant additional enhancement and has executive leadership's full support.

The Committee **unanimously approved** the principle of the Risk Evolution Proposal. It was agreed that:

- detailed planning and framework development should take place over the summer;
- a formal recommendation will go to the full Board in July 2026 for final approval, enabling the CFO to begin the phased rollout ahead of the next academic year.

(ACTION 9)

11. PROPOSED AUDIT COMMITTEE MEETING DATES 2026/27

The Committee **considered** and **agreed** the proposed Committee meeting dates for 2026/27:

Meetings will be held 5.00pm – 6.30pm

Wed	23rd Sep 2026	Online
Wed	25th Nov 2026	Online
Wed	24th Feb 2027	Online
Wed	2nd June 2027	Online

12. ITEMS AUDITORS WISH TO RAISE WITH GOVERNORS WITHOUT STAFF PRESENT

None

Meeting closed at: 6.40pm