

# MINUTES OF A MEETING OF THE BOARD OF LEICESTER COLLEGE CORPORATION:



## MEETING OF THE AUDIT COMMITTEE HELD ON 20 MARCH 2024 ONLINE VIA TEAMS

Present: Zubair Limbada (Chair)  
Louisa Poole  
Neil McDougall  
Tom Wilson  
Roger Merchant

In Attendance:	Shabir Ismail	Deputy Principal
	Louise Hazel	Director of Governance and Policy
	Zoe Butler*	Director of Student Services
	Mark Dawson	KPMG
	Lisa Smith**	RSM
	Matt Widdowson (Minutes)	Governance and Policy Officer

*\*Items 4.1 and 4.2*

*\*\* Items 4.1, 4.2 and 4.3*

### 1. **DECLARATIONS OF INTEREST**

1.1. There were no declarations of interest.

### 2. **APOLOGIES FOR ABSENCE**

2.1. No apologies had been received.

### 3. **MINUTES AND MATTERS ARISING FROM THE MEETING HELD ON 20 SEPTEMBER 2023**

3.1. **The Minutes of 20 March 2024 were agreed as an accurate record and approved.**

#### 3.2. **ACTION RECORD**

3.2.1. The Director of Governance and Policy provided an update on the Action Record.

3.2.1.1. 6.2.4: consideration of another session on how the Risk Register was scored: This was still in progress.

3.2.2. **Governors asked the following questions.**

3.2.2.1. **11.2.3: Apprenticeships: Was this on the agenda for the**

**June 2024 meeting?** Yes.

**3.2.2.2. Was there an indicative timing for the outcome of the work being done by the AI Working Group?** The AI Working Group would be in a better position to provide feedback in the autumn term of 2024/25.

**3.2.3. Governors noted the Action Record.**

*Zoe Butler joined the meeting.*

## **4. INTERNAL AUDIT REPORTS**

### **4.1. ADDITIONAL LEARNING SUPPORT**

4.1.1. The Internal Auditor presented the internal audit report on Additional Learning Support. The following points were highlighted.

4.1.1.1. Funding rules stipulated that, for mainstream learners receiving additional learning support, there needed to be a needs assessment, support plan and evidence of how the support was delivered. For apprentices the requirements were slightly different with the requirement for a high-level assessment, a more detailed assessment, a support plan, and evidence of how the support was delivered.

4.1.1.2. ESFA funding rules were not clear and did not allow for all eventualities. More students had been presenting with mental health difficulties, but the rules stated that if it could not be demonstrated that the support led to improved outcomes, ALS could not be claimed.

4.1.1.3. This had been a common problem across the sector and the missing link for a lot of organisations was the evidence that mental health support had enabled students to be in the classroom. This audit was in line with what had been found at RSM's other educational clients. What Leicester College was doing was generally really good, however it was the financial aspect which had been the problem.

4.1.1.4. Funding guidance had not kept up with student need. The 'traditional' learning support had been found to be robust and the same systems were now being used for mental health to provide a link between counselling and what was happening in the classroom. Work had been undertaken to ensure that staff knew that they had to evidence the link between support and learning outcomes.

4.1.2. The Director of Student Services and Deputy Principal provided a response to the report.

4.1.2.1. Although the report's actions were a high priority, it had been easy to make the required changes.

4.1.2.2. There had been indications that the ESFA would focus more on learning support and there would be specific ALS audits. This audit had been commissioned to find out if the College

had any gaps.

4.1.2.3. A follow up audit would be included in next year's plan.

**4.1.3. Governors made the following comments and asked the following questions.**

**4.1.3.1. How many students were eligible for ALS?** There were 393 current students on the tracker.

**4.1.3.2. Was this similar to what KPMG were seeing?** The pattern was familiar. It was important to note that this would not involve material amounts of money but could still be significant.

**4.1.3.3. It was good to see that there had been a proactive approach taken by placing this on the internal audit plan.**

**4.1.3.4. It was encouraging that some of the actions had already been implemented.**

**4.1.3.5. Had there been a knowledge gap in the team which had led to these documents not being completed, and was there any process mapping that needed to be done to enable the three teams involved to handover between each other?** The ALS team had always used these processes but there had been an increase in the number of students with mental health difficulties. The focus had been on providing support rather than the work in the background. The ALS manager had supported the teams to understand the process and to carry out robust assessments. Team members were the staff who were actually delivering the services as completion of assessments was not an administrative function. There would be a review at the end of May 2024 and further action would be taken if required.

**4.1.3.6. It was also important to consider the wellbeing of the team members.** Agreed.

**4.1.4. Governors noted the Internal Audit Report: Additional Learning Support and approved the recommended risk rating of Amber.**

**4.2. SAFEGUARDING SMOOTHWALL SYSTEM**

4.2.1. The Internal Auditor presented the internal audit report on the Smoothwall system. The following points were highlighted.

4.2.1.1. This audit was conducted to review how well Smoothwall was working: how it had been implemented, monitored, communicated and report on to the Safeguarding Committee.

4.2.1.2. The Safeguarding and Prevent Policy was now available on the College's website.

**4.2.2. Governors made the following comments.**

**4.2.2.1. The Safeguarding Committee was satisfied that the**

- reporting system was robust.
- 4.2.2.2. **This report had been reassuring. It was good to see that Smoothwall had been implemented effectively and was achieving the expected outcomes.**
- 4.2.2.3. **Did Smoothwall monitor anyone who connects via the College's Wi-Fi?** The College would only receive alerts and flag any concerning content. Smoothwall did not monitor all a user's activities.

4.2.3. **Governors noted the Internal Audit Report: Safeguarding Smoothwall System and approved the recommended risk rating of Green.**

*Zoe Butler left the meeting.*

### 4.3. SUSTAINABILITY REPORT ADVISORY REVIEW

- 4.3.1. The Internal Auditor presented the internal audit report on the Sustainability Advisory Review. The following points were highlighted.
  - 4.3.1.1. A detailed report had been prepared by RSM's ESG colleagues and they had benchmarked where the College was on the ESG journey. There had also been benchmarking against other institutions.
  - 4.3.1.2. Leicester College had scored 33 out of a possible 64 which was a good position to be in at present.
  - 4.3.1.3. It was not anticipated that that the recommendations would be implemented quickly. This was more about showing the direction of travel rather than highlighting any problems.
  - 4.3.1.4. This had been another area which the College had required support, and this report would be presented to the Sustainability Committee.
  - 4.3.1.5. Further investment was required, and the College would be taking this back to the Department for Education to ask them for more weighting to be given to sustainability in capital funding.
- 4.3.2. **Governors made the following comments.**
  - 4.3.2.1. **The executive summary had made the report easy to understand.**
  - 4.3.2.2. **What was the external auditor's view?** There was no mandatory requirement for narrative ESG reporting but the direction of travel was that narrative reports would enhance disclosures.
  - 4.3.2.3. **Even the short-term actions had a time scale of up to a year and a score of 33 was good at this stage.**
  - 4.3.2.4. **Governors thanked everyone involved in this audit.**

**Governors noted the Sustainability Report Advisory Review and approved the recommended risk rating of Green.**

*Lisa Smith left the meeting.*

#### 4.4. BENCHMARKING REPORT

4.4.1. The Benchmarking Report had been presented for information.

#### 4.4.2. **Governors made the following comments.**

**4.4.2.1. It was important to note that some other colleges would have an internal audit opinion and so like-for-like comparisons could not always be made.**

**4.4.2.2. The thematic review of actions was interesting.**

**4.4.2.3. It was important to not to be too concerned about what other colleges were doing and instead focus on improvements at Leicester College.** It would not be surprising if there was an increase in the number of actions in the future as the internal auditors focused on areas which they were asked to look at. The number of actions was not important. This report was good to note but it was important to focus on what the College had to do.

**4.4.3. Governors noted the Benchmarking Report and approved the recommended risk rating of Green.**

#### 5. RISK MANAGEMENT PROGRESS REPORT

5.1. The Director of Governance and Policy presented the Risk Management Progress Report. The following points were highlighted.

5.1.1. Due to the short time period since the last meeting of the Audit Committee there had not been much movement in the risk scores. More actions would be completed by the time of the next meeting and so more movement would be expected.

5.1.2. New actions were highlighted in blue.

5.1.3. There was a red action around server infrastructure and the College had now received Cyber Essentials Plus. However, there had been no change in the cyber security risk which was still outside of appetite.

5.1.4. The health and safety risk should reduce at the June 2024 meeting due to fire marshal and first aider training having taken place.

5.1.5. The green agenda risk was outside of appetite but the Sustainability internal audit would help the College plan for the next few years.

#### 5.2. **Governors made the following comments.**

**5.2.1. It was important that priority was given to actions for risks which were outside of risk appetite.** Agreed.

**5.2.2. It was good to see the planned action around cyber security although actions 11 and 12 had revised dates. What risk did this leave the College exposed to?** IT had found that blocking these devices was more difficult than initially anticipated. Some students had to use USB devices to transfer large pieces of work. There was not a major risk from delaying blocking USB devices, however it could affect

the ability to security CE+ next year. It was important to ensure that actions were completed as quickly as possible.

- 5.2.3. **Blocking USB devices could be difficult as it could affect many different devices such as keyboards. There needed to be additional mitigation in place which would compel the IT team to think about resolving the action.** The number of USB devices had reduced. Office 365 was available to all students had provided a terabyte of storage. This was now mainly an issue for certain curriculum areas. It would need to be looked at.
- 5.2.4. **It was important to close the USB devices issue down.**
- 5.2.5. **It would be helpful if expected completion dates could be added, especially for the risks which were outside of appetite.**
- 5.2.6. **What was the difference between 'ongoing' marked in green and orange?** Green meant that the action was on-track and orange meant that the action was not on-track.

5.3. **Governors noted the Risk Management Progress Report.**

## 6. **EXTERNAL REVIEWS**

### 6.1. **ANNUAL MATRIX ASSESSMENT**

6.1.1. The Deputy Principal presented the Annual Matrix Report. The following points were highlighted.

6.1.1.1. This had been an annual assessment to maintain the College's accreditation which had been achieved,

6.1.1.2. The assessor's comments on pages 11 and 12 were highlighted.

6.1.2. **Governors made the following comments.**

6.1.2.1. **Initial advice and guidance were fundamental, and this review provided positive feedback and robust assurance.** There were a lot of students who did not know what they wanted to do and the teams had worked hard to get students on the correct pathways.

6.1.2.2. **Governors extended their thanks to the team and all involved.**

6.1.2.3. **Were there financial implications if IAG was not done correctly?** If students were not on the right course, they would be more likely to withdraw. Withdrawals could affect funding in the current year but also future years.

6.1.3. **Governors noted the Annual Matrix Assessment and approved the recommended risk rating of Green.**

## 7. **FRAUD RISK ASSESSMENT**

7.1. The Deputy Principal presented the Fraud Risk Assessment. The following points were highlighted.

- 7.1.1. The Fraud Risk Assessment was in line with the Post-16 Code of Practice and would form part of the external auditor's work.
- 7.1.2. The external auditors were at the beginning of their planning phase, and it was encouraging that much of this assessment was colour coded green.
- 7.1.3. The external auditors reported that they had seen more instances of fraud across their client base than in previous years. These were all individual cases with no pattern apart from cost-of-living incentives for individuals. There were no concerns around Leicester College.

**7.2. Governors made the following comments.**

- 7.2.1. **Was the checklist developed by the ESFA?** It was. The ESFA set the categories of fraud. It was in the process of producing a financial handbook which might include further guidance on fraud.
- 7.2.2. **Was there any value in highlighting risks on the Risk Register which were more prone to fraud risk?**

**7.3. Governors noted the Fraud Risk Assessment.**

**8. CONFIDENTIAL ITEM – WHISTLEBLOWING INCIDENT**

**9. FE COMMISSIONER REPORTS**

- 9.1. The Director of Governance and Policy presented an FE Commissioner Report. The following points were highlighted.
  - 9.1.1. The SMB Group had been formed through a merger of Stephenson College, Brooksby College and Melton College.
  - 9.1.2. SMB had merged just prior to going into lockdown which had created a difficult situation.
  - 9.1.3. SMB had recognised that it had not focused on the correct issues at the right time and that governors and SLT had been distracted by the merger.
  - 9.1.4. The report stated that resolving the challenges might take a long time.
  - 9.1.5. This report had been put before the Audit Committee for the purposes of benchmarking and identifying any issues relevant to Leicester College.
  - 9.1.6. There had been other issues around the lack of monitoring of quality and finances, and the quality of board papers.

**9.2. Governors made the following comments.**

- 9.2.1. **Although there was some sympathy regarding the context, the report made some interesting comments around the board being “passive”.**
- 9.2.2. **The Corporation paper on Partnerships mentioned SMB Group. Were there any risks around this?** Leicester College was leading some LSIF projects which all local FE colleges were involved in. The College had also worked with SMB on other projects. In previous years there had been issues around SMB not fully spending the funding which they had requested. There were now contractual arrangements

to enable Leicester College to move funding if SMB or any partners were unable to deliver.

9.3. **Governors noted the FE Commissioner Report.**

**10. ANY OTHER BUSINESS**

10.1. There was no further business.

**11. DATES AND TIMES OF FUTURE MEETINGS**

- 5 June 2024