

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

MEETING OF THE AUDIT COMMITTEE HELD ON 19 MARCH 2025



MS TEAMS

Present: Zubair Limbada (Chair)
Tom Wilson
Roger Merchant
Vipal Karavadra

In Attendance:	Louise Hazel	Director of Governance and Policy
	Jane Parkinson*	Acting CFO
	Mark Dawson	KPMG
	Lisa Smith	RSM
	Shaun Curtis**	Director of Estates and Campus Services
	Gail Pringle***	Head of Inclusion
	Zoe Butler†	Director of Student Services and Marketing
	Matt Widdowson*	Governance and Policy Officer
	Sophie Strevens-Robinson	Governor (Observer)

* Present for items 1 and 2, then present for item 4 onwards

**Present for items 7.2, 7.3 and 8.1

***Present for item 8.2

† Present for item 8.3

1. DECLARATIONS OF INTEREST

1.1. There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

2.1. Apologies were received from Neil McDougall. Louisa Poole was absent.

Jane Parkinson and Matt Widdowson left the meeting.

3. **CONFIDENTIAL ITEM – MEETING WITH AUDITORS**

Jane Parkinson and Matt Widdowson rejoined the meeting.

4. MINUTES AND MATTERS ARISING FROM THE MEETING HELD ON 20 NOVEMBER 2024

4.1. MINUTES OF THE MEETING HELD ON 20 NOVEMBER 2024

4.1.1. **Governors made the following comments:**

4.1.1.1. **Was there any concern around potential industrial action?**

The pay award had been made and, although the trade unions had not accepted it, they had not balloted for industrial action. This had been acknowledged in the risk register.

4.1.1.2. **Were USB storage devices now blocked for everyone?**

Yes.

4.1.2. **The Minutes of 20 November 2024 were agreed as an accurate record and approved.**

4.2. ACTION RECORD

4.2.1. There were no comments on the action record.

4.3. **Governors noted the Action Record.**

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. There had been movement for Risk 7: financial stability. This risk was now outside of appetite. There had been a change in the economic outlook since autumn 2024 with a number of external factors such as the introduction of trade tariffs, the possibility of reductions in government spending, and inflation impacting negatively on the economic outlook.

5.1.2. There were still uncertainties for 2024/25 around 16-19 funding and the arrangements for national insurance grants. A realistic spring reforecast had been presented to the Finance and General Purposes Committee showing an expected reduction in the surplus.

5.1.3. An additional action had been included around the new Ofsted inspection framework. There was the potential for the new metrics to affect the College's inspection results in the future.

5.1.4. There had been progress on business continuity testing. There would be a rolling programme of testing across the College. The risk level had not changed due to ongoing issues, including issues with the College's servers.

5.2. The internal auditor made the following comments.

5.2.1. The Post-16 NIC grant allocations would be published in May 2025 and paid in a single payment in September 2025.

5.2.2. There had been updated guidance on the ASF allocation. For providers with under-delivery of between 97% and 100% of their allocation, the baseline would be reduced to the actual delivery.

5.3. **Governors made the following comments.**

- 5.3.1. **Was there any risk of breaching bank covenants and to the College's financial health score?** It was not thought that there would be a risk of breaching the covenants, and the College still had a 'good' rating for financial health.
- 5.3.2. **Would the new Ofsted scoring system make it more difficult for students and the public to understand the outcome of inspections, and would this actually reduce the risk to the College as it was not as clear as a single word judgement?** The outcome of any inspection would depend on the metrics used for each of the criteria. Ofsted's intention had been to make inspections less onerous and reduce the reliance on a one word judgment. However, there would always be an increased risk when a new framework was introduced.
- 5.3.3. **Did the College have an invacuation plan?** The College had a lockdown procedure. New alarms had recently been installed which would provide verbal instructions and these were being tested and communicated to staff and students.
- 5.3.4. **APC was a fairly open campus. Were there plans to ensure that students were able to get to a safe place in the event of a lockdown?** The new alarm system would be able to provide verbal instructions during lockdown. Work had taken place to identify safe spaces, and every area would be considering how to get students and staff to safe spaces.
- 5.3.5. **The Green Flag Award had slipped by a year. Was this an indication that the green agenda had slipped?** There had been an issue with applying last year. The evidence base was more secure for applying this year.
- 5.3.6. **During the Audit Committee's previous meeting there had been a question around whether mitigations were being 'banked' before they had been implemented.** This had been factored into this paper and completed actions had informed the risk level. It was something that would be considered when reviewing the risk.
- 5.3.7. **Were the auditors aware of any emerging risks which had not been included?** There was nothing missing. Cyber risk was at the top of most risk registers and the College was very conscious of this. Elsewhere, AI was highlighted as an emerging risk (and opportunity), but this was not yet a strategic risk for Leicester College. Other increasing risks elsewhere included staffing capacity and wellbeing.

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

Harshad Taylor joined the meeting.

6. **UPDATE ON THE IT DR/BC ACTION PLAN**

- 6.1. The Director of IT presented the IT disaster recovery/business continuity action plan. The following points were highlighted.

- 6.1.1. The IT team had been onsite for two days over the Christmas break carrying out a test of the IT disaster recovery plan.
- 6.1.2. Recovery Time Objectives (RTOs – the point in time which systems are recovered to) and Recovery Point Objectives (RPOs – how long it would take for data to be restored) had been met.
- 6.1.3. A mix of systems had been selected including critical systems like iTrent, some non-critical systems, and some systems used only by Estates and Health and Safety.
- 6.1.4. The scenario for the test was the loss of the data centre at APC. The IT team were able to bring systems over to FPC. The test ran smoothly, and users had been happy with the restored systems.
- 6.1.5. Better communication with staff prior to testing was needed as there were users trying to connect via the VPN during the test.
- 6.1.6. It was important to ensure that the whole team were aware of the process and the requirement for further training was highlighted.
- 6.1.7. There had also been discussions about offsite back-ups. The College's back-ups were currently connected to the network. It would be better if they were backed up by a third party and physically disconnected from the College's data centres and this was being explored.
- 6.1.8. It had not been possible to test the whole system due to time constraints. However, there would be further testing, and regular testing would be planned on a rolling programme.

6.2. Governors made the following comments.

- 6.2.1. **Offsite back-up was the industry standard. It was surprising that the College was not doing this already.** Agreed. The College had already changed the back-up software to VEEM which had the ability to connect to offsite storage. There were storage services available which could back-up to tape, and if necessary, bring their hard drives to site to facilitate faster recovery.
- 6.2.2. **It was clear that a lot of work had been done. This was a detailed report, and it was good to see everything laid out step-by-step.**
- 6.2.3. **The RTOs were set between 4 and 24 hours. The actuals were nowhere near this length of time. Could these times be reviewed?** The RTOs could be reviewed. However, it was not known what the timeframes would be if the network was being used by a large number of staff and students.
- 6.2.4. **What did IA stand for?** Information Analysis. The Head of Data and Reporting Services had not been present during the test, so some of the testing had been done by the Director of IT.
- 6.2.5. **Would more customised scripts be used in the future?** In terms of UAT, there had been staff from HR and Estates onsite during testing.
- 6.2.6. **What was the view of the Internal Auditor?** It was important to ensure that the actions were achievable and that lessons were learned. The timing of the test had made sense, but it would be more beneficial to test again when the College was fully operational.

6.3. Governors noted the update on the IT DR/BC Action Plan and thanked the team for their work.

Harshad Taylor left the meeting.

7. INTERNAL AUDIT REPORTS

7.1. STUDENT OUTCOMES AND COMPLETIONS

- 7.1.1. The Internal Auditor presented the findings of the review of student outcomes and completions. The following points were highlighted.
- 7.1.1.1. After holding discussions with team members to find out how issues had arisen with assessment completion, it was found that facilities had not been in place for the individuals affected.
 - 7.1.1.2. Improvements were needed to both monitoring and tracking. This was happening, although a lot of manual manipulation of data was required.
 - 7.1.1.3. It was found that there was a lot of discussion within APCO to determine which students were going off track. However, this took place informally and was not cascaded to the whole team.
 - 7.1.1.4. There had been a lot of positives including the annual completion of the SAR and QIP.
 - 7.1.1.5. Record keeping was improving, and compliance meetings were being held every six weeks. However, Promonitor was not being consistently used.

7.1.2. Governors made the following comments.

- 7.1.2.1. **Was the focus of this audit on the end of the apprentice journey?** It was.
- 7.1.2.2. **Was the final part of the apprentice journey important in terms of funding?** It accounted for 20% of the funding.
- 7.1.2.3. **There could have been apprentices in the past who had reached their end date and incurred a cost to the College for which funding had not been drawn down. It would be useful to know what the impact of this might be.**
- 7.1.2.4. **Had the management actions been completed?** The Director of Governance and Policy would find out.

- 7.1.3. **Governors noted the internal audit of Student Outcomes and Completions and approved the recommended risk rating of: Green.**

Shaun Curtis joined the meeting.

7.2. RISK MANAGEMENT/HEALTH AND SAFETY

- 7.2.1. The Internal Auditor presented the findings of the internal audit of risk management / health and safety. The following points were highlighted.
- 7.2.1.1. This had been a deep dive of one of the risks listed on the risk register to confirm whether the controls were in operation.
 - 7.2.1.2. Of the 16 risk assessments reviewed, it could not be confirmed

- whether 14 of them had been communicated. Two assessments had not been available to review on SharePoint.
- 7.2.1.3. It had been found that there was no formal monitoring of actions arising from risk assessments.
- 7.2.1.4. The audit had been unable to confirm that there had been independent peer review of assessments. This was considered to be good practice.
- 7.2.1.5. The audit confirmed that risk assessments were being completed. There had been no issues found with monitoring and reporting and it had been confirmed that those responsible for completing the risk assessments had been appropriately trained.

7.2.2. Governors made the following comments.

- 7.2.2.1. **Had there been any concern that risk assessments were not being completed?** The internal auditors were assured that risk assessments were being completed. The management actions were around communicating the risk assessments and then having them peer reviewed.
- 7.2.2.2. **What was meant by the fact that two risk assessments had not been available for testing?** The risk assessments had not been uploaded to SharePoint. There would be a training session at the next meeting of CLT to reiterate the need for risk assessments to be uploaded and to highlight the actions from the audit.
- 7.2.2.3. **Management Action 1 had been due by 28 February 2025. Had this action been completed?** A sample had been completed. However, there were around 300 which needed to be worked through.
- 7.2.2.4. **Management Action 1 was not clear in terms of the volume of risk assessments to be communicated. Should the due date be altered, or should the recommendation be changed?** There would be a review of whether the management action and implementation dates were appropriate.

7.2.3. Governors noted the internal audit of Risk Management / Health and Safety and approved the recommended risk rating of: Green.

7.3. ESTATES PROJECT MANAGEMENT

- 7.3.1. The Internal Auditor presented the findings of the review of estates project management. The following points were highlighted.
- 7.3.1.1. This review had looked at the overall management of capital projects. At the request of the Audit Committee, the procurement process had also been included in the review.
- 7.3.1.2. Although a framework was in place, there were some areas where it had not been complied with.
- 7.3.1.3. A risk register was in place, but it was found not to have been kept up-to-date.

7.3.1.4. There had been one contract variation for which there had not been evidence of it having been approved by the College.

7.3.1.5. There needed to be post-project reviews undertaken for projects over £500k. There had not been evidence to show that this was happening.

7.3.2. Governors made the following comments.

7.3.2.1. **Were there many contracts valued at over £500k?** There were not many. The APC Engineering Block contract had been around £3m. There were two further large projects underway, and the management actions would be built in for them.

7.3.3. **Governors noted the internal audit of Estates Project Management and approved the recommended risk rating of: Green.**

8. EXTERNAL REVIEWS

8.1. FIRE RISK ASSESSMENTS

8.1.1. The Director of Estates and Campus Services presented the external review of fire risk assessments. The following points were highlighted.

8.1.1.1. Fire Risk Assessments used to be carried out internally. However, the Building Safety Act had changed the definition of a competent person, and so this inspection had been carried out by an independent party, Hettle Andrews.

8.1.1.2. One of the issues highlighted had been the means of escape on the fourth and fifth floors of A block at FPC. The escape route went across the building's roof and there was found to be no method to ensure the fire resistance for this area. There was an action in place to address this.

8.1.1.3. Another outstanding action was regarding the means of escape from the pastry kitchen in A block at FPC. The risk assessor had recommended that a corridor be built in to address this. The College had engaged Leicester City Council's Building Control Team to assess the practicalities of this.

8.1.2. Governors made the following comments.

8.1.2.1. **How often should a fire risk assessment take place? It might be that after the next assessment, internal assessments could be carried out for the following couple of years.** The next fire risk assessment would take place in September 2025. This was not a requirement, but as there had been a lot of actions coming out of the previous assessment, it was prudent to repeat the assessment sooner rather than later. Thereafter, light touch checks would be done annually.

8.1.2.2. **Did this affect the insurance?** Insurers did not review the reports, and they would assume that all necessary risk assessments had been completed. However, it should be noted that Hettle Andrews was also the College's insurance

broker.

- 8.1.2.3. **The pastry kitchen at FPC was an important issue and it would be worth the Audit Committee following this up.**

- 8.1.3. **Governors noted the external review of Fire Risk Assessments.**

Shaun Curtis left the meeting.

Gail Pringle Joined the meeting.

8.2. MATRIX ASSESSMENT

- 8.2.1. The Head of Inclusion presented the findings of the Matrix Assessment. The following points were highlighted.

8.2.1.1. Overall, this had been a very positive report.

8.2.1.2. There had been several development suggestions made, and work had already been undertaken in this respect, including:

8.2.1.2.1. Careers teams were now working closely with curriculum teams in terms of planning and providing information to students

8.2.1.2.2. Work was taking place around customer feedback.

8.2.1.2.3. The College would be considering the comments made around outcomes and interventions.

8.2.1.3. Both of the careers services were open to the wider community, and it was acknowledged that there were opportunities to improve the communication of this to students and the general public

8.2.1.4. A dedicated SEND Careers Advisor had been in post for over a year now. They had been working with the wider team to develop their confidence in this area.

8.2.1.5. There was also a dedicated UCAS Careers Advisor at the College.

8.2.1.6. The College's Careers Leader directly managed the Careers Teams and worked closely with the Personal Development Manager to provide direction to careers development.

- 8.2.2. **Governors made the following comments.**

8.2.2.1. **Was Matrix accreditation an ESFA requirement?**

Accreditation was a funding requirement. Matrix accreditation was a nationally recognised standard, and the College had been accredited since 2012. There had been a significant review of the standard that had increased the focus on inclusion, safeguarding and the impacts of the Covid-19 Pandemic and the Cost-of-Living Crisis. Matrix now aligned more closely with other inspection frameworks, such as Ofsted inspections. Matrix was a continuous improvement exercise and there were annual reviews to check on progress. It was a rigorous but supportive process.

8.2.2.2. **Community awareness of the careers service was important.** Agreed. Careers Teams worked with the Marketing Team often sending an advisor to events in schools. All careers advisors were either qualified to Level 6, or working towards qualification.

8.2.2.3. **Was the College comfortable that conditions of accreditation would continue to be met.** Yes. There were no concerns around this.

8.2.3. **Governors noted the Matrix Assessment and thanked the Careers team for their work and the positive feedback in the report.**

Gail Pringle left the meeting.

Zoe Butler joined the meeting.

8.3. WEBSITE ACCESSIBILITY AUDIT

8.3.1. The Director of Student Services and Marketing presented the findings of the Website Accessibility Audit. The following points were highlighted.

8.3.1.1. WCAG aimed to ensure that websites were accessible to all. The College's previous website did not meet the required standard.

8.3.1.2. When the new website was tested there were significantly fewer issues than there had been for the previous website.

8.3.1.3. When the new website was re-tested the College was judged to be AA compliant.

8.3.1.4. The College had chosen to achieve the AA standard rather than the AAA standard. The AAA standard would have meant that the website would be in black and white which would not be appropriate for marketing purposes.

8.3.1.5. There would be ongoing checks to ensure that the website remained accessible.

8.3.1.6. The outcome of the assessment would go to the Equality and Human Rights Commission.

8.3.2. **Governors made the following comments.**

8.3.2.1. **It was reassuring that the College met its obligations and that this was reported to the EHRC.**

8.3.3. **Governors noted the Website Accessibility Audit.**

Zoe Butler left the meeting.

9. FRAUD POLICY, CHECKLIST AND RISK ASSESSMENT

9.1. The Interim Chief Financial Officer presented the Fraud Policy, checklist and risk assessment. The following points were highlighted.

- 9.1.1. Very few changes had been made to the Fraud Policy. There had been some changes to the wording to ensure it was in line with the Code of Practice.
 - 9.1.2. The fraud risk assessment had been amended. The risk of the fraud due to the College experience financial difficulty had been downgraded due to the robust controls in place.
- 9.2. The Internal Auditor made the following comments.
- 9.2.1. College plans would need to consider the Economic Crime and Corporate Transparency Act 2023 (ECCTA) which would be coming into force in September 2025.
 - 9.2.2. Consideration should be given to making the Fraud Response Plan a separate document to keep it more confidential.
- 9.3. **Governors made the following comments.**
- 9.3.1. **The fraud check list was strong. Was this an area that internal auditors would look at?** While fraud risk was always considered, and there were checks on whether controls were in place, it was not an area that internal auditors specifically looked at.
 - 9.3.2. **Did this feed into the regularity work?** Yes. There was a regularity self-assessment.
- 9.4. **Governors noted, Check List and Risk Assessment and approved the Fraud Policy subject to comments made.**

10. FE COMMISSIONER REPORTS: FE COMMISSIONER'S ANNUAL REPORT

- 10.1. The Director of Governance and Policy presented the FE Commissioner's Annual Report. The following points were highlighted.
- 10.1.1. The annual report listed the achievements of the FE Commissioner.
 - 10.1.2. There was a point highlighted around consistent practice for Senior Postholders' and Chairs' performance reviews. The College already had a strong process in place but the Search and Governance Committee was looking at how to improve how this was documented.
- 10.2. **Governors made the following comments.**
- 10.2.1. **Would the College benefit from any of the support that the FE Commissioner could provide?** The Acting Principal was already receiving support through their National Leaders Programme. Further support may be something that could be looked at when a new Principal was in post.
 - 10.2.2. **When governors looked at the themes emerging from FE Commissioner reports it was always important to ask if it sounded like something that might be happening at Leicester College.**
 - 10.2.3. **Were senior postholders aware of the wellbeing support offered?** The Director of Governance and Policy would check this.
- 10.3. **Governors noted the FE Commissioner's Annual Report.**

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

- 4 June 2025