



Audit Committee

3 June 2026

**AGENDA
REFERENCE**

A1

TITLE	Minutes of the previous meeting held on 18 March 2026		
PURPOSE	To receive, agree and approve the minutes of the previous meeting held on 18 March 2026		
RECOMMENDATION	Governors are recommended to note the minutes and agree their accuracy		
<i>No. of pages in main paper</i>	8	Appendices	-
<i>Student Experience Implications</i>	-		
<i>Financial Implications</i>	-		
<i>EDI Implications</i>	-		
<i>Sustainability Implications</i>	-		
<i>Other Risk Implications</i>	Failure to follow agreed and proper practices		
<i>Risk Register Ref.</i>	n/a	<i>Operating Statement Ref.</i>	n/a
<i>Paper previously considered by</i>	n/a	<i>Author</i>	Matt Widdowson

Executive Summary

n/a

**MINUTES OF A MEETING OF THE BOARD OF
LEICESTER COLLEGE CORPORATION:
MEETING OF THE AUDIT COMMITTEE HELD
ON 18 MARCH 2026**



Present: Tom Wilson (Chair)
Vipul Bechar
Vipal Karavadra
Neil McDougall
Jude Mellor
Roger Merchant*
Steve Munro*

In Attendance: Zubair Limbada**
Louise Hazel
Rob Barnett
Stuart McKay*
Matt Widdowson
(Minutes)

Deputy Principal, Finance and Corporate
Director of Governance and Policy
Partner, RSM
Partner, MHA
Governance and Policy Officer

**via Microsoft Teams*

*** from Item 4.4 onwards*

1. DECLARATIONS OF INTEREST

1.1. Jude Mellor was welcomed to her first meeting. Rob Barnett from RSM was welcomed to his first in person meeting.

1.2. There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

2.1. No apologies had been received.

Matt Widdowson left the meeting.

3. CONFIDENTIAL MEETING WITH INTERNAL AUDITORS

**4. MINUTES AND MATTERS ARISING FROM THE PREVIOUS MEETINGS
HELD ON 19 NOVEMBER 2025 AND 26 NOVEMBER 2025**

4.1. MINUTES OF THE MEETING HELD ON 19 NOVEMBER 2025

4.1.1. The Minutes of 19 November 2025 were agreed as an accurate record and approved.

4.2. CONFIDENTIAL MINUTES OF THE MEETING HELD ON 19 NOVEMBER 2025

- 4.2.1. **The Confidential Minutes of 19 November 2025 were agreed as an accurate record and approved.**

4.3. CONFIDENTIAL MINUTES OF THE SPECIAL MEETING HELD ON 26 NOVEMBER 2025

- 4.3.1. **The Confidential Minutes of 26 November 2025 were agreed as an accurate record and approved.**

Zubair Limbada and Matt Widdowson rejoined the meeting.

4.4. ACTION RECORD

- 4.4.1. The Director of Governance provided an update on the Action Record. The following points were highlighted.

- 4.4.1.1. 6.2.2: Mental health and wellbeing: This would be moved into 2026/27 as the results of the staff culture survey would need to be considered first.

- 4.4.2. **Governors noted the Action Record.**

5. RISK MANAGEMENT PROGRESS REPORT

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

- 5.1.1. There had been one change to Risk 2 (inability to capitalise on opportunities arising from curriculum reform). The risk had been reduced now that the DfE had confirmed that there would be a delay to defunding qualifications. The risk might rise again next year.

- 5.1.2. The new Deputy Principal, Curriculum and Quality had reviewed the controls for Risk 2.

- 5.1.3. Risk 4 (cyber security) had been discussed by the Finance and General Purposes Committee. The committee had questioned whether, given there would always be a degree of risk, the risk appetite was right. There was no recommendation from the committee to review the risk appetite but there could be further discussions.

- 5.1.4. For Risk 4, it was not so much a case *if* there would be a cyber-attack but *when*.

- 5.2. The Deputy Principal added some comments around Cyber Security.

- 5.2.1. Cyber Essentials re-accreditation was underway and Cyber Essentials+ would follow.

- 5.2.2. There had a risk around the resignation of the Director of IT. However, a new director had been appointed and was able to start soon. The new director had experience of leading on the response to a cyber

attack so might bring with him some ideas for how the College could improve in this respect.

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

- 5.3.1. **Could the risk owning committees be provided with refresher guidance on their role? It would be important for committees to understand controls and that their role was not score risk. There also needed to be more emphasis on the fact that the risk register was a living document.** The Risk Workshop would be a good opportunity to address these issues.
- 5.3.2. **The Internal Auditor suggested having a standing agenda item for a deep dive on each risk where the risk owner was invited to speak with the committee. This had been an approach used elsewhere.** It was good to hear that committees were having discussions around risk management. Deep dives could be a way of strengthening this.
- 5.3.3. **Other organisations tended to separate out cyber security from IT development. There tended to be a more open risk appetite around IT development.**
- 5.3.4. **The difficulty with using the 5x5 method of scoring risk was that the extremes tended to have similar scores (high probably and low impact compared with low probability and high impact). A factor could be added to the impact score to adjust for this. A weighting factor could be quite subjective although this could be considered further.**
- 5.3.5. **Could more clarification be provided on the comment of it not being a case of *if* but *when* when it came to cyber-attacks? While the inherent risk could be high, the mitigated impact could be quite low.** This statement had come about during a conversation with someone from Jisc and had meant that, in reality, institutions faced attacks all the time. However, whether these cyber-attacks were successful depended on the controls in place and whether the controls were kept up to date. The College had put in new controls this year and had plans for next year.
- 5.3.6. **Whether a cyber incident was malicious or not, it could have the same impact. It was highly likely that an incident could happen, but how confident were governors that the effect on students and staff would be minimal. There should be more attention given to recovery.** This fed into the business continuity planning that had been taking place in parallel to cyber security.
- 5.3.7. **Organisations that spent millions of pounds on cyber security were still getting attacked and it was not possible to eradicate the threat meaning that recovery was key.**
- 5.3.8. **It was important that there was assurance that the College is keeping its cyber security controls up to date. It would be helpful to have feedback from the new Director of IT once he had settled into his new role.** The first meeting of the new academic year would be a good opportunity to invite the new Director of IT as that was when the Cyber Security Report was due.
- 5.3.9. **With regards to Risks 2 and 3 (curriculum and staffing), the inclusion aspect of the White Paper would have a major impact.**

There was a lot of turbulence in the post-16 landscape. Agreed; this would be reflected more in the operational risk register. However, the point that it was not mentioned in the strategic risk register was noted.

5.3.10. **These were the kinds of conversations that committees should be having. Governors could not tell ELT that risks had been scored incorrectly but they could ask questions.** The workshop would be a good opportunity to ask governors if they thought that anything was missing from the risk register.

5.3.11. **The colour coding on the risk register was slightly different. Was there a common colour scheme?** A key could be added.

5.4. **Governors noted the Risk Management Update.**

6. INTERNAL AUDIT REPORTS

6.1. FINANCIAL HANDBOOK

6.1.1. The Internal Auditor presented the findings of the Financial Handbook audit. The following points were highlighted.

6.1.1.1. The overall conclusion was that there was a strong control framework with strong compliance.

6.1.1.2. There was one medium agreed action around there being no formal process for self-assessment of compliance. A more structured approach had been agreed with management.

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

6.1.2.1. **There needed to be a date for when this would be reported to the Audit Committee.** The Audit Committee could decide a date.

6.1.2.2. **The external audit included a checklist on the Financial Handbook. This would be reported to the Audit Committee in November and would provide further assurance.**

6.1.3. **Governors noted the Internal Audit of the Financial Handbook and accepted the recommended risk rating of Green.**

6.2. FRAUD RISK REVIEW

6.2.1. The Internal Auditor presented the findings of the Fraud Risk Review. The following points were highlighted.

6.2.1.1. This had been an advisory review. There had been ten management actions which was not unusual for this kind of review.

6.2.1.2. The actions around fraud and bribery risk were about introducing best practice.

6.2.1.3. There needed to be a statement made by the Board that highlighted the College's commitment.

6.2.1.4. There needed to be a process in place for staff to make annual

declarations of interest and a process for when they failed to do so.

6.2.1.5. Fraud and bribery alerts and information would need to be shared with staff. This could be done via staff communications.

6.2.1.6. There would need to be training at induction with ongoing refresher training for staff working in higher risk areas.

6.2.2. The Deputy Principal made a further comment.

6.2.2.1. ELT would work with RSM on the management actions and provide an update to the Audit Committee at the next meeting.

6.2.3. **Governors made the following comments.**

6.2.3.1. **Was the number of management actions average for this type of review?** It was rare that there were fewer than ten management actions.

6.2.3.2. **The focus on ECCTA meant that fraud had been looked at through a different lens.**

6.2.4. **Governors noted the findings of the Fraud Risk Review and accepted the recommended risk rating of Amber.**

6.3. BENCHMARKING REPORT

6.3.1. The Internal Auditor presented the Benchmarking Report. The following points were highlighted.

6.3.1.1. There were no high priority actions and the College performed strongly compared to other colleges

6.3.1.2. The report also detailed the top five themes across the whole sector.

6.3.2. **Governors commented that the top themes could provide a checklist to enable gaps to be identified.**

6.3.3. **Governors noted the Benchmarking Report and accepted the recommended risk rating of Green.**

7. FRAUD POLICY, CHECKLIST AND RISK ASSESSMENT

7.1. The Deputy Principal reported that the actions from the Fraud Review would be incorporated in the Fraud Policy, Checklist and Risk Assessment and this would be brought back to the next meeting.

7.2. In response to a **question** as to whether this would need to go to Corporation, it was confirmed that this would go before Corporation at the July 2026 meeting.

7.3. **Governors noted the update.**

8. EXTERNAL REVIEWS

8.1. AWARDING ORGANISATION REPORTS

8.1.1. The Deputy Principal presented the inspection reports issued by Awarding Organisations. The following points were highlighted.

8.1.1.1. There had been two announced visits and an unannounced visit.

8.1.1.2. JCQ had noted non-compliance around an occasional delay between exam papers being received in the post room and getting to the exam room. There had also been a label on a bottle in an exam observed and an issue around the number of people in the secure room.

8.1.1.3. A despatch block was imposed but lifted once the required actions had been completed.

8.1.2. **Governors made the following comments.**

8.1.2.1. **What was a despatch block?** It was when papers were not sent. The back up plan had been for Copy Services to be ready to print papers.

8.1.2.2. **How long was this kept on record for?** It might cause further issues if non-compliance was observed again.

8.1.2.3. **JCQ have been known to adapt their audits to reflect where they think the risk is.**

8.1.2.4. **What would be the ultimate sanction for non-compliance?** It would be not being able to conduct exams.

8.1.2.5. **There were some things that could have been presented to the reviewers differently.** The Exams Manager had been on annual leave, and his team had been unable to answer some of the questions. Work has taken place to rectify this.

8.1.2.6. **This kind of issue arises every couple of years. Were invigilators being onboarded correctly?** Lessons had been learned from this, and the Exams Manager had put in place measures to avoid this happening again and was conducting his own checks.

8.1.2.7. **It might be useful to get someone neutral to come in and look at this.**

8.1.3. **Governors noted the Awarding Organisation Inspection Reports and accepted the recommended risk rating of Green.**

8.2. MATRIX ANNUAL CONTINUOUS IMPROVEMENT CHECK

8.2.1. The Deputy Principal presented the outcome of the Matrix Annual Continuous Improvement Check. The following points were highlighted.

8.2.1.1. Matrix was the international quality standard for IAG. It was also a funding requirement.

8.2.1.2. Continuous Improvement Checks took place annually for the two years following a full review.

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

- 8.2.2.1. **The focus on PD in the White Paper was extensive so this would be an area where compliance would now change.**
- 8.2.2.2. **There was a good focus on wellbeing in this review.**
- 8.2.2.3. **Was continuous improvement harder to demonstrate than compliance and what was the difference between this and a full review?** A full review required more evidence and was a larger piece of work. The College had many years' experience of full reviews.
- 8.2.2.4. **There had been continuous improvement to the College's personal development offer.** Personal development was one element and IAG was another. However, these were both now being considered together holistically.

8.2.3. **Governors noted the Matrix Annual Continuous Improvement Check and accepted the recommended risk rating of Green.**

8.3. **EXTERNAL BOARD REVIEW**

8.3.1. The Director of Governance and Policy presented the findings of the External Board Review. The following points were highlighted.

- 8.3.1.1. This paper had already been before Corporation and was presented at this meeting for the Audit Committee's perspective.
- 8.3.1.2. The reviewer had been impressed with the Audit Committee and had reported that the approach to risk had been an example of best practice.
- 8.3.1.3. The review had noted the diversity of thought on the Audit Committee.
- 8.3.1.4. Other Committee's Terms of Reference would be amended to reflect committees' compliance role.

8.3.2. **Governors noted that the comment about governors becoming too operational was something that should be kept in mind.**

8.3.3. **Governors noted the External Board Review and accepted the recommended risk rating of Green.**

9. **CONFIDENTIAL – WHISTLEBLOWING REPORT**

10. **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. This was a report of the work undertaken by the previous FE Commissioner and provided a reminder of the support available to colleges.
- 10.1.2. An introductory letter from the new FE Commissioner would be

considered at the next Corporation meeting.

10.2. Governors **commented** that regarding senior leader wellbeing, it was important to consider the wellbeing of the two new Deputy Principals.

10.3. **Governors noted the FE Commissioner's Annual Report.**

11. FE DIGEST SPRING 2026

11.1. The External Auditor presented the spring edition of the FE Digest. The following points were highlighted.

11.1.1. The new SORP was being rolled out but would not affect the College until 2027 Year End.

11.1.2. Year End would remain at the end of July, but there might be some sort of spending report required in the future.

11.1.3. VAT remained an important issue to keep in mind.

11.1.4. The Employment Rights Act would have financial implications that might be difficult to model.

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

11.2.1. **It was not thought that the SORP would have a significant impact.**

11.2.2. **Why was there the possibility of the changes to Year End meaning that a monthly return could be required?** The sector wanted to keep the academic year. However, the government Year End was at the end of March, and it required assurance on the education spend between the summer and their Year End. Following the pilots, it was thought that there would be an announcement towards the backend of 2026 with implementation expected in March 2027. The four months between the end of March and the end of July would provide an opportunity to understand the new reporting.

11.2.3. **Was the Employment Rights Act a minor concern for the College?** The College would have to wait for the allocations to be able to estimate the impact. There may be changes to the risk register and financial tolerances. Governors had received an update on the new Employment Rights Act at the Finance and General Purposes Committee. The College was now trying to estimate the financial implications.

11.3. **Would it be a good idea to start the pay gap reporting early?** The College already reported on the pay gaps as required by the Employment Rights Act.

11.4. **Governors noted MHA's FE Digest Spring 2026.**

12. DATES AND TIMES OF FUTURE MEETINGS

- 3 June 2026