

**MINUTES OF A MEETING OF THE BOARD OF
LEICESTER COLLEGE CORPORATION:
MEETING OF THE AUDIT COMMITTEE HELD
ON 19 NOVEMBER 2025**



ON TEAMS

Present: Zubair Limbada (Chair)
Neil McDougall
Roger Merchant
Vipal Karavadra
Vipul Bechar
Steve Munro

In Attendance:	Louise Hazel	Director of Governance and Policy
	Jane Parkinson	Acting CFO
	Mark Dawson	KPMG
	Tim Wakefield	KPMG
	Rob Barnett	RSM
	Shabir Ismail*	Principal
	Rob Lawson (Observer)	External Board Reviewer
	Matt Widdowson (Minutes)	Governance and Policy Officer

**Present for item 5*

1. DECLARATIONS OF INTEREST

- 1.1. Steve Munro and Vipul Bechar were welcomed as new members of the Audit Committee.
- 1.2. Rob Barnett from RSM was welcomed to his first meeting of the Audit Committee.
- 1.3. Rob Lawson was observing the meeting as part of the external review of governance.
- 1.4. There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

- 2.1. Apologies had been received from Tom Wilson.

Matt Widdowson left the meeting.

3. CONFIDENTIAL MEETING WITH EXTERNAL AUDITORS

Jane Parkinson and Matt Widdowson joined the meeting.

4. MINUTES AND MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 24 SEPTEMBER 2025

4.1. MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2025

4.1.1. The Minutes of 24 September 2025 were agreed as an accurate record and approved.

4.2. CONFIDENTIAL MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2025

4.2.1. The Confidential Minutes of 24 September 2025 were agreed as an accurate record and approved.

4.3. ACTION RECORD

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

- 4.3.1.1. 11.2.3 Internal auditors review general IT controls: for 2026/27.
- 4.3.1.2. 8.1.2.3: Pastry kitchen means of escape: complete
- 4.3.1.3. 4.2.6 and 5.2.2.7: Escalation process: Unless the Internal Auditor had any further suggestions, the process would be for this to be covered by respective Committee discussions of risks.
- 4.3.1.4. 6.2.2: Review of mental health and wellbeing: for 2026/27.
- 4.3.1.5. 7.3.2.3: Inclusion of management action due date in Follow Up Report: this needed to be included in future reports.
- 4.3.1.6. 3.3.1.2: RAG rating adding to Action Log: complete.
- 4.3.1.7. 3.1.7.3: ECCTA: Fraud Policy revised with a checklist included.
- 4.3.1.8. 4.2.4: List of IT users to HR: this had been progressed.
- 4.3.1.9. 5.1.2.1: Colours in Internal Audit Annual Summary: complete
- 4.3.1.10. 8.1.4 and 8.1.5: Update on submission to NCFE: there had been no further update from the NCFE.
- 4.3.1.11. 9.2.6: Consideration of reporting allegations made in whistleblowing report: The Director of Governance and Policy and the Director of Finance had assessed each of the allegations to determine if there was any evidence of fraud. They had concluded that there were insufficient reason and evidence to report fraud. This decision had been documented.
- 4.3.1.12. 12.3.4: Access to Crown Commercial Framework: the College could access the framework.
- 4.3.1.13. 12.3.7: Review of statement of requirements for procuring external audit: complete.
- 4.3.1.14. 12.3.11: External auditor benchmarking: complete.
- 4.3.1.15. 15.1.1: Add departments to gifts/goods received report: to be included in next year's report.

4.3.2. **Governors made the following comments.**

- 4.3.2.1. **ECCTA: the checklist had been a good start, but there was still more to be done around raising awareness among governors and ELT/SLT. The inclusion of ‘associated persons’ was a new concept which could be difficult to grasp as this was not usually associated with fraud. Some thought needed to go into which areas could be vulnerable and who could fall into the category of ‘associated persons.’ The timing of the internal audit of fraud may assist the College with this.** Noted.
- 4.3.2.2. **Would there be a summary of the actions coming out of the whistleblowing incident?** A verbal update was given. A Capital Board now provided strategic oversight. This board, along with Project Boards, would be monitoring spending. Representatives from the Finance Directorate would sit on these boards. Funding was now being split into smaller sums to be managed by the Director of Estates, the Director of IT and Directors of Curriculum. Waivers were receiving more scrutiny and, as a result, there were fewer being received.
- 4.3.2.3. **While Finance Directorate staff may be subject to extra checks, the Directors of Curriculum might not be.** The Finance Directorate reviewed all spending over £5,000.
- 4.3.2.4. **The spending detailed in the Whistleblowing Report did not reach the £5,000 limit. Additionally, if a £5,000 limit was set, then people might ‘slice and dice’ the total into sums lower than the limit. Could governors be assured that there was adequate scrutiny?** The Capital Board and Project Boards would provide scrutiny.

4.3.3. **Governors noted the Action Record.**

Shabir Ismail joined the meeting.

5. ACHIEVEMENT RATES 2024/25

- 5.1. The Principal provided an update on the Achievement Rates for 2024/25. The following points were highlighted.
 - 5.1.1. The CSQI Committee had already received this presentation.
 - 5.1.2. The overall outturn for 2024/25 had been 86.6% across all measures. This compared with 84.8% for the previous year. This had been a great improvement considering the number of students. This was also above the NARs for 2023/24 by 1.1%. The NARs for 2024/25 would not be available until February 2026 .
 - 5.1.3. There was still a lot of work to be done around 16-18 but it had been pleasing that there had been a 1.6% increase on the previous year.
 - 5.1.4. The adult achievement rate had been 89.3% which brought it back to 2022/23 levels.
 - 5.1.5. T Levels had not been included in the overall figures. The achievement rate for these had increased by nearly 11%. Retention continued to be an issue for T Levels as there had been a lot of dropout, including

students leaving for positive destinations such as employment or apprenticeships. This did not help with the figures.

- 5.1.6. Tailored Learning was at 91% which was well above the NARs.
- 5.1.7. A lot of work had taken place with apprenticeships. The achievement rate for the previous year had been 52.9% which had been a decline on 2022/23. However, the rate for 2024/25 was 65.2%. It was pleasing that the rate for 16-18s had been above the NAR. The College had been subjected to light monitoring by the DfE and it was hoped that this result would mean that this would end. There were still issues with getting apprentices through their EPAs, some of which was beyond the College's control due to the requirement for external assessment and verification.
- 5.1.8. For GCSE English (grades 4-1) the rate had been 30% compared to the previous year's 26% which signified a positive movement. However, there had been a decline in GCSE maths which may have been due to grade boundary movements and a particularly difficult exam paper. For adults, the results were similar to the previous year and above the NAR.
- 5.1.9. For GCSEs grades 9-1, the College was above the NAR.

5.2. Governors made the following comments.

- 5.2.1. **The results were positive and the lag in the NARs was noted.**
- 5.2.2. **With regards to apprenticeships, what effect had a greater understanding of the requirements, and the government's softening of the funding requirements have?** It had not had a significant effect in this case. The improvement had primarily been due to the change in the College's quality framework. Deep dives had been undertaken throughout the year, including thematic deep dives which had enabled teaching staff to be provided with more support. There had also been improvements to the data which had enabled the College to drill down to individual student level. The Principal had chaired the Performance Review meetings and had been pleased that Directors of Curriculum and PAMs had been able to provide much more detail. There had also been a cultural change which focused on having high ambitions and intervening earlier.
- 5.2.3. **Apart from T Levels, were there any other areas of concern regarding retention?** There had been more students with more complex needs, including those with EHCPs and the College needed to work closely with them to provide support. Sometimes, if college was not right for the students, then they could not be made to stay. There were also students who could be offered a break in learning to support them.
- 5.2.4. **These achievement rates were evidence of hard-won improvements.** Noted, although it would be important to compare the result with the 2024/25 NARs when they were made available. It would also be important to maintain consistency during this academic year.
- 5.2.5. **Was it possible to monitor positive destinations?** With regards to T Level students being employed before the end of their courses, this had been frustrating, although there were conversations with employers with a view to trying to resolve this issue.
- 5.2.6. **Were registers automated?** The time to mark registers had reduced

from 30 minutes to 15 minutes, after which an automated notification would be sent out to parents/carers and the student. There would also be a follow-up to this to ensure that the absent student was safe.

5.3. **Governors noted the Achievement Rates for 2024/25.**

Shabir Ismail left the meeting.

6. RISK MANAGEMENT UPDATE

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

- 6.1.1. The current level for Risk 8 (financial stability) had been reduced and was now within risk appetite. The reforecast was predicted to be in line with the budget and cash reserves were comfortable.
- 6.1.2. There might be another two risks that could be reduced in the future. It was still too early to reduce Risk 1 (quality) but later in the year there might be more confidence that this was on track. This would be considered following the next couple of cycles of performance reviews and the CSQI Committee which would consider the risks associated with curriculum and quality when the SAR and QIP was reviewed.
- 6.1.3. It was also too early to reduce Risk 5 (business continuity) as there was still work planned on offsite backups and 24/7 monitoring.
- 6.1.4. An additional risk had been added under Risk 6 (health and safety) regarding Martyn's Law. This legislation had been introduced as a result of the Manchester bombings and meant that public sector organisations had to have plans in place. There had already been work undertaken to secure the sites including installing new barriers. Governors would be provided with more information about this.
- 6.1.5. Risk 3 (staffing) had been kept amber due to the potential for industrial action; however, the UCU ballot had recently closed and there had been an indication that the turnout threshold for strike action had not been met. This would be confirmed with the Director of HR.
- 6.1.6. There had been a review of the descriptions of controls to make these clearer.

6.2. **Governors made the following comments.**

- 6.2.1. **The action around providing clearer descriptions of controls rather than just observations had been aimed at the committees rather than the Director of Governance and Policy. It was hoped that with committees now having oversight the controls could be more precise. Noted.**
- 6.2.2. **Given the recent spate of cyber-attacks across the country, it was surprising that the inherent risk had not risen.** The inherent risk could be reviewed.
- 6.2.3. **Revenue recognition was not covered in this risk register. Although it is not a specific risk for Leicester College, it would always be in the top three from an auditor's perspective.**
- 6.2.4. **It was important to differentiate between audit risks and management risks. Revenue recognition would be expected to sit**

- below the level of the strategic risk register.
- 6.2.5. **There was the possibility of over-recognising revenue and then be subjected to clawback.** This was an area that the external auditor would focus on.
- 6.2.6. **It would be important to ensure that the level of discussion at the Audit Committee was taking place in committees and ELT/SLT. There needed to be a method of receiving feedback from the committees and leadership to the Audit Committee to ensure that everyone was making use of the risk register. Embedding the risk register was important.** With regards to ELT, there was also an operational risk register which included more detailed actions. This was also shared with SLT. For example, revenue recognition would sit beneath Risk 8.
- 6.2.7. **RSM's Emerging Risks Issues paper had been useful. There had been three main risks highlighted (geo-political instability, cyber-attacks, and artificial intelligence) which could be raised at the next meeting to demonstrate that these were being considered. There had also been a new risk of misinformation added, which might be something to consider further.** Noted.

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

7. INTERNAL AUDIT REPORTS

7.1. RISK DEEP DIVE - SAFEGUARDING

- 7.1.1. The Internal Auditor presented the results of the Safeguarding Deep Dive. The following points were highlighted.
- 7.1.1.1. This was the first report and the deep dive had taken place in a critical area.
- 7.1.1.2. It had been found that there was a strong control framework, and consistent execution of controls.
- 7.1.1.3. There were no management actions arising.
- 7.1.2. **Governors made the following comments.**
- 7.1.2.1. **The outcome of the deep dive was very pleasing.**
- 7.1.2.2. **During a recent governor visit it had appeared that the team had a high workload. Had the team's workload been considered?** The team were busy, and the workload was challenging, and the Director of Student Services had reported increasing demand. There was now additional resource in place and the Director of Student Services would report if further resources were required.
- 7.1.2.3. **Could this report be looked at alongside the risk register and the new Ofsted framework to find any gaps that could be identified during an inspection?** Noted.
- 7.1.3. **Governors noted the Deep Dive Report on Safeguarding and agreed the recommended risk rating of Green.**

8. AUDIT COMMITTEE ANNUAL REPORT

8.1. The Director of Governance and Policy presented the draft Audit Committee Annual Report. The following points were highlighted.

8.1.1. The Annual Report followed the same format as had been used previously.

8.1.2. Committee membership would continue to be reviewed as there had been two vacancies during the year which had now been filled and another vacancy would be coming up.

8.1.3. The report also included references to tendering for an external audit, ECCTA and the Western College report.

8.2. **Governors made the following comments.**

8.2.1. **Was the recommendation for the Audit Committee to recommend this for approval by the Corporation? Yes.**

8.2.2. **The Student Liaison Committee was missing from the table on page 2. Noted.**

8.2.3. **The numbers for the Follow Up report in the table under paragraph 9 did not add up. This could be checked.**

8.3. **Governors agreed to recommend the Audit Committee Annual Report to the Corporation for approval.**

9. AUDIT COMPLETION REPORT AND MANAGEMENT LETTER – YEAR ENDED 31 JULY 2025

9.1. The External Auditor presented the Audit Completion Report and Management Letter for Year Ended 31 July 2025. The following points were highlighted.

9.1.1. The report provided an opinion on whether the accounts provided a true and fair view, and there was also a reporting accountant's view on regularity.

9.1.2. The audit was mostly complete, and no major issues had been identified.

9.1.3. The audit had progressed well due to the good two-way communication with the College's Finance Directorate.

9.1.4. The pensions work had been completed, and everything was found to be within the balanced range.

9.1.5. The final Going concern statement would be subject to the forthcoming reforecast.

9.1.6. The list of outstanding items on page 5 appeared to be long but these were straightforward items and outstanding due to timing issues. There was nothing to cause any concern.

9.1.7. The disclosures had been updated following discussions with the Director of Finance.

9.1.8. The Representations Letter included the standard wording as there were no specific representations.

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

- 9.2.1. **What had been the misstatement in respect of disclosure?** This had been a minor issue and was around the change in Principal. There was no level of materiality.
- 9.2.2. **What was the process around the assurances of going concern?** A final reforecast would be provided to the external auditors following sensitivity testing.
- 9.2.3. **Would the F&GP Committee be explicitly provided with assurance of going concern?** It would be included in a paper that went before the F&GP Committee.
- 9.2.4. **With regards to IFS16, did the College have any operating lease arrangements?** There were buildings that were leased but this was not significant and would not have an impact.
- 9.2.5. **This was an impressive outcome. Thanks to the Finance Directorate.** Noted.
- 9.2.6. **This would be KPMG's last meeting as the College's external auditor. The external audit team were thanked for their work.** Noted.

9.3. **Governors agreed to recommend the Audit Completion Reports and Management Letter for Year Ended 31 July 2025 to Corporation for approval.**

10. EXTERNAL REVIEWS

10.1. AWARDING BODIES INSPECTION REPORTS

10.1.1. The Director of Governance and Policy presented the Pearson Centre Inspection Report and two JCQ Centre Inspection Reports. The following points were highlighted.

10.1.1.1. There had been one planned inspection and two unannounced inspections.

10.1.1.2. The Pearson inspection had highlighted some excellent practice.

10.1.2. **Governors made the following comments.**

10.1.2.1. **This report had been reassuring.**

10.1.2.2. **Did CCTV cover the access to the secure rooms and if not, should there be coverage of the doors?** There was no specific coverage of the doors but there was of the nearby corridors. As the secure rooms were located off these corridors it was not necessary to have CCTV coverage of the doors.

10.1.3. **Governors noted the Awarding Body Inspection Reports.**

11. ANY OTHER BUSINESS

11.1. Governors were reminded to read the information item papers.

11.2. There would be a special meeting of the Audit Committee on 26 November.

11.3. This would be Zubair Limbada's final meeting as chair of the Audit Committee and he thanked the other members for their contributions.

12. EMERGING ISSUES

12.1. RSM FE EMERGING ISSUES REPORT

12.1.1. **Governors noted RSM's FE Emerging Issues Report**

12.2. OFS LETTER TO THE SECTOR

12.2.1. **Governors noted the OfS' Letter to the Sector.**

13. DATES AND TIMES OF FUTURE MEETINGS

- 26 November – Special meeting of the Audit Committee
- 18 March 2026
- 3 June 2026