

**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*
Neil McDougall
Jude Mellor
Steve Munro

In Attendance:	Zubair Limbada	Deputy Principal, Finance and Corporate
	Louise Hazel	Director of Governance and Policy
	Aaron MacDonald	Managing Consultant, RSM
	Sally Burford	Audit Director, MHA
	Matt Humpreys	RSM
	Matt Widdowson	Governance and Policy Officer
	(Minutes)	
	Mukund Narshi	Associate

**by MS Teams*

1. DECLARATIONS OF INTEREST

1.1. There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

2.1. Apologies were received from Roger Merchant and Vipal Karavadra.

**3. MINUTES AND MATTERS ARISING FROM THE PREVIOUS MEETINGS
HELD ON 18 MARCH 2026**

3.1. MINUTES OF THE MEETING HELD ON 18 MARCH 2026

3.1.1. There was a typo in para 5.1.4 although the meaning was still clear.

3.1.2. **The Minutes of 18 March 2026 were agreed as an accurate record and approved.**

3.2. CONFIDENTIAL MINUTES OF THE MEETING HELD ON 18 MARCH 2026

3.2.1. **The Minutes of 18 March 2026 were agreed as an accurate record and approved.**

3.3. ACTION RECORD

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

- 3.3.1.1. 6.1.2.1: Financial Handbook: decide on date to report self-assessment to Audit Committee: The Deputy Principal and Director of Governance and Policy would pick this up.
- 3.3.1.2. 9.5.3.3: Termly compliance report: on agenda.
- 3.3.1.3. Someone neutral to review exams process: The Deputy Principal would review this.

3.3.2. **Governors noted the Action Record.**

4. RISK MANAGEMENT PROGRESS REPORT

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

- 4.1.1. Risk 4: Cyber Security had increased following reflection on discussions at the previous meeting, at the risk workshop and internally. The new Director of IT had recently started in his role and was reviewing the College's current cyber security posture. It was recognised that the external environment and risk around cyber security generally had increased but there were no specific concerns related to the College at this stage.
- 4.1.2. Risk 6 and Risk 7 had increased due to recent outside events including the increase in the national threat level and was not due to any specific incidents in the College.
- 4.1.3. Risk 9: Partnerships and Collaboration had decreased as there was no activity at present that presented a risk.

4.2. **Governors made the following comments.**

- 4.2.1. **In light of recent events, particularly the disorder in Southampton, it would be important to be clear about what was a health and safety risk and what was a safeguarding risk.** Recent events affected the ratings for both risks, although it was sometimes difficult to define the boundary between the two.
- 4.2.2. **The reasoning behind big changes to risk ratings needed to be accurately recorded in the minutes.** Agreed.
- 4.2.3. **What actions could the College take in response to the rise in tensions within society?** ELT had considered this. There had been a debate about how the College should address national and international events in a way that was supportive and did not cause undue concern for students. Additional communications had been sent to students to remind them of support available.
- 4.2.4. **There might need to be a decision on when the College would issue a statement in response to events.** This had also been discussed recently and it had been agreed that the College would want to issue communications which focussed on informing students of how they could receive support. If an incident took place in Leicester, then

this might require a slightly different approach but this was being kept under review by the ELT

- 4.2.5. **It would also be important to drive students towards reputable sources of information due to the amount of disinformation particularly on social media.** Agreed. The Marketing Team monitored social media and kept the Director of Student Services up to date on any developments which might affect students. Any issues that might increase safeguarding or health and safety risks were also monitored through the College's Safeguarding Committee and Health and Safety Committee.
- 4.2.6. **With regards to students accessing information, was critical thinking included as part of personal development?** It was.
- 4.2.7. **Personal development also included assessing the accuracy of information and building inclusive communities which were important topics during times of increased societal tensions.**

4.3. **Members noted the Risk Management Update.**

5. RISK MANAGEMENT 2026/27

5.1. RSM BRIEFING: EMERGING RISK RADAR

5.1.1. **Governors noted the Emerging Risk Radar.**

5.2. RISK MANAGEMENT 2026/27

5.2.1. The Director of Governance and Policy presented the Strategic Risk Register for 2026/27. The following points were highlighted.

5.2.1.1. This new set of suggested strategic risks was based on the responses to the questionnaire sent out to governors.

5.2.1.2. It had been split out into principal risks but also highlighted fundamentals and opportunities.

5.2.1.3. Comments on the proposed risks and the revised approach were invited.

5.2.2. Matt Humphrey gave a presentation on Strategic Risk Development which followed on from the recent risk workshop.

5.2.2.1. There were four components to strategic risk: emerging risks, principal risks, opportunities, and fundamentals.

5.2.2.2. The Code of Corporate Governance advised that organisations should have a mechanism for keeping emerging risks on their radar. It was important that boards understood the wider risk environment rather than being solely internally focused.

5.2.2.3. Principal risks were the core risks in the strategic risk register.

5.2.2.4. Opportunities were often combined with the other risks, and did not get the attention that they required leading to suboptimal returns. Other committees could consider opportunities.

5.2.2.5. Fundamentals were red lines and 'must dos'. It included items such as compliance with financial and legal regulations, and values. These always needed to be considered.

5.2.2.6. A more nuanced approach to risk appetite might help to tease out areas where the College was more open to risk.

5.2.3. **Governors made the following comments.**

5.2.3.1. **There was an overlap between principal risks and fundamentals.** It would be up to the College to decide whether to include the fundamentals on the risk register.

5.2.3.2. **The fact that fundamentals were not scored was concerning, as there might not be a prompt to take action but if there was a change in environment which affected, for example, safeguarding or health and safety, the College would need to take immediate action.**

5.2.3.3. **The fundamentals were items that were relentlessly pursued regardless of the risk rating or any specific incident.**

5.2.3.4. **It would be better to have a prompt to take action rather than rely on actions automatically being taken. This would also provide evidence of the reasons behind taking any action.** Fundamentals could be added to the risk register if the College saw fit to do so. However, if they were not included this would not mean that the Audit Committee would lose sight of them. Fundamentals would always be explicitly reported on through a range of other routes.

5.2.3.5. **There was the risk of reporting on fundamentals would take place after the event, although monitoring would form part of the quality assurance process.** The first three fundamentals were absolute (Values, Ethics, and Legal and Compliance). However, the other three could distract from what was already in the risk register so it might be that these were not included as fundamentals.

5.2.3.6. **It was not clear how the Internal Auditors would measure the Ethics of the College.**

5.2.3.7. **Wellbeing was an important fundamental and should be kept.**

5.2.3.8. **How would emerging risks be included in the risk register in year?** The Code of Good Governance recommended that emerging risks be kept visible. This could be done using a new reporting tool. Something specific could be developed for the College.

5.2.3.9. **The opportunity register was a good idea but was this the right committee to consider opportunities?** This could be considered by other committees along with their principal risks.

5.2.3.10. **The term 'opportunity risks' was negative and should be avoided. They could just be called "opportunities".** An opportunities register would be drafted.

5.2.4. **A convincing case for combining safeguarding and health and safety had still not been made. Perhaps the distinction lay in the number of people potentially affected or whether an issue fell under safeguarding or health and safety legislation.** The health and safety and safeguarding risks would be separated.

5.2.4.1. **Would there ever be a case where strategic transformation was not driven by the curriculum? In which case, where was the split between risks 5 and 11?** This would be considered further.

5.2.4.2. **What happened next?** Comments would be reflected on and would inform a revised set of Principal risks and an opportunities register which would be brought forward to Corporation for approval. Further work would also take place on an emerging risk radar specific to the College.

5.2.5. **Members reviewed and commented on the Strategic Risk Register 2026/27.**

6. INTERNAL AUDIT REPORTS

6.1. GOVERNANCE

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

6.1.1.1. These were the final reports of the year, and a summary would be presented at the first meeting of the new academic year.

6.1.1.2. This was a positive report with only two points of note highlighted.

6.1.2. In response to a **question** as to why an electronic signature on declarations of interest was not acceptable, it was explained that there had only been typed names on the forms rather than a time stamped electronic signature. Typed names were not sufficient.

6.1.3. **Members noted the Internal Audit of Governance and accepted the recommended risk rating of Green.**

6.2. END POINT ASSESSMENTS

6.2.1. The Internal Auditor presented the findings of the audit of End Point Assessments. The following points were highlighted.

6.2.1.1. This audit had sought to ensure that all students had been promptly identified and booked in for EPAs.

6.2.1.2. It had been noted that it was more difficult to make bookings for apprentices in some areas.

6.2.1.3. The medium priority action was around exit review forms being completed ready for an EPA.

6.2.1.4. In response to a **question** as to how governors could be assured that there was a robust process in place it was confirmed that the process was being reviewed, with discussions taking place around an apprenticeships IT system that would be able to join all the information together.

- 6.2.2. **Members noted the findings of the internal audit of End Point Assessments and accepted the recommended risk rating of Amber.**

6.3. FOLLOW UP REPORT

- 6.3.1. The Internal Auditor presented the Follow Up Report. The following points were highlighted.

6.3.1.1. Fifteen of the eighteen actions had been implemented.

6.3.1.2. The outstanding items would be picked up by the new Director of IT.

- 6.3.2. In response to a **question** as to what point in time actions were escalated, it was explained that the risk usually remained the same regardless of how long implementation of the action took. However, risks were reviewed to find out if there had been any changes in the period since the audit.

- 6.3.3. **Members noted the Internal Auditor's Follow Up Report and accepted the recommended risk rating of Green.**

7. INTERNAL AUDIT PLAN 2026/27

- 7.1. The Internal Auditor presented the Internal Audit Plan for 2026/27. The following points were highlighted.

7.1.1. The deep dive of IT security controls had been in the action log, and the results would be useful to the new Director of IT.

7.1.2. Staff wellbeing had also been included from the action log.

7.1.3. Funding rule compliance was typically looked at every other year.

7.1.4. The plan also included some initial suggestions for 2027/28.

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

7.2.1. **An audit of Health and Safety had not been carried out since 2021. Had there been discussions around this?** Yes. This would probably be the subject of the risk deep dive in 2027/28. Governors also received assurance around health and safety through other means.

7.2.2. **Did there need to be an audit of governance conducted every year? Was this a good use of time and money?** This year's audit had been light touch. A more thorough audit was usually conducted every three years.

7.2.3. The College would be undertaking a full assessment of IT security access, which might mean that the internal audit might be swapped for a different topic later. The College would also be undertaking a review of procurement in light of the new Procurement Act, so there might be no need for a separate audit of this as well. An updated plan would be brought back to the next meeting.

7.2.4. **Would the review of procurement include contract management?** Yes.

7.2.5. **It would be useful to have a wider view of the work undertaken by**

the internal auditors so it could be decided where the focus should be. There was no Head of Internal Audit opinion issued so it was the Audit Committee that determined the plan for the coming year. A RAG rating was proposed for each audit report for the Audit Committee to agree. These ratings would be added into the document.

- 7.3. **Members approved the Internal Audit Plan for 2026/27 subject to any amendments proposed.**

8. EXTERNAL REVIEWS

8.1. JCQ READINESS INSPECTION

- 8.1.1. The Deputy Principal presented the results of the JCQ Readiness Inspection. The following points were highlighted.

8.1.1.1. The inspection had provided very positive feedback, and every requirement had been met.

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

8.1.2.1. **What was the attendance for maths and English exams?** It had been high. An exact figure could be provided.

8.2. Members:

8.2.1. **Requested that their thanks be passed on to the Exams Team.**

8.2.2. **Noted the findings of the JCQ Readiness Inspection and accepted the recommended risk rating of Green.**

9. FRAUD POLICY, CHECKLIST AND RISK ASSESSMENT

- 9.1. The Deputy Principal presented the Fraud Policy, Checklist and Risk Assessment. The following points were highlighted.

9.1.1. There was still a lot of work to do around the Economic Crime and Corporate Transparency Act (ECCTA), particularly around fraud that benefited an organisation. This would be discussed further with the Internal Auditors to find out if they could organise a workshop to ensure that all the right people were in the room; this was not just an issue for the Finance Team.

9.1.2. A fraud risk register had also been suggested. This would provide good evidence that the College had taken reasonable steps to mitigate against the risk of fraud. What was considered to be reasonable would be determined after a risk assessment had been carried out.

9.1.3. The revised Anti-Fraud Policy referred to ECCTA and was explicit about the zero-tolerance approach to fraud. The Staff Code of Conduct had also been updated to reflect this.

9.1.4. Communication and training would be important, and the College was working to develop this.

9.1.5. There was still more work to be done, and this would return to the Audit Committee in the new academic year.

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

- 9.2.1. **Would fraud training be a requirement like the safeguarding and Prevent training?** It would need to be mandatory for board members. There was still the need to correctly identify 'associated persons' and the Deputy Principal would be working with the Internal Auditors to identify the correct level for accountability. It might be that there would be more advanced training given to managers and team leaders.
- 9.2.2. **It would be important to think about the frequency of fraud training.**
- 9.2.3. **There had been previous discussions around training on ECCTA.** Agreed. It now was important to complete this work.
- 9.2.4. **Were in-house checks carried out as part of the onboarding process (such as a Section 128 check)?** This was carried out as part of the process, but it was not the same process that was carried out by schools. Further information could be provided to governors on what checks were carried out.
- 9.2.5. **Had there been an opportunity to go through the anti-fraud controls?** The Deputy Principal had discussed these with the Purchasing Team who had provided assurance that the fundamentals were in place. The procurement review would be an opportunity to tighten things up, including reflecting on the levels of authorisation and how the College complies with the new Procurement Act.
- 9.2.6. **It would be important to review procurement as the College had grown and was now spending considerably more money.** Agreed.

9.3. **Members approved the Fraud Policy and noted the Checklist and Risk Assessment.**

10. **AUDIT AND ACCOUNTING REQUIREMENTS**

10.1. The Deputy Principal presented the Audit and Accounting Requirements. The following points were highlighted.

- 10.1.1. The DfE published this every year and the College had to ensure it was compliant.
- 10.1.2. There were not many changes to the framework or direction. However, the External Auditors had produced a list of 'must haves' which the College would use to ensure compliance. The completed checklist would be presented to the Audit Committee alongside the response to the usual DfE self-assessment questionnaire.

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

- 10.2.1. **There was a question about the disclosures referenced in para 3.2.** The DfE had removed the requirement to disclose pay multiples. However, the College was still awaiting direction from the OfS around this. The information had already been collected so it would not be a problem to make the disclosures that the OfS might request. The requirements to disclose trade union facilities time had also been removed.

10.3. Members noted the Audit and Accounting Requirements.

11. EXTERNAL AUDIT PLANNING: MEMORANDUM FOR YEAR ENDING 31 JULY 2026

11.1. The External Auditors presented the Audit Planning Memorandum. The following points were highlighted.

- 11.1.1. The External Auditor had already met with the Principal, Deputy Principal and Director of Finance.
- 11.1.2. Materiality had been benchmarked at 2% of income and had been based on the Spring Reforecast. Performance Materiality had been set at the moderate level of 70% of overall materiality. It had been set at this level as it was the first audit being carried out by MHA.
- 11.1.3. The de minimis reporting level had been set at 5% (£59,500).
- 11.1.4. There were qualitative materiality considerations regarding disclosures and omissions. Any omissions would be reported.
- 11.1.5. The heatmap indicated some pervasive risks (marked 'P') which were entity level risks. These included management override of controls, related party transactions and going concern.
- 11.1.6. With regards to entitlement and recognition, there would be work around the ILR. There would not be a sample check as this would duplicate the work already carried out by the MIS team. However, the controls would be tested.
- 11.1.7. For the regularity checks, auditors would request evidence to support the 'must do' list. If one or more of the 'must dos' had not been completed, the regularity report would be modified.
- 11.1.8. Clawbacks, capital expenditure, and pensions were also on the list. An independent actuary would be looking at pensions.
- 11.1.9. A timeline had been agreed with the College and the External Auditors would be reporting to a special meeting of the Corporation.
- 11.1.10. The External Auditors highlighted their independence and that they provided no non-audit services to the College.
- 11.1.11. The External Auditor had produced webinars to assist with the understanding of the new SORP.

11.2. Governors made the following comments.

- 11.2.1. **What was the level of materiality last year?** £1.4m.
- 11.2.2. **Why were their two columns in the document marked as 2026?**
One should say 2025 and needed to be changed.
- 11.2.3. **Should fraud risk be marked as being pervasive?** No, because the focus would be on revenue recognition.
- 11.2.4. **Why was the Charity Commission mentioned?** This should have referred to the DfE.

11.3. Members noted the Audit Planning Memorandum for Year Ending 31 July 2026.

12. CONTROLS AND EARLY INDICATORS REPORT

12.1. The Deputy Principal and Director of Governance and Policy presented the

Controls and Early Indicators Reports. The following points were highlighted.

12.1.1. The last meeting of the Audit Committee had requested a monitoring report. This was a suggested report which included fraud, whistleblowing, and stage 3 complaints.

12.1.2. There were no issues of concern.

12.2. Governors noted the Controls and Early Indicators Report.

13. GIFTS AND HOSPITALITY POLICY

13.1. The Director of Governance and Policy presented the Gifts and Hospitality Policy. The following point was highlighted.

13.1.1. References to the Anti-Fraud Policy and ECCTA had been included.

13.2. Governors made the following comments.

13.2.1. **Where it said that “gifts of cash should not be accepted,” it should be changed to “must not be accepted.”** Noted.

13.2.2. **Was there prior approval of gifts?** Notification of gifts received were sent to the Director of Governance and Policy for approval. There were few gifts received by the College and the College itself did not offer any gifts.

13.3. Members approved the Gifts and Hospitality Policy.

14. TERMS OF REFERENCE AND WORKPLAN FOR 2026/27

14.1. The Director of Governance and Policy presented the Terms of Reference and Workplan for 2026/27. The following point was highlighted.

14.1.1. There were no significant changes to the ToRs apart from some minor adjustments to reflect the Financial Handbook.

14.2. Governors made the following comments.

14.2.1. **There were typos in these documents.** These would be corrected.

14.2.2. **Should the new Anti-Fraud Policy be referenced?** The only changes reflected the requirements of the Financial Handbook.

14.3. Members approved the Terms of Reference and Workplan for 2026/27.

15. EMERGING ISSUES

15.1. Members noted RSM’s Emerging Issues paper.

16. ANY OTHER BUSINESS

16.1. It was noted that this would be Tom Wilson and Neil McDougall’s last meeting of the Audit Committee. Both governors were thanked for their contributions.

17. DATES AND TIMES OF FUTURE MEETINGS

- 23 September 2026
- 18 November 2026
- 17 March 2027
- 9 June 2027