LEEDS COLLEGE OF BUILDING

AUDIT & RISK COMMITTEE

Minutes of the meeting held on Monday 23 February 2026 at 4.00pm, North Street, Meeting Room 1 / Microsoft Teams.

PRESENT:

Matthew Shields (MS)	Chair & External Governor *(attended via Microsoft Teams)*
Rachel Lindley (RL)	External Governor
Ruth Manning (RM)	Associate Governor
Sarah Wilson (SW)	External Governor *(attended via Microsoft Teams)*

ATTENDANCE: 4 / 6 = 67% (KPI 80%) Cumulative attendance: 7 / 12 = 58%

IN ATTENDANCE:

Nikki Davis (ND)	Principal & CEO (not for AR/26/101)
Chris Duncan (CD)	Vice Principal – Finance & Resources (not for AR/26/101)
Vici Cadwallader-Webb (VCW)	ICCA
Richard Lewis (RLe)	RSM (for Item AR/26/101 only) *(attended via Microsoft Teams)*
Sara Mitchell (SM)	Management Accountant (not for AR/26/101)
Jane Taylor-Holmes (JTH)	Director of Governance
Nancy Fearnside (NF)	PA to Strategic Leadership team

Min. Ref.	Minutes	Actions
	AR/26/101 – Open discussion between Auditors and members	
1.	VCW raised concerns regarding upcoming internal audits and the operational challenges associated with their scheduling and co-ordination. VCW commented that three audits were currently set to take place within a two-week period in March; this was due to some audit leads requesting alternate dates for the audits due to system changes or operational demands. VCW confirmed that auditor capacity was in place for these audits.	
2.	VCW commented that previously all audits were co-ordinated through David Pullein and NF, which ensured clear communication, timely evidence flow, and consistent end-of-audit feedback sessions. Responsibility was then moved to individual managers and VCW did not feel this model had been effective, resulting in significant slippage in evidence submission, delayed completion of audits amongst other challenges.	
3.	VCW commented that some systems under review (e.g. sustainability reporting) were strong in design but not yet fully embedded and conducting full assurance audits at this stage risked inappropriate or misleading audit findings. Previously, this would have been escalated to senior leadership to reclassify such audits as *advisory* or *interim*, but this escalation pathway had weakened without a single co-ordination point.	
4.	VCW suggested that re-establishing a centralised audit co-ordination model would be useful to restore discipline to the audit timetable, strengthen accountability, support timely evidence provision, enable early challenge or escalation where appropriate and improve KPI performance and ensure smoother audit delivery. VCW commented that this approach was consistent with practice across the sector and would help prevent further challenges.	

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5.	RLe commented that the financial statements were signed off in good time, which was good news. Subsequent to the year-end RLe commented that he had an introductory meeting with CD via Teams regarding the future.	
6. 7.	RLe commented that the key point for him was the feedback under Agenda Item AR/26/113b) regarding RSM's performance which was positive and reflected the relationship between RSM and the College. RLe left the meeting at this point.	
 8. 9.	**AR/26/102 - Apologies for Absence** Apologies for absence were received from Peter Norris (External Governor). JTH commented that she would follow up with Javaria Sabar (Associate Governor) as she had not attended the last two meetings to ascertain if she want to continue on the Committee. Apologies for absence were also received from Rob Holmes (Vice Principal - Quality, Curriculum & Innovation).	**JTH** **March 2026**
 10.	**AR/26/103 - Determination of Observers / Attendees** Members agreed attendees / observers at the meeting as per the attendance list above.	
 11.	**AR/26/104 – Declaration of Interests in any Agenda items** There were no declarations of interests in agenda items.	
 12.	**AR/26/105 – Minutes of the previous meeting** **Resolved:** The minutes of the previous meeting and the Joint Audit & Risk and Finance & Resources meeting held on 8 December 2025 were accepted as a true record.	
 13. 14. 15.	**AR/26/106 – Matters Arising** Members noted the updates recorded against the matters arising. Item AR/25/147 (203) – CD commented that the cashless system was in progress. It had initially been planned to move forward with a facial recognition-based system but unfortunately this did not integrate with the tills used in the Refectory. As an alternative, a swipe card system has been progressed and was being implemented. CD commented that around £3,000 additional spend had been required to ensure the systems integrated but once completed the College would be in a much better position for managing the free school meals and free College meals allowances. This approach should reduce the risks related to accounting for those funds and will eliminate the use of paper meal tickets. Item AR/25/151 (242, 243, 244) – JTH commented that these were due in March 2026 and 2025/26. Sustainability had been discussed in the Finance & Resources Committee and there had also been a training session in January regarding sustainability. JTH commented that sustainability would within the remit of the Finance & Resources Committee Terms of Reference.	

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	AR/26/107 – Update on outstanding Internal Audit Recommendations	
16.	CD presented the Internal Audit Recommendations paper. MS acknowledged the updates and noted that there was a healthy mixture of early completions and some that were slightly delayed. MS commented that the College historically performed well in implementing audit recommendations and maintaining progress.	
17.	MS commented on the recommendation regarding Prepayments and presumed that this related to Auditors wanting to ensure there was no over expenditure. CD explained that these would be reviewed during the year.	
18.	CD commented that the report contained a comprehensive list of responses to the various recommendations; a substantial number of which related to data and data consumption.	
19.	VCW commented that the Department for Education (DfE) had changed their audit approach. Normally the DfE undertook funding audits in October, however they had now split the audits. 2024/25 data would be audited in February 2026 on a risk basis.	
20.	VCW commented that feedback from the first round of the audits showed that the DfE was focusing on the quality of Off-the-Job Log entries and were making judgements about how long a work activity should take. VCW commented that the DfE were also checking start and end times for learners through their contract of employment. VCW commented that this was something for the College to be aware of.	
21.	MS asked if there would be any consequences for the College in relation to this. VCW commented that potentially the number of hours for Off-the-Job activities could be reduced.	
22.	**Resolved:** Committee members received the Internal Audit Recommendations and noted positive progress.	
	AR/26/108– Internal Audit Progress update	
23.	VCW presented Item AR/26/108 and explained that this report had been provided in the absence of any audit reports. VCW commented that Section 1.3 of the report outlined the internal audit plan for the year; the plan covered several areas, with a total of seven reviews scheduled. VCW explained that all the reviews were in the planning stage, with the exception of the Sustainability review which had been issued in draft to the College last week. VCW commented that she would be meeting with Chris Tunningley to discuss the findings in more detail.	
24.	VCW commented that Section 2.2 provided the full timetable of planned internal audit work. Three reviews were due to begin in the coming weeks; the expectation was that these reviews would be completed, tested and reported on within the planned timescales.	
25.	VCW commented on the changes to the planned dates presented to the previous Audit & Risk Committee; these were shown in amber and commented that these had been updated to reflect a variety of timing and availability issues.	
26.	VCW commented that a number of audit reports would be available for the next meeting.	

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27.	MS thanked VCW for her report and asked if she was comfortable that enough resources within ICCA were available to cover the re-arranged audits. VCW confirmed that the audits would be conducted by three separate auditors.	
28.	MS questioned whether there were any major concerns in terms of making progress and getting through the audit plan. VCW reiterated the concerns she had raised earlier regarding the upcoming internal audits and the operational challenges associated with their scheduling and co-ordination.	
29.	VCW explained the process when undertaking an audit. A meeting would take place with the audit lead to agree the scope, timetable and what information was required. SharePoint folders would then be created for information to be uploaded, with a feedback meeting taking place at the end of the audit.	
30.	VCW commented that ideally they would like CD to be present at the initial meeting when the scope and timetable of the audit was discussed. VCW commented that it would also be useful for CD to attend the feedback meetings.	
31.	CD commented that he felt it would be useful to be involved in terms of progressing this. CD commented that he had a meeting scheduled with VCW on Friday and he would discuss this further with her.	
32.	RL raised the question of whether everything needed to go through CD. If SLT had agreed the audit plan then ultimately the Committee needed assurance that this would be delivered in a timely way. Whichever senior team leader owned each audit they must understand that they are responsible for delivering what was required.	
33.	CD commented that in his previous roles he had co-ordinated the internal audit process, ensuring that it ran smoothly, but had not been responsible for setting the scope for each area. The key priority was to ensure the internal audit plan was delivered and was non-negotiable.	
34.	MS thanked VCW and CD for their comments and requested that CD updated the Committee following his meeting with VCW.	**CD** **March 2026**
35.	**Resolved:** Committee members received the Internal Audit Progress update.	
	AR/26/109 – Risk Management update	
36.	CD presented Agenda Item AR/26/109 and provided an overview.	
37.	CD commented that he had revised the presentation of the risk register following a review he had undertaken of risks registers from other colleges and exploring alternative approaches to risk management.	
38.	CD commented that the risk register had contained a comprehensive list of risks but it had not been updated or formally reviewed for some time. The Committee had previously expressed a desire for clearer articulation of risk appetite; rather than applying a single, collective appetite across all risks, CD had introduced variable risk appetites which would enable each risk to be assessed individually.	
39.	CD commented that the current 3x3 scoring model (maximum score 27) had been retained, however the updated format now displayed: inherent risk, mitigation measures and residual risk.	

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40.	CD commented that the individual risk scores remained unchanged at this stage and a full review would be undertaken once the Risk Management Committee had been reconvened and refreshed.	
41.	CD explained that the purpose of bringing the updated format to the Committee was to illustrate a more dynamic and transparent presentation, showing the movement from inherent to mitigated risk. CD commented that benchmarking indicated that this approach was consistent with current sector practice and allowed for more detailed and comprehensive discussion. CD commented that although risk management activity had been taking place, it had not always been formally documented or updated within register; the revised approach would support more robust analysis and clearer oversight.	
42.	MS welcomed the updated presentation and noted that it was positive to see that CD reviewing and updating the process. CD commented that the changes reflected sector expectations. Outdated risks and terminology were being removed, including references to the former risk buddy system, which required updating. The overall intention was to reinvigorate and modernise the risk management process.	
43.	RL commented that the new risk register presentation was very good and the College had moved from something that was previously a generic risk score to a more comprehensive set of documented controls and felt that this could develop into something very valuable. RL commented that this should link directly to the assurance the Committee required, i.e. confirmation that the controls in place were operating.	
44.	RL was pleased that there was now an opportunity to comment on risk appetite and that each appetite level was clearly defined. RL commented that it would be helpful for each Committee to understand the appetite statement and for the Board to collectively use this to guide their decisions.	
45.	RL felt that over time the target scores would start to reflect the stated appetite. RL commented that at the moment there were one or two risks which had an ‘open’ appetite but the target score was still quite high, which would need to be adjusted. RL commented that there was a significant cultural side to this and staff needed to understand that they owned the controls and were accountable for ensuring those controls were operating. RL commented that this was a big first step and she was pleased with the progress.	
46.	CD commented that this was an initial presentation and could be refined once a clearer framework was established; this was an evolving dynamic ‘live’ document that captured.	
47.	CD commented that the suggestion of sharing the appetite statements with the Board was a good idea; the Board needed to review and understand the College approach and appetite to different risks. CD commented that this would become particularly important as the College faced wider national and financial pressures.	
48.	ND raised the question of how this would be managed at SLT level and how risk was approached. ND commented that the three diagrams – averse, cautious and open risk categories – were very useful and would help the College think about the appetite to risk. The categories would also make the College more conscious of areas like health and safety and safeguarding where the risk appetite was absolute.	

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49.	ND commented that there would be areas where the College could be more flexible and tolerant around risk, for example when reviewing innovation, development and improvements to the College.	
50.	VCW commented that in terms of sector developments, not every organisation has reached this level of sophistication in defining and understanding risk appetite. VCW commented that ensuring the controls in place had an impact was important and where the concept of risk appetite became meaningful.	
51.	**Resolved:** Committee members received the Risk Management update.	
	AR/26/110 – Focus on key risk: Cash Flow forecasting	
52.	CD presented the key cash flow risks associated with the White House project for discussion. The presentation provided an outline of the draft total costs of the project alongside sources of funding, including the College's own reserves, and other potential sources of funding. The presentation indicated that there would be a funding gap that would need to be addressed to ensure the College remained within an acceptable financial health position.	
53.	A full discussion took place between SLT and Committee members to explore and identify potential options to close the funding gap, noting that expenditure would only be committed once in place and agreed and the project would progress at the pace agreed by the Board.	
54.	CD commented that a more dynamic, regular updated cash flow modelling approach would be adopted and the CFFR model would be used beyond the annual cycle.	
55.	CD commented that the figures he had shared were illustrative only, more detailed, stable modelling would follow after Stage 3 cost updates. Regular updates would be shared with the Committee. Committee members noted the development of a Working Group as part of the Finance and Resources Committee in relation to this matter.	
56.	**Resolved:** Committee members received the presentation regarding Cash Flow Forecasting.	
	AR/26/111 – Anti-Fraud & Bribery Policy	
57.	CD presented Item AR/26/111 and explained that minor changes had been made as detailed in the report.	
58.	**Resolved:** Committee members approved the Anti-Fraud & Bribery Policy.	
	AR/26/112 – Fraud & Whistleblowing Register	
59.	**Resolved:** Committee members received the Fraud & Whistleblowing Register, noting that there were no items recorded on the Register.	

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	AR/26/113 – Review of Auditors Performance 2024/25	
	a) Internal Auditors	
60.	CD presented Item AR/26/113 a) and commented that he had liaised with DP regarding this, the report was based on his judgement and experience over the past year and reflected how DP and Committee members had perceived the working relationship.	
61.	VCW questioned the low score on Item 10 and reiterated her earlier points regarding the relationship with the College.	
62.	VCW referred to the meeting with CD and explained that she would discuss this further with him at that point.	
	b) Auditors of Financial Statements	
63.	CD presented Item AR/26/113 b) and provided a brief overview.	
64.	**Resolved:** Committee members approved the review of Internal Auditors and Auditors of Financial Statements.	
	AR/26/114 – Matters to be reported to the Board	
65.	**Actions for the Board to take** None.	
66.	**Action taken by the Committee** The Anti-Fraud & Bribery Policy was approved. The Committee approved the timetable for the tender process for the Internal Audit service The Committee approved the extension to RSM, as External Auditors, for a further year to end of July 2026.	
67.	**Assurance to Board** <u>Internal Audit Recommendations</u> Progress is strong overall, with a mix of early completions and minor delays. Committee satisfied with historic and current performance in implementing recommendations. <u>Internal Audit Plan & Progress</u> Seven audits scheduled for the year; all in planning except Sustainability, which is at draft-report stage. ICCA assured the Committee that auditor capacity is sufficient despite scheduling pressures. <u>Risk Management Framework</u> Significant assurance provided through improvements to the College's risk framework: Revamped risk register, with: clearer articulation of risk appetite at individual-risk level, inclusion of inherent and residual risk, improved documentation of controls, removal of outdated terminology.	

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	<u>Cash Flow Forecasting (White House Project)</u> Committee received assurance that: Cash flow modelling for the capital project would be dynamic and regularly updated, using the CFFR model beyond annual cycles. More detailed modelling will be completed after RIBA Stage 3 cost updates. Expenditure will proceed only when funding sources are secured. A Finance & Resources Committee Working Group is being developed to support oversight. <u>Fraud & Whistleblowing Register</u> Committee noted no entries recorded. <u>Auditor Performance</u> Committee approved: Review of Internal Auditor performance (with noted concerns about coordination and delay). Review of External Auditor performance, which was positive.	
68.	**Alerts to Board** None.	
69.	**AR/26/115 – Date of Next Meeting** The next meeting was scheduled for Monday 29 June 2026 at 4pm (North Street).	