# Meeting of Audit and Risk Committee

# Monday 2nd March 2026 at 9.00am

# Minutes

Kendal College
creating bright futures

Present: N Boggin, J Mansergh, E Davies, N Holliday.

Attending; T Breeze, G Gillespie (WBG), S Kay, C Owen, J Turton,

Observing: A Robinson (EBR)

## Key Items for reporting to Corporation

| Item | Recommendation from Committee | **Action required by Corporation**<br>To note/ to discuss and input/ to approve |
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| **967 Finance system implementation audit report** | Weak assurance received around the overall effectiveness of iTrent implementation. Causes have been identified and both remedial and preventative actions underway | To note |
| **967 Student journey audit report** | Strong assurance received, identifying no findings and a large number of good practices. The report aligns well with commentary from Student governors in this academic year | To note |
| **972 – Policy compliance in HR** | A new Policy / Procedure board has been established. This is expected to improve documentation compliance. | To note |
| **974 – post meeting: Risk from Finance Committee** | FRC received a briefing on a long standing overpayment to multiple retired staff. Financial and reputational risk could arise. | To receive an update on investigations and next steps from COO |

| Item No | |
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| 963 | **Apologies for Absence** Richard Quinn and Tracy Houlden<br>Welcome to SK as new COO.<br>The committee thanked CO for his work and commitment to the College over the last twenty years, as this was his last ARC meeting prior to retirement |
| 964 | **Declarations of Interest**<br>None declared |
| 965 | **To approve the minutes of the last meeting**<br>Approved and accepted as a true and accurate |
| 966 | **Matters Arising & Action Plan** |

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| | It was agreed to remove completed actions. One item- 959- was deferred to the June meeting.<br>Other items were covered on the meeting agenda. |
| 967 | **Receive Internal Audit Reports**<br>Graham Gillespie from WBG spoke to the two internal audit reports finalised so far during the academic year 25-26. He summarised the findings and explained the recommendations alongside the management responses to these.<br>**1. Student Experience**<br><br>Following review, WBG provided a strong level of assurance surrounding the controls in place to enhance the student experience at the College. The audit had no recommendations and had highlighted several good practice points and one observation for consideration. There were 13 good practice points raised and a very positive bench marking position was noted. The audit confirmed that the College had effective monitoring procedures in place at both Board and Senior Leadership Team levels to track progress on student experience and student voice and that the organisation used student voice to inform continuous improvement. It was noted that the College had a robust set of policies/strategies in place regarding student experience, and all were easily accessible to students via the website and student portal. Committee members asked whether high needs learners had been looked at separately and the auditor reported that the overall student experience had been considered but not those with high needs specifically.<br><br>The Committee acknowledged that this was a very positive report that triangulated with student governor experiences reported at corporation.<br><br>**2. New System Implementation**<br>Following the review and testing, WBG could provide a weak level of assurance regarding the control arrangements in place for the recently introduced iTrent System. It was identified that significant issues persisted within the iTrent system. The Finance Manager and the HR Manager were currently working with iTrent consultants to resolve those, but the system remained unfit for purpose until the problems were fully addressed. The audit raised three high grade recommendations, and five medium grade recommendations, plus two observations for consideration. When benchmarked against audits of a similar nature they concluded that Kendal College had a higher number of recommendations than others.<br><br>The high-grade recommendations were in the areas of; Segregation of duties, lack of historical data transferred into the system, inconsistent on-boarding and training of Kendal College staff. The lack of a project manager contributed significantly to ensuring the smooth implementation of a complex system. The management responses were accepted by the new COO who will work to the deadlines agreed in the audit. The committee acknowledged that insufficient support had been in place for the two middle managers who had responsibility for implementing the system and that sufficient time to do this was not allocated.<br><br>Members asked for prompt assurance that the recommendations would be addressed quickly. The Executive Team assured the Committee that the iTrent Consultant was in on the 3rd of March and was meeting the new COO. It was agreed that ARC would review progress against the plan in June.<br><br>The committee discussed preventative measures to prevent a reoccurrence of a problematic system implementation and the Principal outlined a plan for a technology team that would manage future projects. The members commented that both FRC and ARC were well briefed |

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| | previously on iTrent implementation problems during the process. Committee suggested that the report is shared with iTrent to alert them to our experience and request additional support. COO action.<br><br>The committee offered experience form their own organisations on managing change and this was beneficial to the team. The new COO had attended training last week on the role and had established a network of other COOs and CFOs who were using the same system, it was agreed that that would be useful to share practice in the future.<br><br>The internal auditor and committee members offered to work with the COO to apply the recommendations within the system.<br><br>**3. Evaluation of Internal Audit process**<br>The committee members and the Internal Auditor representative had a constructive discussion on the experience of Internal audit so far and agreed that although a good working relationship had been established between the parties, there were several suggestions made to improve the efficacy and speed up impact.<br><br>These were; that the account manager and the DGC would attend both the initial meetings and the the final audit meetings between the WBG team and the College staff in order to discuss the recommendations and formalise the timeframe for responses. The management responses so far had been delayed and it was agreed that the College would seek to improve this and meet the KPI of max. 20 working days for responses.<br><br>One query was raised about the knowledge and skills level of the audit team dealing with Inclusion Funding, the internal auditor provided assurance that the team would be appropriately experienced.<br><br>WBG confirmed that there had been no handover from ICCA, the previous internal auditors. |
| 968 | **Audit Tracker Update**<br>The outstanding audit actions report was presented by the DGC.<br>The committee discussed the implementation of the Evolve system that had been outstanding for a long time. They received assurance that a new health and safety team member was working on this and that it would be fully implemented by July and reported to Corporation. **Action COO**<br><br>The lack of a HR strategy had been noted in the 24-25 audit cycle and was set to be published just after the approval of the new strategic plan in March 2026. The HR strategy would be submitted to FRC in May and approved at the May 20th Corporation. **Action Principal**<br><br>Succession planning risk for the VP for Funding and data, specifically around the curriculum plan had been mitigated with key information shared between several members of the MIS team and a substantial handover with the new COO.<br><br>The members requested that when the report is next presented it contains the risk level as identifies in the original audit. **Action DGC** |
| 969 | **Review Compliance Tracker**<br>The compliance report was presented by the DGC. The committee discussed the appointment of the External Auditors and agreed to extend the contract with Armstrong Watson for a further year and then go through a tender process in Spring 2027 for the contract, for a 01.08.27 start. |

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| | The committee noted three policies due for review in associated with safeguarding practices, the Premises and Protective security policy had been completely rewritten in response to a thorough external review of security and that would be submitted for approval to the board on the 25th of March. **Action Principal**<br><br>The Visitor policy and Student DBS policy were checked after the meeting and found to be recently updated- committee informed by email. |
| 970 | **Risk Management Update**<br><br>The Committee received the termly update of the College Risk Register. It was noted that risk owners had refreshed their assessments in line with recent operational and contextual changes. Overall, most risks remained stable, with strengthened controls visible in several areas. Finance risks showed improved assurance, particularly around fraud, procurement, and covenant compliance. Strategic risks relating to recruitment, apprenticeships and income were unchanged in rating but now reflected clearer financial exposure, including T Level and ASF clawback risks. Quality-related risks remained stable with stronger governance oversight; safeguarding assurance had strengthened following full implementation of KCSIE 2025, completion of staff and governor training, and SCR audit confirmation.<br><br>Workforce capacity remained one of the most material risks, with continued recruitment gaps in engineering-related areas and sickness absence pressures. Members questioned the lack of mention in the paper of the workload pressures facing staff. The Principal provided assurance that although not detailed in the report workload pressures were a priority and that the recent workload survey results were going to JCNC imminently. The Principal explained plans to reduce global teaching hours to allow capacity for cover and reduce agency costs. The committee members requested that information on this was included in the risk report**.** **Action Principal**<br><br>Estates capacity was also highlighted, with operational pressures expected to increase ahead of the Westmorland construction phase.<br><br>The Westmorland project itself remained under close monitoring: a main contractor had been appointed, architect appointment was in final resolution. This was discussed at length to ensure full understanding of the members of the action taken by the architects against CPC. The management of the WMC project was discussed with the Principal reiterating the intention to employ a project manager, using monies form the LUF. The committee received information that although the LUF monies were not in the bank, they were expected and that the full amount would be paid at the start, easing financial pressures and removing DfE Financial intervention.<br><br>In light of the delays of receipt of the LUF monies the committee asked for a full update on what facilities would be likely to be ready at the campus for September.<br>Corporation would be updated on the 25th March. **Action Principal/ COO**<br><br>The Committee reviewed the top five risks:<br><br>Workforce capacity,<br>Westmorland campus delivery,<br>IT and cyber security,<br>Curriculum recruitment and Income volatility,<br>Estates capacity. |

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| | Members noted the recommendations for strengthened assurance routes, including continued reporting to Corporation on workforce planning and structured oversight of the Westmorland project through the Strategy Group.<br><br>The Committee noted the updated narratives, confirmed the register reflected current exposure, and agreed to recommend the updated Risk Register to Corporation. |
| 971 | **Lessons learnt overpayment of staff member**<br>The committee received a report outlining the learning within the College following the recent over payment of a member of staff who had left the organisation. They were informed that the Itrent system had improved communication between HR and Finance, and that the COO could provide strong assurance that there could not be repeated mistake of this nature. The COO provided a flow chart to illustrate the improved processes for checks between HR and Finance.<br><br>The finance manager does a check on payroll before it is run. Members recommended a joint final check on payroll by HR and Finance. COO accepted that would be good practice. The internal Auditor concurred this model had been seen to work effectively elsewhere. **Action COO** |
| 972 | **Deep dive into Policy Compliance in HR**<br>The committee received assurance from the Principal that a new Policy committee was in place with 15 members from across the organisation who would receive and review policies before they were approved by SLT and or/ Board.<br><br>There had been a legal compliance check on all HR policies by Eversheds with confirmation that no overdue policies that could leave the college open to litigation risks. The HR link governor had also been consulted on policy updates.<br><br>There was a discussion around whether a policy being past a review date would mean that its contents were expired or not. The position would be reported again at next Corporation meeting with a significantly improved position. **Action Principal** |
| 973 | **Overview of the Procurement action plan and progress against targets**<br><br>The new COO provided an update to the Committee on progress against the detailed recommendations of the external report carried out by Armstrong Watson in February 2025. Members noted that progress had been made across the priority recommendations, with three of the five red-rated actions fully implemented and work continuing on staff training and the introduction of a standardised scoring system.<br><br>Of the wider recommendations, several had been implemented with high or medium assurance, although some remained outstanding and currently offered low assurance. The Committee also noted improvements in purchase order compliance, clarification of written quote requirements, development of tender documentation, and alignment of IT, asset and insurance registers. Staff training and board training had been delivered.<br><br>The Committee was satisfied that momentum was being maintained and requested continued updates on the remaining actions.<br><br>The Committee members welcomed the report and timeframes and asked for an internal system of overview within the organisation that would involve line manager sampling and would provide an additional level of assurance to the board. |

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| | The COO and CAO accepted that a preferred supplier register needed to be completed and that the current requirement for purchases of £5000 requiring three quotes, was too low and the Financial Regulations must be amended to ensure responsive and timely business decisions to be made.<br><br>The committee discussed the due diligence measures carried out by CPC and this was to be checked and shared. **Action COO** |
| 974 | **Receive Risks from Committees**<br>QSC- Reported that an external consultant had interviewed those governors who were intending to speak to Ofsted and had tested their knowledge of the college and its current position. The outcome had been strong.<br>SGC- a confidential point was discussed in reserved business<br>FRC- meeting to be held on 5th March. |
| 975 | **Policies and Reports**<br>1. Business Continuity Policy<br>This policy had been fully rewritten and was accepted by the Committee with the caveat that the author included in phase one (0-48 hours) an identification of emergency services liaison officers**. Action Principal**<br><br>2. Freedom of Information Policy<br>3. Records management Policy<br>Both Policies were recommended for approval to Corporation meeting March 26, with additional points made by members and the COO relating to data retention; specifically on H&S training records and acquisition of property records.<br>**Action DGC** |
| 976 | **Date of Next Meeting 15/06/26** |