

**Minutes of the Joint Audit and Finance and Resources Committee meeting
Held on 25th November 2025 in 4H01 UCG and via Teams**

Governors Present: Robin Atkinson (RA), Andrew Bennett (ABe – Chair of Finance and Resources Committee), Mal Cowgill (MC), Richard Gravestock (RG), Tracey Gyte (TG), Ann Hardy (AHR - CEO), Steve King (SK), George Lee (GLee), Guy Lonsdale (Chair of Audit - GLon), Mark Riley (MR) and James Tabor (JT)

Apologies: None.

In Attendance: David Hoose (DH - Forvis Mazars – part), Adrian Ford (AF – Interim Chief Finance Officer), David Mullaney (DM), Katie Wheeldon (KW -Chief Commercial Officer), Lauren O Brien (LB Senior Management Accountant), Rob Morton (RM) and Antonia Praud (AP – Director of Governance)

Apologies: Ayesha Hall (AHal) and Graham Gillespie (GG -WBG)

1	<p>Welcome, Apologies for absence, Declarations of Interest and Confidential items Members were welcomed to the meeting. It was confirmed ABe would chair this meeting. There were no declarations of interest for items, specific to this agenda. MR noted his annual declaration, sitting on another HE board.</p>	
2	<p>External Audit Update D Hoose confirmed the audit process had run extremely smoothly this year and thanked the staff at the group for their support. As noted in the pre meet, there was only one confidential item (see confidential minutes) outstanding. It was confirmed that there would be a three-way meeting between the external auditors, TEC P and legal advisers on 26th November, and the Auditors would then be able to confirm their decision.</p> <p>Governors agreed to recommend the report and accounts for the group and the subsidiary companies to the corporation, in their current format, if the final issue outstanding, could be resolved. Alternatively, revised reports would be circulated to reflect the discussions, for the remaining item, at their earliest convenience. Governors confirmed their support for the documents being updated, in this instance.</p> <p>Governors also challenged what mitigations would be in place in the future, to reduce risk of a repeat in the future. It was confirmed that senior staff were aware of the procedures to follow and would ensure processes were followed. Training for staff would also be provided.</p> <p>DH confirmed he would attend the corporation meeting to present the report and accounts and then left the meeting.</p>	1
3	<p>Update from the Interim Chief Finance Officer AF introduced LB to the committee and gave thanks and recognition to LB and the team for their hard work and contribution to the completion of the external audit activities. Thanks, were also noted to Maria Turnbull Kemp for the work she completed in advance of her departure. Thanks, were also noted to the team from Forvis Mazars – as the process had been highly effective and well run.</p> <p>Group – changes to the group accounts had been minimal, and governors confirmed this provided assurance on the processes and systems the team have in place.</p> <p>Grimsby College Trading - the significant works last year were the design and build work at Skegness.</p> <p>Support Staff Services – this company employs a number of administrative staff across all sites.</p>	

	Subject to the outcome of the discussion in item 2, members confirmed they would recommend both reports to the corporation.	6
6	<p>Finance report</p> <p>Members received the report and the CFO explained the significant changes to the presentation of the latest management accounts. The committee were asked to feedback as in the past there was a summary sheet, and a significant amount of detail. This approach is more pictorial, illustrating a snapshot of where the group is as an organisation, where funding comes from, and the cover sheet will report on an exceptions basis, as well as summarising changes made (e.g. VAT had been put together in one line but this is now being separated by operating line with gives a truer reflection of costs). Plans and processes will continue to develop.</p> <p>Governors noted that due to the way funding and allocations are received, it will be in Period 6 where the group will move into surplus, and the prediction is the group will end the year with a surplus of £223k. Currently our income is £744k down against the year-to-date budget, but this is partly because of a delay in processing Adult Education income. Staffing costs are currently under budget.</p> <p>Governors were informed that in staff communications they will focus on our EBITDA as this makes more sense when discussing affordability. It evidences our position and underlying performance, before financial and accounting decisions are taken. In summary, the group have strong cash balances and are in an enviable position in the sector. The committee reviewed the main income streams to the group and acknowledged the major stream is from 16-19 which is performing well in year. As we over recruited our student intake this year, we should receive some in year growth funding. This may be up to £500-800k, which has not been budgeted for. However the main risk is from HE numbers, which may under deliver against plan by as much as £500k.</p> <p>Governors reviewed the HE income by campus and questioned the numbers, which showed under delivery of £20k to date, and noted there may be attrition over the year, if similar to previous years.</p> <p>The team are running finance meetings through the business and curriculum review meetings</p> <p>Governors challenged the total staff cost. It was confirmed there was an additional £400k spend on agency costs in a separate line. These costs had not been budgeted for, as instead we budget for a full complement of staff. However, one of our KPI is specifically to reduce reliance and expenditure on agency staff year on year, and significant headway was achieved last year. The group aim to reduce by a further £60k this year. Governors asked for metrics demonstrating how the group are faring this year against the reduced spend forecast, and how it relates to the previous couple of years. The ICFO confirmed he would share comparisons for key metrics in future reports.</p> <p>Governors also requested a deep dive into the financials of the HE projections, and questioned at what point does it stop washing it's face, and what the overall value was to the group. Whilst in decline, there are real opportunities for the group now, and it will continue to be of financial value, in addition to being a strength reputationally and for the benefits of students, the community and employers, due to the fee paid per student.</p>	
7	<p>Business Development and Projects report</p> <p>The CCO confirmed that across the board, all activities are progressing well, with examples shared including:</p> <ul style="list-style-type: none"> • Work experience - we have already achieved 1/3 of the annual target. • Over 1,500 students have accessed over 50 employer talks, which has already exceeded what was achieved last year. 	

	<ul style="list-style-type: none"> • Hot off the press, the East Midlands Combined Authority Group, at RO4 have shared plans to look at growth and they are looking to give existing providers growth contracts. We have had positive feedback from current delivery, and this is an opportunity. • Our Business Development Strategy Group have achieved 57 cross referrals since the last meeting, with a value of over £100k. • We have just met with the Integrated Care Board and now have some new leads to explore at end of this week for the social worker apprenticeship programme. • We have also just won two awards. With one award, not only did our student win the Apprenticeship of the Year Award at Cranswick Food, they also saved the life of an employee. • We have also introduced a mystery shopper exercise, which is being incredibly informative so we can improve practice further. <p>Projects: Again, the team are exceedingly busy and have secured an additional £22k from last paper. Governors received a report on skills bootcamps and noted this is also ahead of where we were last year. There has been no replacement for the UKSPF as yet, but updates will be shared in due course.</p> <p>Governors thanked KW and the team for their excellent report and confirmed it was easy to see journey and pace of travel, as well as the diverse range of employers. It was pleasing to see the performance and growth potential and particularly good to see the potential for HE in there, especially for higher degree apprenticeships. With this and the group’s degree awarding powers, the group is in a unique position in a market in turmoil, to chase opportunities to exploit the potential in there and come out ahead of the curve. The Business Development work is fundamental to achieve this.</p> <p>The Social Work England approval for our degrees and degree apprenticeships has been well received by North Lincolnshire Council, and we believe there is a real opportunity to expand out to other authorities.</p> <p>Governors questioned if the CCO had identified any opportunities to support the team. Live data would really help as the team do not have the luxury of time. The East Midlands Combined Authority have a data sheet need, run from power BI and can see where we are against delivery of contracts. Developing this would benefit us. The other benefit would be further streamlining the processing as we still have a lag between delivery and the financials – it is a lot better than the summer, but there is still room for improvement.</p>	
8	<p>Estates report and update on the transport strategy Skegness: The new campus is now up and running. There have been challenges, e.g. today on heating, but all is generally operating well. The final accounts for the build and move, have been delayed and the estates and project team have a meeting tomorrow to review the final costings and actions. Details will be shared in due course. The team are also looking to arrange a post occupancy review of our self-funded projects.</p> <p>Self-funded capex improvement works 2025/2026</p> <ul style="list-style-type: none"> • The Grimsby Institute Talent dock has been completed. • Safeguarding works at UCG and the Engineering school have been completed and works on the Bridlington speed gates are underway. <p>3-year maintenance programme. This is ongoing and the ICIO will bring a full detail programme to the next committee meeting.</p>	7

	<p>Governors reviewed some of the trends and statistics from the last 12 months. Over 85% of HE institutions have registered a cyber-attack. Hackers are out to disrupt and create difficulties, and the types of attacks are becoming more complex. The group have a wide range of measures in place which include:</p> <ul style="list-style-type: none"> • aligning to cyber essentials, which is renewed each year, • renewing our cloud hosted SOC, • renewing our discovery disaster service, • fully implanted security on personal devices, and • constantly reviewing our systems. <p>There is a learner connection page full of resources and a cyber security CPD info which will provide users more awareness. We are also recruiting a new cyber security officer, as sadly our current team member is leaving. The team are actively involved in sector sharing and regularly attend conferences and webinars to keep up to date. Some are attending the JISC security conference tomorrow.</p> <p>RM thanked governors for their recent investment into IT resources and ongoing support to upgrade our cyber security. Governors acknowledged the learner and staff implications, both from a protection approach and to interrupting services. Governors asked how the team measure staff and student understanding of cyber security. Staff are asked to complete monthly Boxphish training modules which has a 56% uptake at present, plus staff conference talks and helpline. Assurance was given that this training includes social engineering.</p> <p>Governors questioned the barriers to, and steps required, to make the Boxphish training mandatory. It was confirmed there is nothing of note and it can link within the new PDR process too. The committees confirmed the training should be made mandatory as soon as possible.</p> <p>Governors questioned how the team are tackling AI data boundaries, and it was confirmed it is built into our data defences, and we update themes regularly with our specialist partners.</p>	11
1 0	<p>Risk Update</p> <p>Risk Register:</p> <p>The new risk register was shared and the ICFO introduced the new approach. This includes graphs for pictorial representation, as well as data to monitor when the risk was first recorded, where it stands to date and a target rate to where we want or can be achieved. The approach enables managers to consider how they can influence the risk, and demonstrate how they have impacted the risk over time. The next step is to consider the board's appetite to risk overall, and then assess the specific risk appetite to individual risks. An example was the group may be extremely risk averse to safeguarding items, but may have more risk appetite for new opportunities and growth.</p> <p>The committees confirmed:</p> <ul style="list-style-type: none"> - Support overall - It has a good visual impact - They like direction of travel - They are happy with new format <p>Fraud Update:</p> <p>There were no incidences of fraud to bring to the committee's attention.</p>	12
1 1	<p>Governance update</p> <p>Dilapidations deep dive</p> <p>A report will be given to the next meeting. There has been one move since the request. (Skegness)</p>	13

<p>The team have developed a property schedule and we have two more properties where our tenants are liable for works. The ICIO and ICFO are working together to develop a report for the tenants</p> <p>Disaster recovery A mock event will be organised this year. A report will be carried forward to the next meeting.</p>					14																																			
<p>Approval of the Audit Committee meeting minutes on 30th September 2025 The committee confirmed the minutes were accurate records of the meeting and gave their approval.</p> <p>Matters Arising:</p> <table border="1"> <tr> <td>1</td> <td>Actions from Capital Management internal audit i) MR and ABe to meet to consider next steps</td> <td>MR, AB</td> <td>Autumn 2025</td> <td></td> </tr> <tr> <td>2</td> <td>Actions from Capital Management internal audit ii) AF and DM have begun discussions as contracts, planning and team skills and capacity are group priorities, and will create and share an action plan</td> <td>AF, DM</td> <td>Spring 2026</td> <td>Discussions begun</td> </tr> <tr> <td>3</td> <td>Request for a report to corporation on process group is adopting for DBS rechecks and prioritisation of the timetable</td> <td>AHar</td> <td>21 October 2025</td> <td>Completed and report given to corporation. Updates will be shared at relevant intervals</td> </tr> <tr> <td>4</td> <td>Consider offer from WBG for additional support that they provide within their current service level agreement – including review of risk appetite, board assurance and training</td> <td>Committee</td> <td>2025-2026</td> <td>Plan to review in Spring term 2025</td> </tr> <tr> <td>5</td> <td>Confirm the timetable for internal audits, and timing of activities</td> <td>AF</td> <td>ASAP</td> <td></td> </tr> <tr> <td>6</td> <td>Present paper on disaster recovery and business continuity</td> <td>DM/ RM/ AF</td> <td>Spring 2026</td> <td></td> </tr> <tr> <td>7</td> <td>Highlight the unquantifiable but significant risks from the changing landscape and how we work with the new</td> <td>GLon</td> <td>21 October 2025</td> <td>Completed</td> </tr> </table>					1	Actions from Capital Management internal audit i) MR and ABe to meet to consider next steps	MR, AB	Autumn 2025		2	Actions from Capital Management internal audit ii) AF and DM have begun discussions as contracts, planning and team skills and capacity are group priorities, and will create and share an action plan	AF, DM	Spring 2026	Discussions begun	3	Request for a report to corporation on process group is adopting for DBS rechecks and prioritisation of the timetable	AHar	21 October 2025	Completed and report given to corporation. Updates will be shared at relevant intervals	4	Consider offer from WBG for additional support that they provide within their current service level agreement – including review of risk appetite, board assurance and training	Committee	2025-2026	Plan to review in Spring term 2025	5	Confirm the timetable for internal audits, and timing of activities	AF	ASAP		6	Present paper on disaster recovery and business continuity	DM/ RM/ AF	Spring 2026		7	Highlight the unquantifiable but significant risks from the changing landscape and how we work with the new	GLon	21 October 2025	Completed	
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	combined authorities in each region				
8	Create a document recording the financial forecasting process and lessons learnt from last year	AF and ELT	Spring 2026		
9	Share Oakleaf Audit report and action plan at next meeting	DM	November 2025	On agenda	
10	DfE conditions grant indicative schedule to be presented to the corporation	DM	21 October 2025	Top level detail shared	
11	Report on dilapidation and mitigations to be presented at the next meeting. This will include full liabilities report and a new lease plan that is being developed.	DM	November 2025	On agenda with carry forward to Spring 2026	
12	Share update on team structure at next meeting	DM	November 2025	On agenda	
13	Share update on transport strategy	DM	November 2025	On agenda	
14	Request HE deep dive to the Curriculum and Quality Oversight Committee	GLons	December 2025	Timing move to Spring term due to curriculum review	
15	Health and Safety engagement visit for ABe and MR, incorporating latest report from Oakleaf on changing regulations to our estate	ABe, MR, DM and JT	December 2025		
16	Carry forward update from RM to next meeting and invite him to attend the digital transformation session	RM	ASAP and November 2025	Attending meeting Reviewed consideration for transformation session and was not best use of time for content of sessions	
<p>Approval of the Finance and Resources Committee minutes on 7th October 2025 The committee confirmed the minutes were accurate records of the meeting, and gave their approval.</p> <p>Matters Arising:</p>					
1	Provide further update on lone working and use of an App/ Teams at future meeting	AHal/ KW	2025-26		

2	Share two-year cashflow report, separating operating and capital income with the committee	AF	November 2025	On agenda	
3	Share update on branding for our HE provision, once developed, following on from the HE review	KW	2025-26		
5	Provide update to the corporation, for potential with the Nunsthorpe site, after meeting with the LA (w/c 13 October)	DM	21/10/2025	Completed	
6	Share update at next meeting, after ELT approval, for: <ul style="list-style-type: none"> Estates directorate activities (staffing, security and cleaning) The next phase in the transportation review Final dilapidation costs at Skegness.	DM	November 2025	On agenda	
7	<ul style="list-style-type: none"> Recommend the annual People and Culture report to the corporation 	ABe	21 October 2025	Completed	
8	Confirm support to the recommendation to change to terms of reference and standing orders to the committee membership to the corporation and support	ABe	21 October 2025	Completed	
1	Review of the meeting				
4	<p>The committee reviewed the meeting and confirmed there had been:</p> <ul style="list-style-type: none"> a good audit report overall. A range of questions presented. It was good to have RM attend as this provides additional assurance. <p>Thanks were noted to AF, LOB, MTK and all other staff who supported the audit activities, which can clearly been run efficiently and effectively. Thanks were also noted to other ELT members for their reports.</p>				

Signed _____

Date _____

Matters Arising from the Joint Audit and Finance and Resources Committee on 25th November 2025

1	Recommend the annual report to the corporation in its current or revised format, according to advice from DH	AB and GLon	9 December 2025
2	Report on the action plans and Oakleaf audit at the next meeting	MS and DM	Next meeting
3	Share a timeline for compliance and fire strategy activities	DM	Next meeting

4	Meet for engagement visit on 9 th December	DM and ABe	9 December 2025
5	Provide finance and regularity training for senior staff	AF	Ongoing
6	Recommend the Annual Audit committee and regularity questionnaire to the corporation	AB and GLon	9 December 2025
7	Share detailed plans for the 3-year maintenance programme	DM	Spring 2026
8	Provide update on options for Modal building	DM	Spring 2026
9	Report on the action plans and Oakleaf audit at the next meeting	MS and DM	Next meeting
10	Provide report on assets and depreciation	AF	Next meeting
11	Confirm to staff that cyber security training is now mandatory	RM. RS	ASAP
12	Add risk appetite to the risk register	AF	Spring 2026
13	Present dilapidation deep dive to the next Audit Committee	DM	Spring 2026
14	Update on disaster recovery and incident plans	DM	Spring 2026