



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD BY MS TEAMS ON THURSDAY 10 DECEMBER 2020 AT 13.30 HOURS

Present:	Tim Godson Dean Graham Peter Price Lucy Goodier	Chair
In Attendance:	Sarah Adams Thomas Dannatt Claire Love Paul Oxtoby Stephen Pringle Graham Gillespie	Clerk to the Board of Corporation Group Director (Finance and Commercial) Group Financial Controller RSM UK Audit LLP Wylie & Bisset Wylie & Bisset
Apologies:		

15/20 APOLOGIES FOR ABSENCE

No apologies were received. Lucy and Peter were welcomed to the meeting. The attendees introduced themselves.

16/20 ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST

It was reported by the Clerk that notice of the meeting had been given and that a quorum was present. Accordingly, the meeting was declared open. There were no declarations made.

17/20 MINUTES OF MEETING HELD ON 20 October 2020

The minutes of the meeting held on 20 October 2020 were checked for accuracy and matters arising.

Discussion took place on the role of Vice Chair and it was agreed this will be discussed following the meeting.

The minutes were agreed as a true and accurate record and will be signed accordingly.

18/20 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

There were no matters arising or notifications of urgent business. Fraud, Irregularity, Impropriety and Whistleblowing has been added to the agenda. It was asked if the Terms of Reference could be circulated to the new members.

Action: Terms of Reference to be shared with new Governors

19/20 FRAUD, IRREGULARITY, IMPROPIERTY AND WHISTLEBLOWING

There were no items to raise. The Fraud Policy is on the agenda for approval.

20/20 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT

The schedule had been updated and circulated. It was explained that as audits are carried out (internal, external or student funding) they then feed into the report and are followed up and discussed at each Committee.

Currently there are 28 items remaining with 8 flagged for removal. Where items are not flagged for removal they have either not reached their maturity date or are ongoing. Updates are provided where there has been any delay in meeting completion dates.

Consideration had been given at the previous meeting for Directors, Leads, to attend where appropriate. Should any of the areas be of particular interest then the appropriate manager can be invited to attend.

Item 3 refers to Procurement and it was explained that this has been incorporated into the Financial Regulations and these are to be presented to Board next week for approval.

Discussion took place on the items remaining and progress being made. Item 7 related to the Risk Register will be flagged for removal at the next meeting.

Approved: items flagged as green to be removed

How the report is managed was explained. It was explained that the report has much fewer items than previously and a focus has been on reducing any legacy items.

It was asked if any reviews are carried out and assurances provided. GG explained that as part of follow up audits each area is re-tested.

21/20 INTERNAL AUDIT PLAN 2020/21

The internal audit plan had been recirculated. Minute 9/20 relating to the inclusion of the student experience was discussed. GG explained the 2020/21 plan has been discussed with ELT and the final plan has been circulated. The Team had looked at priorities and the impact of Covid and what should be seen during this year and what could move into 2021/22.

IT systems is to be removed for 2020/21 due to the current issue and the student experience may be able to be brought in for those allocated days. It was explained that the planned timetable ties in with Audit Committee meetings. Four audit visits are planned with reports coming to the meetings in February and June.

GD(F&C) thanked the auditors for their flexibility.

The scope for a student experience audit will need to be agreed, including whether it is just adults or across the Board. This will be discussed at ELT for best use of the five days.

The challenging year for all auditors was recognised by the Committee. W&B are confident that they can deliver the plan remotely.

Agreed: the Committee approved the plan as presented for 2020/21

22/20 EXTERNAL AUDIT UPDATE

An update was provided.

External audit had been set up to complete the work to original timescales (31 December) and not to the extended ESFA deadline (31 January), however due to the impact of Covid and the cyber attack this has been delayed and a decision has been taken to not try to push the work through but allow more time to ensure the financial statements are provided for the Committee and Board now scheduled for 21 January 2021. A schedule of work is being provided to work to this deadline. There are no areas of concern and a commitment to file by 31 January 2021.

The auditors were thanked for their understanding of the issues.

The ESFA cashflow submission deadline on 27 November was met and the next deadline is the Financial Record, as part of the Integrated Financial Model for Colleges (IFMC), to be provided to ESFA at the end of January. It is expected that all deadlines will be met.

It was asked if any additional disclosures might be required in the end of year accounts PO explained there would not be any surprises and there will be commentary on Covid, cyber attack and contracts in KSA. Going Concern may have more prominence and disclosures will be adjusted accordingly. It was explained that there will be more specific disclosures this year, rather than following the Casterbridge model. For 2021 accounts there will be different disclosures required.

It was asked if the going concern statements were included in the draft accounts and LD explained that there had been a lot of work at her organisation in relation to these. PO explained to that the current requirements at RSM are that audit work associated with going concern must be signed off by a second Responsible Individual (RI). Commentary is being worked through currently and there have been meetings with the Audit Team to discuss the statements to be included.

23/20 REGULARITY SELF-ASSESSMENT QUESTIONNAIRE

The regularity self-assessment questionnaire had been circulated. The Chair asked that the reason for the document was outlined. PO gave background. It was explained that FE Colleges are not classed as part of the public sector in the UK but are still part of regularity. The audit firm are required to give an opinion on use of funds. The checklist is an appendix to the Audit Code of Practice which asks a series of questions to the Chair and Accounting Officer. This is used as part of the work of the audit team. It is important for the Committee to understand the responses provided.

The document has been to ELT for check and challenge.

24/20 FRAUD AND IRREGULARITY POLICY/FRAUD AND IRREGULARITY RESPONSE PLAN

A new policy and response had been drafted and circulated. Success will be linked to how this is rolled out and communicated with staff. Awareness raising on fraud and irregularity will be provided to the Board as a whole.

The policy focuses on explanations, responsibilities, prevention, etc. The response plan focuses on how any incidents will be detected and reported on. A template will be produced and come to the meeting as part of the standing item.

It was asked how staff will know how to contact the Chair of Audit if required and it was explained this would be through the Clerk.

It was explained that the policy had also been discussed at Finance Committee.

It was agreed that the process needs to be clear and sharp with no barriers. The need to embrace the culture of unacceptability was highlighted. It was explained that the policy had been tested and questions asked on segregation of duty, etc.

Discussion took place on phishing, picking up on rogue emails, etc, and examples of the types of fraud will be included in the training to assist staff.

Action: Chair of Audit to forward examples to help build the training

Action: Policy to be recommended to Board for approval

25/20 RISK MANAGEMENT UPDATE

The Group had been productive during the year and made good progress on updating the 4Risk system. The risk register is discussed at ELT on a weekly basis. As part of this each ELT member presents on one of their high level risks at each meeting.

Risk Management Group Minutes 9 October 2020

The minutes have been circulated for information. The Group meet again in January.

26/20 HEALTH AND SAFETY ANNUAL REPORT 2019/20

The Annual Health and Safety Report had been circulated. Good progress has been made during the year. The Committee were asked to approve the objectives for the Health and Safety Committee for 2020/21 as set out in Section 7 of the report.

Agreed: Health and Safety Committee Objectives for 2020/21

The work of the external consultant carrying out an audit of progress on health and safety compliance was explained.

A section on Covid-19 has been included and an audit had been completed in respect of risk assessments.

The training completed by ELT and the focus on moving from basic compliance to full integration of health and safety was explained.

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) was explained as issues those that require reporting to the Health and Safety Executive (HSE).

Reduction in accidents was discussed and whether there were any links to the closure of the College during first lockdown. It was confirmed this would be the case and would therefore be referenced.

Absence rates were discussed and it was recognised that these were reducing. It was confirmed that there were benchmarks in place, including Association of Colleges (AoC) and Health and Safety Executive (HSE). A report has been produced on Health and Wellbeing and when this is finalised it will be circulated to the Committee for information.

Action: circulate Health and Wellbeing report when available

It was asked if Covid absences have been included within this report and this will be followed up on. It was explained that Covid absences are being logged and reported to staff on a weekly basis.

Action: TD to establish if Covid absences are included

Health and Safety Minutes

The minutes of the Health and Safety meeting held on 21 October 2020 had been circulated for information. There were no areas to highlight.

The Health and Wellbeing report had highlighted that the H&S Committee should consider the impact that decisions made on facilities and estate make on wellbeing, and examples were given, including outdoor space.

27/20 URGENT BUSINESS

There was no urgent business to consider.

Discussion took place on the recent cyber attack and it was asked if there were any issues the Committee should be made aware of. The insurance policy in place was outlined and it was explained that the insurance company take control of any messages to be communicated. It was explained that a Q&A pack is available on the College Website.

28/20 DATE OF NEXT MEETING

The next meeting will be held on Thursday 21 January 2021 at 13.00 hours.

This will be a joint meeting with the Finance Committee to review the annual accounts.

The meeting closed at 15.06 hours.

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Chair

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Date