



**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 16 JUNE 2020 AT 16.00 HOURS**

<b>Present:</b>	Tim Godson Mark Speed Dean Graham	Chair
<b>In Attendance:</b>	Sarah Adams Thomas Dannatt Claire Love Richard Lewis Paul Oxtoby Graham Gillespie Stephen Pringle	Clerk to the Board of Corporation Group Director (Finance and Commercial) Group Financial Controller RSM UK Audit LLP RSM UK Audit LLP Wylie & Bisset Wylie & Bisset
<b>Apologies:</b>		

**31/19 APOLOGIES FOR ABSENCE**

No apologies were received. Paul Oxtoby was welcomed to the meeting.

The Chair explained that this was his first meeting in the role following the retirement of Nick Cudmore and expressed his appreciation and that of the Committee for the efforts of Nick in leading the Committee so successfully during his time as Chair.

**32/19 ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST**

Notice of the meeting had been given and a quorum was present. The meeting was declared open. There were no declarations of interest.

**33/19 MINUTES OF MEETING HELD ON 12 DECEMBER 2019**

The minutes of the Joint Audit and Finance Committee Meeting held on 12 December 2019 to approve the annual financial statements were checked for accuracy and matters arising.

The minutes of the Audit Committee meeting also held on 12 December 2019 were checked for accuracy and matters arising.

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

**34/19 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS**

18/19 – the minutes had been circulated to those Committee members not in attendance and confirmation had been received of their approval of the actions as included within the minutes.

There were no notifications of urgent business.

### **35/19 LINCOLN COLLEGE EXTERNAL AUDIT PLAN 2020**

Richard Lewis introduced Paul Oxtoby to the meeting. It was explained as best practice to rotate the audit partner and recommended that Paul is the audit lead for the next academic year.

Paul introduced himself to the meeting and explained that he has been working with Richard on the College file for two years to enable a smooth handover. Richard will be available as a support. Paul has worked in FE for 15 years and acts for a number of Colleges across the Country and also the AoC.

RSM as a firm help the College with the production of financial statements and Richard Lewis will continue to support the College in this process.

The Committee welcomed Paul to the team and look forward to working with him.

The Chair asked about the challenges being faced by the sector as a whole for auditing in the coming months. It was explained that the funding body centrally are considering relaxing the 31 December filing deadline until Spring 2021. It was not felt this would be helpful but may give those Colleges with financial concerns more time for signing off with a clear opinion. The view of the auditors was that the aim should be to meet the original filing deadline of 31 December 2020. It may be that any decision and announcement to extended the filing deadline may come too late in the audit process as much of the audit work will have already been completed in accordance with already agreed audit timetable. Currently a remote audit is planned and it is important that information is provided early through the portal where possible. A second partner review of each audit has been put in place to give additional assurance on the quality of the audit process. Discussion took place on the approach being used by some auditors and possible 'lazy auditing' in that some firms were issuing modified audit reports on regarding going concern and the impact of Covid-19. Richard gave assurances that a thorough and robust audit would be conducted by RSM and all matters concerning going concern would be considered. The Chair requested that if there was any possibility that a modified audit report would be issued then this would be discussed at the earliest opportunity with the finance team so that they had the opportunity to provide any further information so as to prevent this happening.

The Finance Team responded that they would also prefer to work to original deadlines rather than concertina work to the Spring.

The autumn funding statement will be taken into consideration and the reaction of central government as part of the work.

#### **[Richard Lewis left the meeting]**

Following meetings between RSM and the College Finance Team an audit plan will be completed and circulated outside the meeting.

#### **Action: Audit Plan to be circulated when available**

### **36/19 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT**

The Schedule had been updated prior to the meeting. There are 27 items remaining including 10 flagged for removal. The remaining items are either ongoing or have not yet reached completion date. TD thanked the Clerk for following up recommendations and the explanations included on reasons for any delays.

There are some issue relating to deadlines not being met, particularly linked to academic staff who are currently focusing on supporting apprentices to complete their courses. The current priority is getting staff and students back into learning in the safest way.

The Clerk gave an update on the GDPR items. The Working Group had met this week. The data audit spreadsheet has been completed with the exception of one area which is being followed up on. A review of the legal basis has been completed.

There is one final part to sign off prior to the action being removed from the monitoring report which is that each team is to be asked to confirm the person with responsibility for ownership and updating of the data audit spreadsheet. Once this is complete this will be recommended for removal.

Discussion took place on the CRM and it was noted the date for completion of the cleansing of data and training for staff had been pushed back. TD will follow up through ELT on the financial proposal to bring this item to completion.

The Clerk reported that the circulated Risk Management Audit report will be added.

**Action: TD to follow up on the completion of CRM**

**Action: The Clerk will add the Risk Management Audit to the Monitoring Report**

The Committee agreed that those items marked as green are removed.

**Action: Clerk to remove green flagged items**

### **37/19 UPDATED INTERNAL AUDIT PLAN 2019/20**

The Chair asked the internal auditors to share their experiences of managing the plan remotely.

Graham Gillespie reported that remote audits had commenced mid-March with a number being completed as planned. MS Teams and Zoom have been used and a portal. There have mostly been no limitations in scope with only a couple due to access not being available to campus sites. The Risk Management and Board Assurance audits have been completed with no issues.

The Audit Plan has been finalised. The main change is page 6 which is the revised timetable. The next audit is IT commencing 22 June and there are no limitations for completing this remotely. The audit where there may be a challenge is the Catering Arrangements as a presence on campus may be required and this may need to move into the following year. There will be no audit signed off without the full scope of the audit being completed therefore allowing for a full audit opinion. It was confirmed that the communal areas and catering facilities are currently not being opened and agreed therefore that this audit should be rolled into 2020/21. The Chair asked if there was any audit area that could be pulled into 19/20 as a replacement. It was explained that there will have been 37 audit days and therefore this would be sufficient to provide an overall audit opinion for the year without the need to move anything future audits into the current years' work.

### **38/19 INTERNAL AUDIT REPORT – RISK MANAGEMENT**

The Risk Management Audit report had been circulated and the contents were outlined.

Detailed recommendations were mostly accepted with two to be reviewed by ELT. Discussion took place on training for staff members, how wide this would be and the level of staff to be included. It was explained this should be for anyone who is responsible for overseeing a risk; the key staff members as decided by managers. Risk training sessions can be provided.

The management response is to incorporate training firstly through the Risk Management Group and particularly to link 4Risk to the Board Assurance Framework. There has been a lot of work to improve the effectiveness of the work of the RMG over the last two years, including taking those risks that had been on the register for some time through ELT as a management proposal. Training will be more about embedding and monitoring risks rather than basic training on the system.

The substantial assurance was welcomed.

### **39/19 PROPOSAL ON BOARD ASSURANCE FRAMEWORK**

The structure of the report was outlined. This review is in addition to the work already undertaken by other external advisors and looked at the best approach and software to be used to develop a Board Assurance Framework. The reasons for suggesting using 4Risk and an example of how this could be mapped was highlighted (page 27 of the report). The three lines of defence and the reasons and benefits of having a BAF were considered.

The Chair outlined the importance of drawing the assurances that we already have into a practical and meaningful framework without it becoming too cumbersome and onerous.

### **LINCOLN COLLEGE DRAFT BOARD ASSURANCE FRAMEWORK**

TD explained the models considered and experience from other sectors, i.e. the NHS. A workable model will be circulated and the Committee were asked to look at the proposal, together with the example circulated and give feedback on whether this provides a straightforward measure of that required. Once the draft is approved by the Committee then this would be taken to ELT as a final proposal.

**Action: draft College Board Assurance Framework model and guidance to be circulated and feedback requested**

It was agreed that there are good levels of assurance in place but it would be a useful tool to bring these together for consideration at each meeting.

Paul highlighted the need to consider why it is being done and ensuring that the information gives the correct assurances. An example was outlined where a College dropped from Outstanding to Inadequate. On review of the assurances provided it was ascertained that they were either not looking at the right areas or not looking at them in the right way. How much assurance is based on management and how much is supported by third party assurance needs to be considered, as well as avoiding information overload.

It was reported that the Risk Management Group would review the framework and this would be included in their cycle of business and flow up to the Audit Committee. There were no further questions.

**40 /19 RISK MANAGEMENT UPDATE**

TD reported that a Risk Management Group meeting had been held at the end of January. The Group meets again in July and all risks will be revisited to ensure they are Covid-19 updated where required. A high level of risk assessment has been undertaken to work on the reopening plans for the safety of the staff and students. A separate financial impact statement has also been produced based on Covid-19.

**41/19 HEALTH AND SAFETY UPDATE**

The Health and Safety Committee last met in March. The key risk currently is the reopening of the College. An overview was given of the phases. Phase 1 was closing the College in the UK. Home working for staff has been continuing effectively and where student assessments can be completed online these have continued. Phase 2 commenced last week with some reopening for staff and students where there are requirements for online and practical assessments.

This has involved a lot of planning and detailed physical risk assessments. Only those required to come in have been invited and students timetabled to ensure social distancing is possible. Phase 3 will look at the September reopening and the new academic year.

There are currently only 80 students attending in total at Lincoln and Newark. There is general supervision in place and the communal areas remained closed. The positive support from and involvement of the Unions was outlined.

The usual schedule of health and safety checks and requirements have continued in addition to the Covid-19 related work. Overseas operations were outlined.

The requirements of the Awarding Bodies have been taken into account. The importance of getting the September opening right in terms of health and safety is crucial and Tom Marsden is leading on Phase 3. There will be a marked difference between the students currently attending to complete their studies and the new cohort joining in September.

**42/19 URGENT BUSINESS**

There was no urgent business to consider.

**40/19 DATE OF NEXT MEETING**

The next meeting will be held in the Autumn Term once the Board has approved the schedule of meetings.

**The meeting closed at 17.30 hours.**

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Chair

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Date

## Action List

### Actions from the Audit Committee Meeting held on 16 June 2020

Minute Number	Description	Action by	Target Date	Status/Note
35/19	External Audit Plan to be circulated when available	TD	As soon as agreed	
36/19	Completion of CRM to be followed up on	TD	Following meeting	
	Risk Management to be added to rolling report	Clerk	Following meeting	Complete
	Green items to be removed	Clerk	Following meeting	Complete
39/19	Draft College Board Assurance Framework model and guidance to be circulated and feedback requested	Clerk All	Following meeting	Complete