

**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD BY MS TEAMS ON MONDAY 13 DECEMBER 2021 AT 14.00 HOURS**

<b>Present:</b>	Tim Godson Lucy Goodier Peter Price Danielle Lister	Chair Vice Chair
<b>In Attendance:</b>	Sarah Adams Thomas Dannatt Claire Love Paul Oxtoby Stephen Pringle	Clerk to the Board of Corporation Group Director (Finance and Commercial) Group Head of Finance RSM UK Audit LLP Wylie & Bisset
<b>Apologies:</b>		

<b>16/21</b>	<b>APOLOGIES FOR ABSENCE</b>  No apologies were received.
<b>17/21</b>	<b>ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST</b>  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.
<b>18/21</b>	<b>MINUTES OF THE MEETINGS HELD ON 19 OCTOBER 2021</b>  The minutes of the meeting held on 19 October 2021 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly.
<b>19/21</b>	<b>MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS</b>  There were no matters arising.
<b>20/21</b>	<b>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING</b>  There was nothing to bring to the attention of the Committee.
<b>21/21</b>	<b>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</b>  The monitoring report had been circulated. It was noted there are nine items included with six items to be highlighted for potential removal with the approval of the Committee. The positive improvement was noted, particularly over the past few years.  1      Cost Sharing to be removed and will be looked at in relation to the Drill Hall when the company has been set up 2      It was asked if this could be actioned by the next meeting in February. It was explained that due to other priorities this would not be possible, and it was agreed the end of March deadline would remain

	<p>3 This is linked to item 2 – taking ELT agendas into account this also needs the time for completion - <b>amend to March 2022</b></p> <p>4 Agreed to remove</p> <p>5 Agreed to remove</p> <p>6 To remain. TD explained it is hoped to have this implemented by the end of December. This is more related to the documents being held in the right place rather than the assessments being carried out – hopefully for removal at next meeting</p> <p>7 Agreed to remove</p> <p>8 Agreed to remove</p> <p>9 Agreed to remove</p> <p><b>Action: Items flagged as green for removal</b></p>
<p><b>22/21</b></p>	<p><b>TOP LEVEL SCORECARD/RISK REGISTER</b></p> <p>The updated Risk Register and Top-Level Scorecard had been circulated. It was agreed to invite a Risk Owner to the meeting on 22 February 2022.</p> <p><b>Action: Chair and Clerk to liaise on which Risk Owner to invite</b></p>
<p><b>23/21</b></p>	<p><b>INTERNAL AUDIT ANNUAL REPORT 2020/21</b></p> <p>The Internal Audit Annual Report for 2020/21 had been circulated. The following was highlighted:</p> <ul style="list-style-type: none"> <li>• P3 – outlines the responsibilities of the college and auditors</li> <li>• P4 – overall opinion provided that the auditors are satisfied that sufficient work has been carried out to provide an opinion that the College has adequate and effective risk management control and governance processes in place</li> <li>• P4 – noted that three reviews were deferred as a result of Covid. Two adult education reviews were carried out during the year with one to be continued in relation to cost of delivery</li> <li>• P6 – the plan was to carry out 47 days of Audit work but this reduced to 39 days as a result of Covid</li> <li>• The complexity of the cost of delivery model in relation to AEB was explained and that many students cross over onto different courses, etc. It was explained a business case for funding had been successful.</li> <li>• Audit Management Days covers preparation, etc and is a fixed number of days</li> <li>• P7 – outlines relevant benchmarking information</li> </ul> <p>It was noted that there were no high-grade recommendations.</p>
<p><b>24/21</b></p>	<p><b>INTERNAL AUDIT PLAN 2021/22</b></p> <p>The updated Internal Audit Plan for 2021/22 had been circulated. The proposed areas for audit were outlined and timings are yet to be confirmed. The planned January visit is to be postponed.</p> <p>Questions were invited:</p> <p>It was asked why some that were postponed have moved into 2022/23 rather than the current year. It was explained this was due to capacity and also work to be carried out in relation to due diligence. The post of Procurement Officer was explained and the time for them to settle into their role.</p>

It was asked if the work plan complements the due diligence process or can it help support it. It was confirmed that prior to undertaking any review that the assignment scope would be issued and changed as appropriate during the year taking into account where the College is at that point.

Should phase two of the due diligence be undertaken there may be some areas where support would be helpful. Decisions are to be made on next steps in January.

The Chair asked if internal audit felt there were any areas that should be looked at that haven't been currently. It was noted that procurement is a high risk across the sector but there were no specific areas to be looked at.

It was asked what the impact of another lock down might be and could the audit areas identified be carried out. It was explained there are only five audit areas plus a follow up so less risk of these not being delivered.

It was asked if sexual harassment was being too prescriptive. It was explained that harassment as a whole may be too wide. Measures in place for safeguarding including online, bullying, harassment, etc, were explained. It was noted that this ties in with the safety of women as highlighted in the press recently and also the CCTV installation.

**Agreed: The proposed Internal Annual Audit Plan was approved as reported**

25/21

## **EXTERNAL AUDIT FINDINGS REPORT**

The report had been circulated. The External Auditor highlighted the key points:

- KSA – numbers are reviewed by overseas partner and papers are provided as part of the review. Paperwork is still awaited and is being chased this week as the figures are material to the financial statements
- Final checks to be completed
- Outstanding Audit queries – nothing at this point but will continue to review
- Going concern – a number of items still to be completed
- P4 – biggest change funding and income 16-18, adult and apprenticeships – assurance was an ESFA process previously that has been withdrawn this year so there has been additional work to provide assurance. National funding team resources have been used for College audits. Data analytics and testing has been undertaken. Typically, 30 or 40 items would be tested but the auditors have tested in excess of 100 items so more work has gone into the data. There are no material errors but a number of control points have been raised.
- Internal controls in terms of fraud risks. A cash payment during the year was noted.
- Pension scheme liability – deficit is expected to be significant
- Going concern – reviews are to be completed and it was explained that auditing standards had changed which had implications for the amount of audit work that had to be undertaken.
- Overseas travel was noted and the need to confirm that visits are essential
- P6 – the College needs to ensure there is sufficient finance support in KSA to meet local requirements to ensure no breaches of local laws and customs. This was confirmed that the current arrangement ensures segregation of duties.
- P8 – Tax position in KSA, noting that this is being appealed
- P10 – recommendations on internal controls
- P13 – representations requested – it was noted the majority relate to KSA
- P16 – no misstatements are identified, a table of materialities is included

Questions were welcomed:

	<p>It was asked what the sample sizes were in relation to the controls. It was explained between 25 and 30 learners on apprenticeships. It was asked if the red risk is being addressed and it was explained it is already in hand.</p> <p>The Chair asked, if putting aside KSA, are the risks standard for Colleges of this size. This was confirmed and will be on every College file.</p> <p>The Chair asked if there was anything that the Auditor wished to bring to the attention of the Committee. It was confirmed there was nothing of a risk point of view to bring to highlight to the Committee. The impact of the due diligence process was highlighted and the strain and stress on the team currently.</p> <p>The External Auditors were thanked for their hard work.</p>
<b>26/21</b>	<p><b>ANNUAL REPORT OF THE AUDIT COMMITTEE 2020/21</b></p> <p>The Annual Report of the Audit Committee for 2020/21 had been circulated. The report summarises the work covered during the year.</p> <p>The final version to be sent to the Chair for signature.</p>
<b>27/21</b>	<p><b>REGULARITY SELF-ASSESSMENT QUESTIONNAIRE</b></p> <p>The Regularity Self-Assessment Questionnaire (SAQ) had been circulated. The report has fed into the external audit process. It was outlined there were no hot spots or areas of concern.</p> <p>The additional requirements linked to Covid and also cyber-security were noted.</p>
<b>28/21</b>	<p><b>HEALTH AND SAFETY UPDATE</b></p> <p><u>Health and Safety Committee Minutes – 12 October 2021</u></p> <p>The minutes of the Health and Safety Committee held on 12 October 2021 had been circulated to the Committee for information.</p> <p>It was explained one recent risk and issue was e-scooters. No questions were raised.</p>
<b>29/21</b>	<p><b>RISK MANAGEMENT UPDATE</b></p> <p><u>Risk Management Group Minutes – 11 October 2021</u></p> <p>The minutes of the Risk Management Group meeting held on 11 October 2021 had been circulated to the Committee for information.</p> <p>It was explained that the Risk Management Strategy ties in the with the rolling report. There was nothing to bring to the attention of the Committee. A separate Risk Register for the potential merger was noted. The BAF framework had been discussed at the meeting.</p>
<b>30/21</b>	<p><b>URGENT BUSINESS</b></p> <p>There was no urgent business discussed.</p>

31/21	<b>DATE OF NEXT MEETING</b>  Date of Next Meeting: the next meeting will be held on Tuesday 22 February at 1500 hours
	<b>The meeting closed at 15.31 hours.</b>

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Chair

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Date