



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 1 NOVEMBER 2022 AT 15.00 HOURS

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

1/22	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies were received from Graham Gillespie, Dean Graham and Paul Oxtoby.</p>
2/22	<p>ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST</p> <p>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.</p>
3/22	<p>APPOINTMENT OF CHAIR AND VICE-CHAIR AND TERMS OF REFERENCE</p> <p>The Clerk reported that, in accordance with the Standing Orders, the Chair and Vice Chair of the Committee should be appointed on an annual basis.</p> <p>The Committee were asked to approve the appointment of Tim Godson as Chair and Lucy Goodier as Vice Chair for the academic year and this was fully supported.</p> <p>The Terms of Reference (ToR) had been updated following the publication of the Post-16 Audit Code of Practice. The Committee adopted the ToR as circulated.</p> <p>Discussion took place on the ‘must’ to consider the development of members and training. It was asked if there was anything that the Committee would like as individuals or as a Group.</p> <p>Action: Committee to inform of any training requirements</p>
4/22	<p>MINUTES OF THE MEETINGS HELD ON 29 JUNE 2022</p> <p>The minutes of the meeting held on 29 June 2022 were checked for accuracy and matters arising.</p> <p>48/21 – an update was provided that the ESFA had finished their report and final wording had been agreed. The report will be shared with the Regional ESFA Team.</p>

	<p>51/21 – Covid costs – some of the additional were explained including £255k cleaning costs, £75k marketing £55k IT, ie laptops. The total change was £5.1m.</p> <p>55/21 – BAF is now being used.</p> <p>The minutes were agreed as a true and accurate record and were signed accordingly.</p>
5/22	<p>MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS</p> <p>There were no matters arising or notifications of urgent business.</p>
6/22	<p>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING</p> <p>There was nothing to bring to the attention of the Committee.</p>
7/22	<p>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</p> <p>The monitoring report had been circulated. It was noted there were 8 new recommendations following recent reports and 2 items highlighted for potential removal with the approval of the Committee.</p> <p>Discussion took place on those items remaining on the report. The importance of signing items off in a timely manner was highlighted.</p> <p>1/2 Risk Management – a session on Risk Appetite has been held with ELT. A further session and Board session are to be arranged. When this is complete the Risk Strategy will be developed. The implementation date is expected to be February 2023. It was explained that a separate risk appetite is to be produced for the LCI Board as this is different to that for the Group</p> <p>3 COSHH Risk Assessment Register – agreed to remove</p> <p>4 CRM – now down to 1,000 records and an implementation date of December 2022</p> <p>5 Cleaning – agreed to remove</p> <p>6/7 The Drill – it was explained that the office is to move as currently it is not possible to make this area secure. It was asked that this additional information is provided on the report. In light of the Old Bakery purchase now being complete it was asked that the cash handling arrangements are checked to ensure these are suitable. It was confirmed that training has already taken place and the Finance Team are working with the staff</p> <p>8 to 11 Procurement – it was confirmed that the implementation dates were achievable</p> <p>12/13 Budget Setting and Monitoring – implementation dates are achievable.</p>
8/22	<p>TOP LEVEL SCORECARD/RISK REGISTER</p> <p>The Risk Register and Scorecard had been circulated to the Committee for information. The Clerk explained that in future the Risk Register would continue to come to all Committee meetings. The TLS will come to the next Board meeting as it includes the new ELT Objectives and updates will then be provided.</p> <p>The Risk related to Apprentices was discussed and it was felt that this was out of date as it still references furlough.</p> <p>Action: GD(F&C) to update risk register</p> <p>Discussion took place on the high level risks and the attendance of the Risk Owner at Committee meetings. The Committee agreed to wait until December and make a decision whether to invite a RO to the February meeting.</p>

	<p>Action: Committee to consider at the December meeting which Risk Owner to invite to the February meeting</p> <p>Discussion took place on Ravendale which had been removed from the Risk Register.</p>
9/22	<p>INTERNAL AUDIT REPORTS</p> <p><u>Procurement Report</u></p> <p>Overall conclusion of Substantial. The scope of the review and background information was outlined. Sample testing and data analysis had taken place. Four recommendations: 1 medium and 3 low and 9 areas of good practice. Highlighted there were no high grade recommendations and a number of good practice points. It was explained the post of Procurement Officer is new and under review. The post is being remodelled following the recommendations of the audit. The review was positive and the importance of looking at procurement was highlighted.</p> <p>Discussion took place on sign-off limits and where these are split over two years or more. It was explained the full contract value is taken into account. It was explained that every PO over £5k is checked to ensure it is line with approvals. All suppliers are reminded that they should not accept anything without an official PO.</p> <p><u>Budget Setting and Monitoring</u></p> <p>Overall conclusion of Strong. The review included: ensuring controls and arrangements were in place, Financial Regulations, any deviations to budget are investigated, budget holders are trained, etc. There were 2 low grade recommendations and 17 areas of good practice. The Committee expressed their thanks to the team for the hard work and detail put in to this which was pleasing. It was noted that the recommendations could be implemented in a short timescale.</p> <p><u>The Drill Hall</u></p> <p>The internal auditors had undertaken a special investigation. Discussion took place on the conclusion. It was explained that the till receipts were run and balances didn't tie in from the start to the end of the day which could be down to poor record keeping. When taken overall there was little discrepancy. The main issue related to a lack of process. It was also highlighted that the cash float could not be accounted for. There had been several changes of bar staff and some had not received training. It was noted that there is very little use of cash in venues and it was asked what the ratio of card to cash could be. It was explained that up to £9k could be taken over the bar on an evening.</p> <p>Action: level of card/cash taken over the bar to be clarified</p> <p>It was asked if the work undertaken by the auditors was worthwhile given the discrepancy found was only £1.90. It was confirmed that there had not been the capacity in the team to carry this out and the level of cash loss was thought to be higher so this was an important investigation. It also gives reassurance that the right systems are in place. It was highlighted that this shows there is a zero tolerance in terms of cash handling. The lessons learnt for the Old Bakery were explained and that it is important that businesses don't open until they can do so effectively.</p>

	<p><u>Internal Audit Annual Report</u></p> <p>The Annual Report for 2021/22 had been circulated. Stephen Pringle reported on the external assessment undertaken in November 2021 which concluded that W&B conformed with the required Audit Standards.</p> <p>The overall opinion was highlighted and a summary provided of the work undertaken during the year. A total of 33 days audit work had been undertaken. The benchmarking was highlighted as positive.</p>
<p>10/22</p>	<p>INTERNAL AUDIT PLAN 2022/23</p> <p>The areas to be audited in 2022/23 were highlighted as: Overall Financial Controls, Payroll, Estates Management, HR, Funding Review (apprenticeship delivery), Stock Control and Follow Ups.</p> <p>The Committee asked how the areas are decided. It was explained that the Audit team look at the risk register, the strategic plan, what has been covered already, what is suitable for the sector and then bring these forward to the management for a discussion and agreement.</p> <p>There is a clear audit trail of discussion with ELT from the proposed to final plan.</p> <p>The Chair asked that when apprenticeships are looked at if it would include from an employer perspective. He is aware of instances at other training organisations where the standard of assessors has fallen below what would be expected and the students experience not being what it should be, examples being where assessors have not turned up to meetings or cutting and pasting text into reports that are not related to the student concerned. There is the danger of employers moving their apprentices to another training provider if their apprentices are not receiving a positive experience. It was agreed that this would be included.</p> <p>Action: GD(F&C) to feed this back to D(P&P)</p> <p>The days for Audit Management were queried and what this includes. It was explained this includes preparation of the audit plan, the annual report and preparation for and attendance at Committee meetings.</p> <p>As part of the planning process, themes across the sector and any key themes flagged by external audit are also considered.</p> <p>The Committee accepted the plan as circulated.</p>
<p>11/22</p>	<p>EXTERNAL AUDIT 2021/22</p> <p>External audit is underway. Offsite work is currently being carried out and the team are scheduled to be on site from 11 November for three weeks. There is also the work in respect of the tax amnesty in KSA currently being undertaken which runs until the end of November and work related to the opening of The Old Bakery being undertaken by the Finance Team. The tax work is covering from 2015 to 2022 so is a large amount of work. The financial levels involved were outlined. It was explained that new auditors are being worked with in KSA called Ecovis. They are expected to have their work complete ready to feed into the external audit process.</p>

<p>12/22</p>	<p>RISK MANAGEMENT</p> <p><u>Risk Management Annual Report 2021/22</u></p> <p>The Annual Report for 2021/22 had been circulated and was taken as read. It was explained that risk movements have been added for this year. Questions were welcomed.</p> <p>4.2 H&S Compliance. Earlier involvement by the H&S team in projects was discussed. 8.3 Risk Appetite – it was asked if the Audit Committee were still to have oversight of this and that was confirmed 14.4 – typo amendment required</p> <p><u>Risk Management Group Terms of Reference</u></p> <p>The changes to the Risk Management ToRs were highlighted. The senior levels of attendance were noted.</p> <p><u>Risk Management Group Minutes – 17 October 2022</u></p> <p>Discussion took place on Microsoft Intune which is linked to personal devices and the achievement of Cyber Essentials.</p>
<p>13/22</p>	<p>KPIS FOR RISK MANAGEMENT GROUP</p> <p>It was noted that there were objectives included for the Risk Management Group but it was proving difficult to find sector appropriate KPIs. It was asked if there were any examples from other organisations that could be used.</p> <p>It was agreed that a discussion would be held with the internal auditor.</p> <p>Action: TD and SP to discuss</p>
<p>14/22</p>	<p>HEALTH AND SAFETY</p> <p><u>Health and Safety Annual Report 2021/22</u></p> <p>The Annual Report for 2021/22 had been circulated. An overview was provided and the following was highlighted:</p> <ul style="list-style-type: none"> • Levels of RIDDOR • Benchmarking <p>The Committee agreed that H&S has to be a high priority for any organisation and that if anything should go wrong and there was a lack of policies and processes this would be a major concern. The level of compliance was noted as high.</p> <p><u>Health and Safety Committee Terms of Reference</u></p> <p>Changes to the ToR were highlighted and noted by the Committee.</p> <p><u>Health and Safety Committee Minutes – 12 October 2022</u></p> <p>Discussion took place on the safety in Knights car park.</p>

15/22	<p>GDPR ANNUAL REPORT 2021/22</p> <p>The Annual Report for 2021/22 had been circulated and was taken as read. The Clerk highlighted the decrease in numbers of breaches reported during the academic year.</p> <p>The Clerk explained a summary of the breaches is to be circulated to all staff as a reminder of what to look out for, particularly when using emails.</p> <p>The issue related to budget spreadsheets was explained.</p>
16/22	<p>COMMITTEE OBJECTIVE 2022/23</p> <p>Discussion took place on Committee Objective. It was agreed that compliance against the ACOP would be the main objective for the year.</p>
17/22	<p>URGENT BUSINESS</p> <p>The GD(F&C) explained that a new payroll system has been brought in. There have been some teething problems which has led to some errors which might impact on HMRC and Pensions and year end valuations. There is also an issue with tracking actual pay. It was explained that the new system had been in use for four months but there were still issues with incorrect salaries. The Finance Team are working with the HR Team and the Software Supplier to find a solution.</p>
18/22	<p>DATE OF NEXT MEETING</p> <p>Date of Next Meeting: the next meeting will be held on Thursday 8 December 2022 at 13.00 hours</p> <p>Face to face attendance was requested at the next meeting.</p>
	<p>The meeting closed at 17.18 hours.</p>

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Chair

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Date