

**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD BY MS TEAMS ON TUESDAY 26 APRIL 2022 AT 15.00 HOURS**

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

<b>32/21</b>	<b>APOLOGIES FOR ABSENCE</b>  Apologies were received from Dean Graham, Danielle Lister and Stephen Pringle.
<b>33/21</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>34/21</b>	<b>MINUTES OF THE MEETINGS HELD ON 13 DECEMBER 2021</b>  The minutes of the meeting held on 13 December 2021 were checked for accuracy and matters arising.  An update was provided on the level of staffing in the Finance Team. It was explained that recruitment of finance staff has been difficult. There have been a couple of leavers and there is currently some sickness in the team. There are three posts out to advert currently. One is a new post linked to the management of the subsidiary companies. It was explained the posts are management accountant level positions. Discussion took place on issues related to recruitment.  P8 Management Accounts are currently being worked on. The KSA Audit is about to complete related to the statutory accounts for LCI year ended December 2021.  The minutes were agreed as a true and accurate record and were signed accordingly.
<b>35/21</b>	<b>MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS</b>  There were no matters arising.
<b>36/21</b>	<b>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING</b>  GD(F&C) reported on an issue at The Drill.

	<p>Over the Christmas period there was a high number of temporary staff in place operating the bar, etc, with little training on tills and in relation to cash handling. A Manager was appointed in March and the cash handling processes have been reviewed in detail. The review had raised concerns relating to the holding of petty cash and discrepancies. There is a need to assess if the discrepancies are down to processes or potential theft.</p> <p>An internal review is being carried out and it was asked that the Internal Auditors are engaged to review the processes. It is felt the root cause is related to tills training. The Manager is being worked with and training has been put in place. There have been no further anomalies. It was suggested if there were any contacts in the retail sector then these would be worth following up with as they are well versed in how to identify issues. It was highlighted that where there is cash involved there is always cash lost and it is the materiality that is important.</p> <p><b>Action: Internal Audit to be appointed to review</b></p>
37/21	<p><b>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</b></p> <p>The monitoring report had been circulated. It was noted there are three items, with one being flagged for removal. It was noted that there had been delays with the internal audit plan for the academic year. Items were discussed:</p> <ol style="list-style-type: none"> <li>1 It was noted this had been delayed due to the due diligence process</li> <li>2 It was noted this links to the first action</li> <li>3 It was noted that the Health and Safety Committee would be reviewing this recommendation and therefore it was agreed to remove it from the report</li> </ol> <p>It was asked if there was anything that came out of the due diligence process that could be added. It was explained that there had been no surprises and that the reports had been discussed in detail at Board. It was asked if there was anything learnt that could be added. It was agreed the reports would be reviewed and if there was anything to add this would be done.</p> <p><b>Action: Head of Finance to review reports</b></p>
38/21	<p><b>TOP LEVEL SCORECARD/RISK REGISTER</b></p> <p>The updated Risk Register and Top-Level Scorecard had been circulated. It was explained the document is reviewed and signed off prior to each ELT meeting.</p> <p>The two items rated as red and mitigated were discussed in detail. GD(F&amp;C) reported that Ravendale is still in the planning process and no official determination has been received at this point. It may be that planning is declined and there would be the potential to appeal. Further options are being explored including partial or full sale of the land. Castles Education are currently renting the pavilion and are also exploring options at Gainsborough. There are other parties also interested in renting part of the site.</p> <p>GD(F&amp;C) also reported on the risk related to the payments from CoE. Some funds have been received but there is still a large amount outstanding and it therefore might be that the rating post mitigation should be increased. It was noted that CoE have never not paid but it is an issue of timing. It is understood the issue relates to CoE not having been paid. It was highlighted this was not just an LCI issue but for all providers.</p> <p><b>Action: GD(F&amp;C) to liaise with MD(I&amp;C)</b></p>

	<p>It was asked if there was any link to the taxation issue. It was explained these were two entirely separate ministries and was a country wide initiative to generate income through taxation.</p> <p>An update was given on other grants due to come in and also where expenditure can be slowed to help with the cashflow position.</p> <p>Overpayment of advanced tax in KSA was explained and it is hoped this may be able to be used as a credit. Impact was discussed and that on the Group as a whole rather than just LCI.</p> <p><b>Action: GD(F&amp;C) to pick up with MD(I&amp;C)</b></p> <p>Cyber security was discussed and it was asked if there had been any increase in malicious activity. It was reported there had not been and it was highlighted that defences had been bolstered following the previous attack.</p>
39/21	<p><b>OUTGOING ACCOUNTING OFFICER'S STATEMENT ON REGULATORY, PROPRIETY AND COMPLIANCE</b></p> <p>The Regulatory Self-Assessment Questionnaire was noted as that for last year and it was explained that the Outgoing Accounting Officer has to provide a statement to allow the incoming Accounting Officer to be in a position to sign off this document at the end of the financial year. There are no significant changes from the P6 position. It was noted the document gives the new Accounting Officer the confidence to sign off the RSAQ at the end of the academic year. The External Auditor agreed this was good practice and what was expected.</p>
40/21	<p><b>RISK MANAGEMENT UPDATE</b></p> <p><u>Changes to Risk Management Policy</u></p> <p>The changes to the Risk Management Policy were outlined. Discussion took place on the role and responsibilities of the Audit committee. A couple of typos were highlighted which will be amended.</p> <p>It was asked if support can be provided for the KPIs to be set by the Audit Committee. It was noted the Audit Committee are to take responsibility and this was agreed.</p> <p><b>Action: GD(F&amp;C) to provide suggestions for KPIs</b></p> <p>It was explained that all Board members have access to the 4risk system.</p> <p><b>Action: Lynda Hoy to resend links to Tim Godson and Lucy Goodier</b></p> <p><u>Risk Management Group Minutes – 6 December 2021</u></p> <p>The minutes of the Risk Management Group meeting held on 6 December 2021 had been circulated to the Committee for information. It was asked if the items highlighted for completion in February have been addressed. It was confirmed that the CCTV has been completed and that there is now Business Development representation following staff changes.</p> <p>It was noted that the Board Assurance framework had been due to come to the meeting but had been put back.</p>

	<b>Action: Clerk to circulate Risk Management Committee minutes as soon as available</b>
<b>41/21</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>A Health and Safety Forum is also in place involving the operational team which meets regularly and feeds into the Committee.</p> <p>Discussion took place on levels of Covid sickness. It was explained these are quite high but that staff are not becoming too unwell.</p> <p>It was agreed that the draft minutes would be circulated as soon as available rather than waiting for the minutes to be approved at their next meeting.</p> <p><b>Action: Clerk to circulate draft Health and Safety Minutes as soon as available</b></p>
<b>42/21</b>	<p><b>URGENT BUSINESS</b></p> <p>There was no urgent business discussed.</p> <p>It was asked if there could be some input from the LCI Board on the background and reasons behind the KSA operations. It was explained that external advice is provided to keep up to date will all issues in the Gulf States. Discussion took place on managing the reputation of the College linked to the operations in KSA.</p> <p><b>Action: GD(F&amp;C) to liaise with Principal/CEO and MD(I&amp;C)</b>  <b>Action: Discussion to be held at Board</b></p>
<b>43/21</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Date of Next Meeting: the next meeting will be held on Tuesday 14 June 2022 at 1500 hours</p>
	<b>The meeting closed at 16.30 hours.</b>

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Chair

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Date