



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT AND RISK COMMITTEE HELD AT LINCOLN COLLEGE ON WEDNESDAY 16 OCTOBER 2023 AT 1500 HOURS

Present:	Tim Godson Helen Barton Chris Jones	Chair Associate Member (via Teams)
In Attendance:	Sarah Adams Jo Lynch Andy MacLean Paul Oxtoby	Governance Officer Chief Finance and Compliance Officer Group Financial Accountant RSM UK Audit LLP (via Teams)
Apologies:	Peter Price Lucy Goodier	Vice Chair

1/24	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies were received from Peter Price. Chris Jones and Paul Oxtoby joined the meeting via teams. The Governance Officer reported that Lucy Goodier had resigned from the Board with immediate effect due to work commitments.</p>
2/24	<p>ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST</p> <p>It was reported by the Governance Officer 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>
3/24	<p>APPOINTMENT OF CHAIR AND VICE CHAIR AND TERMS OF REFERENCE</p> <p>The Governance Officer 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 it was agreed that Peter Price would be asked to take the role 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. Further changes were suggested including changing all reference to Audit Committee to Audit and Risk Committee.</p> <p>CJ asked about the annual report and this was explained. Further discussion took place on the report and timing.</p> <p>Action: ToR to be updated</p>
4/24	<p>MINUTES OF THE MEETINGS HELD ON 25 JUNE 2024</p> <p>The minutes of the meeting held on 25 June 2024 were checked for accuracy and matters arising.</p>

	The minutes were agreed as a true and accurate record and were signed accordingly.
5/24	<p>MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS</p> <p>There were no matters arising or notifications of urgent business. The actions were reviewed as follows:</p> <p>54/23 – GLT added to rolling report 54/23 – BAF in progress 56/23 – Procurement Policy – this is currently being reviewed 56/23 – College property – a meeting was held between the CFCO, GH and People Services – a recommendation has been put forward to update to the policy and employee contracts to include responsibility of handing in kit and deducting cost if not returned. Once agreed this will be communicated. This will remain on the tracker until this process is in place 56/23 – Stock Policy has gone to Finance Committee 56/23 – Audit tracker – additional detail is being included 56/23 – H&S report – is complete 57/23 – RR updated and taken to GLT today. A full review is being undertaken 57/23 – Cyber risk has been updated 58/23 – Funding audit has been added and is included on the agenda 59/23 – Actions specific to recommendations are included 63/23 – H&S Committee had held its last meeting and these now recommence 65/23 - Sickness figures had been circulated</p>
6/24	<p>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING</p> <p>There was nothing to bring to the attention of the Committee.</p>
7/24	<p>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</p> <p>The monitoring report had been circulated. It was noted there were five new recommendations following recent reports and eight items highlighted for potential removal with the approval of the Committee.</p> <p>Discussion took place on those items remaining on the report.</p> <ol style="list-style-type: none"> 1 A Policy for Budget Setting has been put in place. All policies have been circulated to GLT for update and then will be circulated to Finance Committee for final approval. It was agreed this would remain until the process is complete - remain 2 People Services confirmed this will not be a policy but an internal process and this will be complete by December 2024 – remain <p>Action: by 3 December meeting – JL/SA to follow up with JV – if not JV to attend next meeting</p> <ol style="list-style-type: none"> 3 Leavers procedure – to remain until complete – remain <p>Action: next GLT to approve</p> <ol style="list-style-type: none"> 4 Stock control is part of external audit – remain until external audit complete 5 GDPR – explained process in place- agreed remove It was agreed that a list of names would be requested and any non-compliance escalated to JL <p>Action: SA to get list of names for JL to circulate</p>

	<p>6 DPIA – agreed remove</p> <p>7 GDPR compliance. It was explained a data audit spreadsheet is in place and there are no areas of non-compliance – agreed remove</p> <p>8 H&S – a process is in place which has been discussed at GLT. Nick Pettit will carry out walk rounds to check and document this. It was asked if this and other audit recommendations extend to other areas of the College, ie the Old Bakery, The Drill, Newark, etc. It was agreed this would remain while spot checks are carried out. Discussion took place on how this will happen in practice and how feasible ‘daily’ spot checks are. How does this cascade and how is it recorded noting some are legislation was considered.</p> <p>9 Procurement Strategy – this will be presented to GLT. New Procurement Act 23/24 is due to go live in 2025. A session is being held with CPC and GLT members next week to see how they can support the College to ensure compliance. It was noted a number of areas are on rolling contracts and a review is to be undertaken linked to a potential tender exercise - remain</p> <p>10 Training records – evidence was provided of training undertaken and it was asked that this is included on individual records. This is being completed through the Access system. There have been fundamental changes to the policy which is being approved through GLT and Finance. It was explained that any divergence, direct award or award over £100k goes directly to the Finance Committee for approval – remain</p> <p>11 Documentation on procured suppliers – it was noted that this links to rolling contracts and this is being actioned via the tender process and review with CPC. CFCO now has sight of all tenders. Discussion took place on the change from paper tenders to electronic submissions. The costs related to procurement and staff who lead on this. It was explained often CPC is used to outsource some of this work. JL explained cost levels where the process needs to be used. Awarding Bodies were discussed and monopolies. Agreed remove</p> <p>12 Fraud awareness training – this is being rolled out through iHasco – there are two different levels Fraud for all staff and Bribery for managers – remain until complete</p> <p>Action: document to be updated</p>
8/24	<p>STRATEGIC RISK REGISTER</p> <p>The Strategic Risk Register had been circulated to the Committee for information. It was explained that the risk register is to undergo a full review with additional columns. It was noted that some of the changes were not clear. It was also asked who makes decisions on the mitigation. JL explained GLT scrutinise this on a monthly basis. It has been agreed that the full register will be taken to Board on a termly basis. It was explained target dates linked to mitigation are to be included. It was suggested that the draft new register is circulated to the Committee prior to being finalised and this was agreed. It was agreed that an Extraordinary Teams meeting would be arranged to discuss this.</p> <p>Action: Refreshed Risk Register to be circulated to the Committee and Extraordinary Teams meeting to be arranged</p> <p>PO highlighted that a number of the descriptors are part of other strategic risks which should always be assessed. For example, LCI has separate risks which are subdivisions of the overall LCI Risk. CJ felt that the new strategy group should pull out the higher risks against the new strategy. It was asked what the remit and feed in of the Risk Management Group was. JL explained the 4Risk system and that membership is across the College and highlights any emerging or escalating risks which are on the operational risk register and may or may not feed up to the strategic register.</p>

	<p>There would perhaps only be four high level strategic risks. It was explained that the risks currently on the register do go into detail.</p> <p>PO explained an example of strategic risks with actions sitting underneath which impact the strategic risk, ie reputation, estates, finance, etc.</p> <p>It was agreed a proposal will be brought to the Committee for discussion. It was suggested that risks are categorised. It is important that the detail doesn't get lost in scoring of higher level risks. It was agreed to put some potential formats together for circulation prior to the Committee meeting for discussion.</p> <p>CJ asked that included is a date when the mitigation reaches conclusion and this was agreed. It was agreed that there are currently too many columns for it to work as a management tool.</p> <p>Action: date column to be added</p> <p>Key risks highlighted were LCI contracts; ADI and delivery on student numbers. Quality of education and particularly English and maths was highlighted. Finance Committee had also asked that the capacity of the finance team is added to the risk register. There have been issues with long term sickness. Recruitment is being undertaken for a new Group Financial Controller.</p>
9/24	PERFORMANCE BONDS – confidential item
10/24	<p>BOARD ASSURANCE FRAMEWORK</p> <p>JL explained that this is being redrafted. The current framework is a big document designed to provide assurance but does take a lot of updating. It was explained that a lot of processes have been changed and therefore amendments are required. The Committee offered their support to complete this.</p>
11/24	<p>CHIEF FINANCE AND COMPLIANCE OFFICER REPORT</p> <p>The Chief Finance and Compliance Officer's report had been circulated to the Committee and was taken as read. The following was highlighted:</p> <ul style="list-style-type: none"> • Tax position – new Finance Manager for KSA currently being inducted • Internal audit complete in KSA • Proposals for Internal Audit work during 2024/25 including: financial controls, safeguarding, IT health check and apprenticeships. Quotes for financial controls audit are currently being sought <p>The Chair asked about timings for internal audit. It was explained that some quotes are already being received. It was suggested that Safeguarding should be carried out annually. The Chair felt that the areas were in line with the previous cycle of audits and therefore these were due and it was agreed were sensible areas to look at.</p> <p>PO explained a current funding audit is being carried out in relation to apprentices and this will also be subject to external audit and therefore there was a risk of covering the same area three times. JL explained that oversight is required to ensure that progress is being made and to follow up on any recommendations from the first two audits. PO outlined ensuring there is time to correct any recommendations prior to a further audit so that the same points aren't being raised. Next step should be to follow up on internal processes rather than going from review to review. It was proposed that</p>

	<p>Apprenticeships is delayed and a different area, however following discussion it was agreed to carry out the plan as recommended.</p> <p>The Committee agreed to progress the areas recommended.</p>
12/24	<p>INTERNAL AUDIT REPORTS</p> <p>It was explained that three internal audits had been completed since the last meeting. The reports had been circulated:</p> <p><u>Health and Safety</u></p> <p>Overall conclusion of Strong. The report was noted.</p> <p><u>Procurement</u></p> <p>Overall conclusion of Substantial. The report was noted.</p> <p><u>Internal Audit Annual Report</u></p> <p>It was explained that the content of the report would feed into the Annual Report of the Audit and Risk Committee.</p>
13/24	<p>INTERNAL AUDIT PLAN 2024/25</p> <p>This had been discussed as part of the CFCO report and areas agreed.</p>
14/24	<p>PUBLIC INTEREST DISCLOSURE POLICY</p> <p>The Policy had been circulated. The Governance Officer explained that it was best practice to have this policy approved by the Audit and Risk Committee.</p> <p>The Chair asked whether the policies apply to just the main campus as all refer to Lincoln College and it was asked if it should be made clear that this is the whole group including all subsidiaries. It was confirmed that all subsidiaries are included. Discussion took place on the designated assessors and JL explained that some of these may be amended. It was agreed that an additional paragraph will be added.</p> <p>Approved: The Committee approved the Public Interest Disclosure Policy</p> <p>Further discussion took place on the audience for all policies and if it was clear which one to follow, for example in the case of a Public Interest Disclosure in relation to KSA. The Governance Officer explained that LCI do have their own policies in place. It was agreed that this should be followed up and clarified.</p> <p>Action: follow up on what audience policies cover including LCI related issues</p>
15/24	<p>RISK MANAGEMENT</p> <p><u>Risk Management Annual Report 2023/24</u></p> <p>The Annual Report for 2023/24 is not yet finalised and will be circulated to the Committee when available.</p> <p><u>Risk Management Group Minutes – 20 September 2024</u></p> <p>The minutes of the meeting held in September had been circulated for information.</p>

	<p><u>Risk Management Policy and Framework</u></p> <p>A draft Risk Management Policy and Framework had been circulated. Feedback was requested from the Committee. Change to be made to ensure Audit and Risk Committee is referenced correctly.</p> <p>Action: Committee to feedback on Policy and Framework Action: Policy to be amended in relation to Audit and Risk Committee</p>
16/24	<p>HEALTH AND SAFETY</p> <p><u>Health and Safety Compliance Audit</u></p> <p>The Health and Safety Compliance Audit completed by Graham Cowan had been circulated for information. The Committee welcomed the improvement in compliance. It was also asked if The Old Bakery, Newark and The Drill were included on this audit and this will be followed up with the Health and Safety Officer.</p> <p>Action: check all premises covered</p> <p><u>Health and Safety Policy – for approval</u></p> <p>The updated Health and Safety Policy had been circulated to the Committee for approval. It was noted that reference to Audit Committee needs to be changed to Audit and Risk Committee. Following this amendment, the Policy was approved.</p> <p>Action: Change Audit Committee to Audit and Risk Committee Approved: The Committee approved the Health and Safety Policy</p> <p><u>Health and Safety Annual Report 2023/24</u></p> <p>The Annual Report for 2023/24 had been circulated. The inclusion of additional sickness figures was welcomed.</p>
17/24	<p>GDPR ANNUAL REPORT 2023/24</p> <p>The Annual Report for 2023/24 had been circulated and was taken as read. The Committee noted the report and there were no comments.</p>
18/24	<p>CYCLE OF BUSINESS</p> <p>The current Cycle of Business had been circulated to the Committee for information.</p>
19/24	<p>COMMITTEE OBJECTIVE 2024/25</p> <p>The Chair suggested that the Committee Objective should be: To help deliver a more effective risk register and develop the Board Assurance Framework.</p> <p>This was agreed by the Committee.</p>
20/24	<p>URGENT BUSINESS</p> <p>There was no urgent business discussed.</p>

21/24	<p>DATE OF NEXT MEETING</p> <p>Date of Next Meeting: the next meeting will be held on Tuesday 3 December 2023 at 13.00 hours</p> <p>Face to face attendance was requested at the next meeting.</p>
	<p>The meeting closed at 1720 hours.</p>

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Chair

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Date