



**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT AND RISK COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 4 MARCH 2025 AT 1600 HOURS**

<b>Present:</b>	Tim Godson Chris Jones Peter Price	Chair (via teams)
<b>In Attendance:</b>	Sarah Adams Jo Lynch Paul Oxtoby Amy Baggaley	Governance Officer Chief Finance and Compliance Officer (via teams) RSM UK Audit LLP (via teams) (items 43/24 and 44/24 only)
<b>Apologies:</b>	Helen Barton	Associate Member

<b>38/24</b>	<b>APOLOGIES FOR ABSENCE</b>  Apologies for absence were received from Helen Barton.
<b>39/24</b>	<b>ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST</b>  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.  The Governance Officer explained that the meeting was also being minuted by three interview candidates as part of a recruitment process.
<b>40/24</b>	<b>MINUTES OF THE MEETINGS HELD ON 3 DECEMBER 2024</b>  <u>Audit and Risk Committee</u>  The minutes of the meeting held on 3 December 2024 were checked for accuracy. The minutes were agreed as a true and accurate record and were signed accordingly.  <u>Joint Audit and Risk and Finance Committee</u>  The minutes of the Joint Audit and Risk and Finance Committee meeting held on 3 December 2024 were checked for accuracy. The minutes were agreed as a true and accurate record and were signed accordingly.
<b>41/24</b>	<b>MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS</b>  There were no matters arising or notifications of urgent business. The actions were reviewed as follows:  25/24 – para to be included as policies are updated to ensure it is clear that the policies cover all the College including any off-site venues 27/24 – rolling report has been updated – it was explained the number of additional items relate to the funding audit and also external audit findings

	<p>28/24 – it was explained that CJ and GH had met to discuss IT, specifically in relation to two main areas. Firstly, the draft IT plan to be part of the Group Strategy and secondly within that the approach to addressing cyber risk. CJ's observation was that in relation to compliance GH is very professional, measured and thorough and the plans being developed are appropriate, scalable and deliverable. The plan moves the College incrementally towards cloud based solutions when these are affordable and also builds in risk, reusing servers, etc and tracking the way the market is going in respect of those services.</p> <p>[PP joined the meeting]</p> <p>CJ reported he was assured there a sound plan in place. There is very little more that the College can do as you can never fully treat the cyber risk but just put things in place to minimise the risk of any cyber-attack. Risks are being minimised including loss of data, reputation and operational downtime. CJ believes the plan is appropriate. TG highlighted he was comfortable that this risk has been considered by the Committee and agreed that this should never be 'green' and should remain on the risk register. Board need to continue to be aware noting the controls are appropriate.</p> <p>JL explained the two IT lines on the risk register: cyber security and disaster recovery. Disaster recovery hasn't met the risk mitigation target as GH is still working through this.</p> <p>28/24 – work experience – JL confirmed this is an operational risk and has been added as such to 4Risk and does not need to be escalated  28/24 – Audit items have been added to the rolling report</p>
<p><b>42/24</b></p>	<p><b>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING</b></p> <p>There was nothing to bring to the attention of the Committee.</p>
<p><b>43/24</b></p>	<p><b>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</b></p> <p>[Amy Baggaley joined the meeting]</p> <p>The monitoring report had been circulated. This is a mixture of both internal and external audit findings. It was noted as positive that the oldest items are now September 2024 which was a good step forward.</p> <p>1 – Health and Safety – evidence in relation to spot checks had been circulated. It was felt that periodic reports rather than just the annual report should be received – <b>remove</b>  2/3 – Procurement – Procurement Act has gone live and updates have been made to ensure everything is incorporated. The Policy has been updated for approval by Finance Committee. The Strategy will go through GLT/SLT in the next couple of weeks and this will be circulated once available. Any contract over £30k has to be published on the digital platform of the Government portal. CJ fed back on his involvement with the Strategy and Growth Committee who are looking at how plans nest below the overarching strategy. The intention is to remove the word 'strategy' from everything other than the overall Group Strategy and therefore requested this is renamed as a plan and this was agreed.  3 – training is the main part of this and evidence required in support. Scribe has been purchased that enables standard operating procedures and should this work well it will be rolled out across the organisation. Internal audit has covered procurement as part of the overall financial controls audit. Mandatory training is to be rolled out through the Access system so this will evidence completion. PP highlighted as positive that completion dates are restated, some are perhaps stretch dates and it is clear to the Committee when these are going to be actioned.</p>

	<p>The Committee also noted they welcomed the report going to GLT on a regular basis.</p> <p>4/10 – ESFA funding audit. It was explained there was no risk priority linked to these. All items are being worked through by the CIS Team led by Becky Ward with GH as the GLT member with oversight. PO reported the risk priority could be green as there was no funding reclaim but also could be amber as there would be a funding issues if items are not addressed. JL reported that one internal audit area for this year is apprenticeships so it is appropriate to have some positive action and then bring in the internal audit in April/May who can provide assurance to the Committee that the actions are being addressed. TG felt a lot of the actions were just some evidence of ‘dotting the I’s and crossing the T’s’ and having the appropriate evidence in the right place. CJ asked if the Finance Committee are provided with the report to see if there is anything that should be added to risk register. JL agreed the document could be shared with Finance Committee. TG highlighted that the points raised are operational and linked to ILRs and that PO has indicated that clawback can run into millions if appropriate records and documentation are not maintained. PO reported his confidence is in the people and adherence to the funding rules. Recording risk at the right level is key. The risk is not having the right people to stop it going wrong. Overall the risk is getting funding wrong and therefore this should be on the risk register so that both Committees, ie Audit and Risk and Finance Committees, are aware of it. JL highlighted that the risk related to apprenticeships actually also sits under Performance and Quality Committee as this links to standards and perhaps a number should cover across all Committees.</p> <p>10 – PDSAT reports – <b>remove</b></p> <p>11/23 – RSM audit – noted that a number were also included in the funding audit</p> <p>15 – eligibility for funding – added to learner agreement – <b>remove</b></p> <p>20 – scoring methodology has been added – <b>remove</b></p> <p>22 – employee contracts – it was noted there is no legal requirement for these to be signed by the employee but this practice is being retained</p> <p>23 – both actions are underway</p> <p><b>Action: Procurement Policy to be circulated once approved by Finance Committee</b></p> <p><b>Action: Procurement Strategy to be renamed as a Plan</b></p> <p><b>Action: ESFA funding audit report to be shared with Finance Committee</b></p> <p><b>Action: document to be updated</b></p>
44/24	<p><b>STRATEGIC RISK REGISTER</b></p> <p>The Strategic Risk Register had been circulated to the Committee for information.</p> <p>JL explained the approach to risk management. The strategic risks have now been moved onto the 4Risk system. The aim is to evidence pre-mitigation and post-mitigation. Key is that from inherent to residual there is an action and a control in place. The status of the risk will then be either Treat or Tolerate. Tolerate indicates there is a control in place as part of the Board Assurance Framework and when the action has been completed then at this point it should drop off the risk register. It was asked whether the Committee were comfortable at that point for the risk to become inactive and business as usual rather than further action being required to bring the risk rating down. TG agreed at that point everything that can be done has been completed and systems and procedures are in place and therefore there is no reason for it to remain on the register and can therefore be removed. It was agreed that the systems and procedures to address a risk could be the subject of an internal review so as to assess their continued effectiveness. JL confirmed this would be the case.</p> <p>Cyber security was discussed as an example. An acceptable residual risk rating is 8 and amber.</p>

	<p>This risk can never be eliminated but is now at a point where it can be controlled and therefore tolerated. The notes in the column are controls rather than actions. CJ believes even though this risk has reached an acceptable residual target rating it is still a risk and the most important one on any risk register and thus should remain visible.</p> <p>The mitigations columns were explained in more detail and the reduction from 10 down to 8.</p> <p>A target action date column has now been added. Discussion took place on the logic of retaining any risks with an impact score of 4. It was suggested there could be a rule that anything with that level should remain on the strategic register for monitoring. It was noted that recruitment is also a 4. It was agreed this was a suitable level.</p> <p>The Committee are comfortable there are the systems and procedures in place to maintain risks at an acceptable level.</p> <p>JL reported an IT health check is taking place shortly.</p>
<p><b>45/24</b></p>	<p><b>REVIEW OF RISK MANAGEMENT PROCESSES</b></p> <p>AB gave a presentation on the 4Risk system which has been upgraded. The main dashboard was outlined. Risk by Oversight Committee had been added. It was asked why there were a number of risks where there were no related actions, it was suggested that all historical risks had been pulled through. It was confirmed that the dashboard should only show the active risks.</p> <p>AB presented some of the reports that can be run including the risk radar. A standard risk register can be exported with a layout similar to that of the current risk register. The system will send emails out to risk owners to ensure risks are kept up to date.</p> <p>CJ highlighted the need to be clear on how this will be used at Board and what we want to present and also queried the process as to who is accessing and updating. AB explained she is in the process of setting up access for those who can amend/input risks and who can view. TG suggested that once the system is complete he undertakes training to enable him to be a 'champion' for the 4Risk system and risk register. That will provide him the opportunity to ask the questions that might be asked by the Board. CJ also asked that he receives training. TG and CJ will then be able to explain to the Board and get their buy in to the system.</p> <p>CJ asked about the dashboard and the action for input on what is required for the Board. Pie charts and graphs were welcomed and it was suggested that the items on the rolling audit recommendations are also included. It was agreed that this would be a good use of the tool.</p> <p><b>Action: develop inclusion of the rolling audit recommendations.</b></p> <p>[AB left the meeting]</p>
<p><b>46/24</b></p>	<p><b>CHIEF FINANCE AND COMPLIANCE OFFICER REPORT</b></p> <p>The CFCO will circulate an update to the Committee. The key item is the risk register and specifically whether to eliminate any of the risks prior to reporting to Board or whether they should remain and be explained to the Board at the next meeting.</p> <p>TG suggested that all items are retained and circulated to the Board. JL explained in future the risk radar will be able to eliminate some risks and that an example can be provided at Board.</p>

	<p><b>Action: CFCO report to be circulated</b>  <b>Action: Example of risk elimination to be provided at Board</b></p>
47/24	<p><b>INTERNAL AUDIT REPORTS</b></p> <p><u>Key Financial Controls</u></p> <p>This has been delayed as some journal testing is awaited. The final report should be available in the next week or so and it was asked that it is circulated when received.</p> <p><b>Action: circulate once available and on next agenda</b></p> <p>[JL left the meeting]</p>
48/24	<p><b>HEALTH AND SAFETY</b></p> <p><u>Health and Safety Committee Minutes – 13 February 2025</u></p> <p>The minutes of the Health and Safety Committee Meeting held on 13 February 2025 had been circulated for information. Current sickness figures were also circulated. Figures were welcomed, particularly the detail of the five top reasons for absence, however in isolation it is unclear if figures are low and/or high. It was requested that comparison figures are provided and for future reports that this includes trends. The Governance Officer explained that full figures are included with the annual Health and Safety Report and these will just be a snapshot of the current figures. It was felt that a rolling three years of figures would be helpful.</p> <p><b>Action: trends and comparisons to be requested</b></p>
49/24	<p><b>RISK MANAGEMENT</b></p> <p><u>Risk Management Group Minutes – 13 February 2025</u></p> <p>The minutes of the meeting held on 13 February 2025 had been circulated for information. It was agreed to bring these to the next meeting together with the minutes of any further meetings held to enable the CFCO to report back to the Committee.</p> <p><b>Action: 13 Feb meeting minutes to be brought to the next meeting</b></p>
50/24	<p><b>URGENT BUSINESS</b></p> <p>There was no urgent business discussed.</p>
51/24	<p><b>DATE OF NEXT MEETING</b></p> <p>Date of Next Meeting: the next meeting will be held on Tuesday 24 June 2025 at 15.00 hours</p>