



**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT AND RISK COMMITTEE
HELD AT LINCOLN COLLEGE ON TUESDAY 5 MARCH 2024 AT 1500 HOURS**

Present:	Tim Godson Helen Barton Peter Price	Chair Associate Member (via Teams)
In Attendance:	Sarah Adams Jo Lynch Andy MacLean Stephen Pringle Paul Oxtoby Ian Billyard Matt Vaughan	Clerk to the Board of Corporation Chief Finance and Compliance Officer Group Financial Accountant Wylie & Bisset LLP (via Teams) RSM UK Audit LLP (via Teams) Chair of Board of Corporation Deputy Principal (item 44)
Apologies:	Lucy Goodier Chris Jones Graham Gillespie	Wylie & Bisset LLP

37/23	APOLOGIES FOR ABSENCE Apologies were received from Lucy Goodier, Chris Jones and Graham Gillespie.
38/23	ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST 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.
39/23	MINUTES OF THE MEETINGS HELD ON 5 DECEMBER 2023 The minutes of the meeting held on 5 December 2023 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly. MINUTES OF THE JOINT AUDIT AND FINANCE It was explained that the annual financial statements had been filed. JL thanked Andy, Sarah and Paul for their support. The minutes were agreed as a true and accurate record and were signed accordingly.
40/23	MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS There were no matters arising or notifications of urgent business.
41/23	FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING There was nothing to bring to the attention of the Committee.

The monitoring report had been circulated. It was noted there were 21 items with 4 new recommendations following completion of the Human Resources and GDPR Audits and 11 items highlighted for potential removal with the approval of the Committee.

1 – 4 – Procurement. It was noted that the AP manager had resigned and left since the last meeting and there are improvements that JL would like to make. An internal staff member is to be seconded to the post to drive improvements including supplier arrangements, how payments are made, etc. Most suppliers are 30 days from invoice so they are being paid almost weekly. Having reviewed the current T&Cs, payment should be made 30 days to the next month end. However, the updated T&C's will ensure payment at month end and this is being communicated to the suppliers. A procurement review will take place in July when the changes should have been embedded. TG asked what the sticking point was to get these items progressed. JL explained that practices were very different in the College to her experience in a school environment and that one delay is linked to the actual number of transactions. The process will become more effective and efficient. A procurement and tendering policy is being developed including direct awards, ie bulk buying in IT for example. Item 2 was recommended for removal – **remove**. Different controls aligning more to MPM are to be put in place. The process will remove human intervention and be system led. An update was requested on item 4. It was explained the Financial Regulations were changed but there are two levels of approvals currently and this is being amended.

5 – a GLT meeting tomorrow is to consider a different way of budget build based on what outcome is required. This will be reported to Finance Committee next week.

6 – 7 – Apprenticeships. Recommended for removal. Jo Lynch reported on the Apprenticeship Accountability Framework letter received that highlights what level we should be working to and how we can evidence. Ofsted also highlighted some areas. The letter includes current provision and where we are against this. Discussion took place on including this as an agenda item. What does assurance look like for apprenticeships was questioned. It was explained this is very much linked to reliability of the data. External/Internal Auditors are seeing errors across the sector which can result in clawback, together with a lack of full documentation. It's how the data is collected and completed that is important. The number of apprentices and how big samples are was discussed and whether there should be additional checks in place. JL took an action to raise with MV and ask for his input. This could be an additional audit check to pick up any gaps. It was agreed that this will be included on the risk register. Mitigation is having a third line of defence to carry out sample checks on the data – this was agreed - **remove**

Action: JL to liaise with MV introduce sample check and add to risk register

8 – payroll – the Payroll Policy is currently being reviewed

9 – JL reported on working closely with the payroll team. Procedures have been put in place - **remove**

10 – 14 – the Committee confirmed they were comfortable with the items flagged for removal. The report will be discussed in a separate agenda item. IB stated that P&Q Committee had previously received a large amount of data. A new QIAP has now been put in place and it was explained how this now works. It was noted that this will be revisited – **remove**

TG highlighted that this was the first report that had come through with a weak outcome.

The new dashboard being developed for the Governors will also assist with providing the detail that is required. The removal of the QIP items will be reviewed as part of the internal audit follow up review.

Non-academic members of the GLT could have additional training on curriculum areas so that they are also more able to challenge and similarly finance training for non-finance members of GLT. It was noted that the more GLT gain knowledge of other areas the more they are able to scrutinise and challenge – **agreed to follow up**

Action: JL to follow up on if the GLT would want coaching on this from MV

15 - 16 list of keyholders – 15 – **remove**. 16 to remain

17 – to remain – Financial Regulations being updated and training provided

18 – to be discussed as an agenda item

19 – 21 – to be discussed as an agenda item

SP explained that a follow up is being carried out this week to check that items recommended for removal have been completed.

The Committee asked that when an implementation date is past that a reason and an updated/expected implementation date is added taking into consideration when this will realistically be complete. Concerns would be raised if items are not being completed for example within 18 months as to why resource is not being put in. JL will put in more challenge through GLT.

Action: Audit Tracker to be added to GLT agenda

Action: ensure new implementation dates are included should items not be complete

JL explained often staff commit to a date but then there are other issues which impact on completion. In relation to procurement there have been staffing changes but this has provided an opportunity to make improvements. The next procurement review can assess that changes have added value.

43/23 STRATEGIC RISK REGISTER

The Strategic Risk Register had been circulated to the Committee for information.

JL explained this was reviewed by GLT every two weeks.

TG asked if the other Committees hold staff to account and it was explained that the risk register is a standing item on every Committee agenda. It was noted that small changes will be included in the CEO report for Board and if there are major changes then these will be flagged. The risk register goes to Board three times a year.

Capital was discussed as this has increased. JL explained this relates to EBITDA rather than surplus. There is a need to plan capital investment for curriculum areas. If it is not possible to increase the reserves position then there is not the capital in place without going out for grants, etc. Many grants have matched funding requirements. There is a need to understand the capital position and work with GLT to not focus on EBITDA but on reserves. This should result in a change to the mindset of what we need to do over the next five years.

PO queried risk 7 – noting this had gone down. It was explained this has actually remained the same and will be updated.

	Action: risk register to be updated
44/23	<p>QUALITY IMPROVEMENT PLAN (QIP) INTERNAL AUDIT REPORT</p> <p>[Matt Vaughan, Deputy Principal, joined the meeting]</p> <p>TG explained that the QIP internal audit report received by the Committee had an outcome of weak. The progress made has been noted. TG also highlighted that key is the 'here and now' rather than what had happened previously. It was highlighted that the Committee were disappointed to receive a weak report and needed to be sure that the detail provided to all Committees meant they were receiving the right information and correct level of detail to gain assurance. TG felt receiving too much data was often as bad as too little.</p> <p>MV explained the QIAP was updated every three weeks and accessible to all the workforce. Of the six areas of improvement contained in the report these were all found to be good by Ofsted. There is more work to be done on high grades. MV highlighted in A level there is 98% pass rate but a lot of these were low rather than high grades. Still more to do in A levels and apprenticeships.</p> <p>Checks and balances in P&Q were explained with Governors aligned to specific areas for focus and challenge. MV explained there are additional areas for improvement to be added following Ofsted. The aim is to invite Ofsted back in when progress has been made.</p> <p>Discussion took place on progress of apprenticeships and maths and English specifically.</p> <p>MV explained continual checks and challenges and meetings with staff. MV gave an example of 66% of learners gaining A2 exams but not progressing to university and the need to understand why. Only 76% of study programme learners gained their main qualification. Even in areas where figures are good there are still improvements that can take place.</p> <p>[MV left the meeting]</p>
45/23	<p>CHIEF FINANCE AND COMPLIANCE OFFICER REPORT</p> <p>JL highlighted the following:</p> <ul style="list-style-type: none"> • Risk eliminated – financial statements have been filed. • Finance team capacity – risks have increased. Processes and capability needs to be improved but working towards putting the right team in place. Previously there hasn't necessarily been the right skill set in the team but this is being built in. Risk mitigation is moving people around and bringing those skills in. It was explained this has been challenging, particularly with technical knowledge. This does give the opportunity to 'grow our own'. Ability to recruit is a problem locally. This issue is to be discussed at Finance Committee next week. <p>It was asked if apprenticeships had been considered. It was explained that previously there had been apprentices but this would not be the right option at the current time.</p> <p>ASI is also a focus to ensure that the facility is capitalised on and provides return on investment. There is a lot of investment going into IT and Graham H is being worked with on improving IT infrastructure.</p>

	<p>IB asked if the team were being supported. JL responded that they are but currently there is a need for more senior staff to get involved in some of the details which takes away their focus from their own role.</p> <p>The key is to ensure financial reporting is accurate and in a timely manner. This will feed into budget build. GLT are to meet to consider the budget for 2024/25 this week.</p>
46/23	<p>INTERNAL AUDIT REPORTS</p> <p>It was explained that two internal audits had been completed and had been circulated.</p> <p><u>GDPR</u></p> <p>Overall conclusion of Strong. The scope was outlined. Three low grade recommendations and ten areas of good practice.</p> <p>TG asked if people are reporting data breaches. The GO explained they are and also asking for advice. A previous benchmarking exercise showed that levels at the College were very much in line with other Colleges in the region.</p> <p><u>Human Resources</u></p> <p>An overall conclusion of strong. Five areas of good practice and one low grade recommendation. Discussion took place on the return of interview notes. It was explained that a list of new starts over the past 12 months will be subject to sampling at the follow up audit to ensure this is happening.</p> <p>The Committee noted the reports</p>
47/23	<p>HEALTH AND SAFETY</p> <p><u>Health and Safety Committee Minutes – 31 January 2024</u></p> <p>The minutes of the meeting held on 31 January 2024 had been circulated for information. No questions were raised.</p>
48/23	<p>RISK MANAGEMENT</p> <p><u>Risk Management Group Minutes – 27 November 2023 and 24 January 2024</u></p> <p>The minutes of the meetings held on 27 November 2023 and 24 January 2024 had been circulated for information.</p> <p>JL reported on trying to embed risk management as a culture. Meetings are being held regularly with a focus on big risks and whether these are being treated or tolerated. This also then feeds into the GLT meetings.</p> <p>A discussion was held on the BAF and it was agreed this would be brought to the June meeting.</p> <p>Action: BAF on June agenda</p>
49/23	<p>URGENT BUSINESS</p> <p>There was no urgent business discussed.</p>

50/23	<p>DATE OF NEXT MEETING</p> <p>Date of Next Meeting: the next meeting will be held on Tuesday 25 June 2024 at 1500 hours.</p>
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The internal and external auditors left the meeting for a confidential item to be discussed

	<p>The meeting closed at 1705 hours.</p>
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Chair

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Date