



**MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT AND RISK COMMITTEE
HELD VIA TEAMS ON MONDAY 7 JULY 2025 AT 1530 HOURS**

Present:	Tim Godson Peter Price Chris Jones	Chair
In Attendance:	Sarah Adams Cheryl Maxwell Jo Lynch Paul Oxtoby Graham Harrison	Governance Officer Governance Officer Designate Chief Finance and Compliance Officer RSM UK Audit LLP Chief Information Officer (items 56 to 61)
Apologies:	Helen Barton	

52/24	APOLOGIES FOR ABSENCE Apologies for absence were received from Helen Barton.
53/24	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.
54/24	MINUTES OF THE MEETINGS HELD ON 4 MARCH 2025 The minutes of the meeting held on 4 March 2025 were checked for accuracy. The minutes were agreed as a true and accurate record and were signed accordingly.
55/24	MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS There were no matters arising or notifications of urgent business. The actions were reviewed as follows: 43/24 – Procurement Policy approved and circulated 43/24 – Procurement Plan to go to GLT next week and then to Finance Committee 43/24 – ESFA funding audit – final report to be circulated 43/24 – Rolling report updated 45/24 – Inclusion of number of audit recommendations to be added to Dashboard 46/24 – CFCO report was not circulated 46/24 – Risk elimination – JL will go through this at Board 47/24 – Key Financial Controls Audit – had been circulated 48/24 – Sickness figures had been circulated 49/24 – February RMG meeting minutes on agenda It was explained that the Safeguarding Audit had now been received and will go to GLT prior to Audit and Risk Committee.

	<p>It was explained the Apprenticeships Audit due in April/May had been delayed due to staff changes and follow up on the Funding Audit findings. A full internal review has been completed based on the Mazars Funding Audit. The audit will be scheduled in shortly.</p> <p>TG asked how assurance will be provided now there is not one internal audit provider. SA explained the audits undertaken and outcomes will feed in and that it is for the Committee to agree if they have been provided with enough assurance as it is their opinion included in the annual report.</p> <p>PO suggested the Committee look at risk register and ask if there are any areas that the Committee feel need additional audit or oversight.</p> <p>CJ clarified that the action in relation to outstanding audit recommendations was linked to providing a summary of how many are outstanding and how many are being addressed and that this should feed into the Business Intelligence (BI) Dashboard.</p> <p>Action: ascertain if figures can be included in dashboard</p>
56/24	<p>FRAUD, IRREGULARITY, IMPROPRIETY AND WHISTLEBLOWING – FAILURE TO PREVENT FRAUD RSM UPDATE</p> <p>There was nothing to bring to the attention of the Committee.</p> <p>The RSM Emerging Issues newsletter had been circulated to the Committee and their attention was drawn to the section on page 6 onwards relating to ‘Failure to Prevent Fraud – countdown to 1 September 2025. There is a new criminal offence linked to profiting from fraud and the need to have the processes in place to mitigate this and prevent it from happening. JL felt this was also worth raising at the Board. JL explained this is being looked at through the Risk Management Group also.</p> <p>Action: TG to remind Board</p> <p>It was agreed as very important to remind Board members in relation to franchising and fraud prevention.</p> <p>PO explained highlighted the section on Franchising – requirement for franchising audit on controls. This includes subcontractor providing evidence to confirm they are who they say they are. JL explained this had been put in place linked to the due diligence on the subcontracting and that a check will be carried out that all processes are in place.</p> <p>Action: JL to follow up with Sean Knight</p> <p>[Graham Harrison joined the meeting]</p> <p>AI was also highlighted. It was explained that there had been a scam email received today which looked like it was from a student had been headed off by IT. GH explained that a number of staff and/or students had already clicked on the link and it was being followed up through IT. It was felt this was a fairly low level but because it had been sent internally a number of staff had felt it was legitimate.</p> <p>PP asked what sort of testing was carried out. GH explained that KryptoKloud do carry out testing and phishing emails are sent out to staff as a test.</p>

	<p>PO explained that key was what details could be reached and explained that a client had been subject to an attack where the person was able to change bank details and payroll.</p> <p>GH explained how the hacking works. Initially there is a 'toe in' and then they look round for security flaws. It very much depends on security after they get their toe in the door.</p>
57/24	<p>SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT</p> <p>The monitoring report had been circulated. This is a mixture of both internal and external audit findings. JL gave an overview of the report:</p> <p>1 – Procurement – remove 2 – Workvivo has an area with weekly tips – this contains training, etc – remove 3 – funding review – CIS audit complete - remove 4 – in progress – it was felt this is part of embedded controls and business as usual – it was agreed to check and then flag for removal. JL to confirm for next meeting 5 – OTJ training - remove 6 – to follow up – SA to chase AJ 7 – now in place – it was noted this was marked as time consuming – it was noted that the processes are in place – there need to be a clear statement that this is now complete</p> <p>Action: JL to confirm periodic checks are in place Action: SA to follow up on English and Maths Action: JL to follow up on funding assurance review actions where complete for removal</p> <p>8 – noted original date was December 2024 and that further updates had been provided throughout the academic year. It was noted that these are continuing actions and it is now about the current years closing off and being checked. This related to study programme hours – continued sampling takes place.</p> <p>PO outlined the recommendation has two clear points: check enrolment data and then carry out periodic checks – perhaps too much information is being included. The question is has the control been implemented and is now active – JL to confirm</p> <p>Action: JL to confirm that this is now complete</p> <p>9 – learning start date – remove 10 – T Levels – control in place – remove 11 – Industry placements – remove 12 – work experience – remove 13 – new tracking system put in place – remove 14 – employer costs – remove 15 – planned hours – remove 16 – OTJ training – remove 17 – OJT records – remove 18 – discussion took place on the wording and employer/employee - remove 19 – it was explained that a new contract was being put in place with Newark Museum – remove 20 – in progress and part of year end 21 – actioned monthly – remove 22 – on workvivo – now fully implemented – remove 23 – full review of supplier data underway as part of year end 24 – understood this was a one-off issue with the system – remove 25 – remain until year end complete</p>

	<p>26 – it was explained that there had been a single point of failure which had been addressed and a new system being put in place</p> <p>27 – new software ‘scribe’ put in place to document processes for every role</p> <p>28 – petty cash – remove</p> <p>29 – bank reconciliation – remove</p> <p>30 – cash collection reconciliation – remove</p>
<p>58/24</p>	<p>STRATEGIC RISK REGISTER</p> <p>The Strategic Risk Register had been circulated to the Committee for information.</p> <p>JL gave a presentation of the risks to be presented to Board including: English and Maths; Impact of PPP on group; Quality risk due to low and/or declining learner attendance; and Cyber Security.</p> <p>JL asked how much detail the Committee wants to receive. CJ felt that as long as the content is there then just oversight is required. It was explained the plan has been seen by P&Q and is being monitored. More detail would be too much on this version.</p> <p>PP queried fixed and variable targets and these were explained. It was explained that there is a new STG LCI PPP group that are meeting and that this could be added as the control.</p> <p>CJ queried how we can have a risk going from red to amber where we have no control over this. How does it actually get from red to amber and JL explained there was an action plan in place but noted this does link back to DfE approval.</p> <p>It was felt that cyber security is always a risk. It was recognised that a lot has been done since 2020 to get to this point. If the incident today has resulted in no access to key areas then everything put in place is having an impact.</p> <p>The Finance team capacity is included on BAU.</p> <p>Action: change oversight committee to Finance on BAU</p> <p>CJ highlighted that there needs to be consistency outlining what the plan is and who it is owned by so the Board know the headline behind the action and control.</p> <p>CJ noted that the RSM report highlighted the top 3 risks as government, geopolitical and cyber and suggested the Board should move towards the radar type diagram. It was explained that middle east is included on the LCI risk register. JL explained the College is much stronger financially and LCI doesn’t have as much impact. The LCI have their own risk register which is not shared and only that having an impact on Group is included.</p> <p>PO felt that reputation should be high on any risk register. It was felt that operating in KSA and also receiving approval in the UK should sit on the risk register.</p> <p>Action: to be raised at Board</p> <p>CJ highlighted that the strategic risk register should come from what the strategy says it is going to do. What are the things that might happen that would impact on the ability to deliver our strategy?</p> <p>Action: JL to develop</p>

59/24	<p>CHIEF FINANCE AND COMPLIANCE OFFICER REPORT</p> <p>The CFO report had been circulated for information.</p>
60/24	<p>EXTERNAL AUDIT PLAN</p> <p>The External Audit Plan had been circulated to provide an overview of the audit process. Key audit risks and approach were outlined. PO highlighted:</p> <ul style="list-style-type: none"> • Management override of control – looking through journal entries - detection of fraud and fraud risk • Income recognition – apprenticeships key area where funding rules are very complicated and subject to clawback - subsidiaries and fraud risk linked to cash • Going concern – and inability to borrow • Defined benefit pension scheme – College has no control of this • LCI – change of auditor during the year noted – PO will liaise with KSA auditors • Regularity – more guidance has been issued in relation to novel and contentious but PO felt their opinion has not changed • Need to have franchise report complete by 31 July 2025 or this will be an item of non-compliance <p>TG highlighted that these risks are fairly standard across the sector. PO confirmed the only peculiar risk is related to LCI.</p> <p>PO asked if there was anything the Committee needed more of or were concerned about. The Committee had nothing to raise.</p>
61/24	<p>INTERNAL AUDIT REPORTS</p> <p><u>Key Financial Controls</u></p> <p>The draft report relating to Accounts Payable and Cash and Bank completed by BDO had been circulated for information. The recommendations had been added to the outstanding rolling audit report.</p> <p><u>IT Health Check</u></p> <p>GH explained he had not had the opportunity to take this to GLT yet and JISC had also not responded to additional information provided and extended interviews with Sarah Adams and KryptoKloud. The report therefore is not yet finished.</p> <p>GH was keen that this year was not just another generic internal audit with a tick list and therefore this had been a full technical audit carried out through the JISC IT health check. It was explained that this had been a condition of funding. There is a huge amount of feedback hence the follow up. Example was provided of back-up and recovery which is one grade. There is good back-up but not so good recovery, consequently the grade was in the middle. The report had not addressed work with KryptoKloud or other colleges. Currently c.£100k is spent on cyber security and this is a high level of investment compared to other Colleges. This needs better reflection in the summary.</p> <p>There are 26 main recommendations with a lot of sub findings within the categories. GH will manage this concentrating on the 'critical' risks. There will be investment required. There are 79 recommendations linked to MS365 and it might be that a consultant is brought in to go through these. There are some immediate recommendations that can be addressed including turning on multi-factor authentication (MFA) for all students for all remote access.</p>

	<p>It was explained some learners will struggle with this as anything put in place to make harder for criminals also makes it harder for students. Recommendation is to get rid of the phone call and instead have an app. Also, for high risk areas, ie finance, CIS, IT, payroll, that there is an extra layer of MFA which GH agrees with.</p> <p>GH explained that some changes can be made fairly easily and will need to be prioritised and the budget made available. GH explains he is meeting regularly with KyptoKloud. GH reported that the report was very thorough.</p> <p>CJ felt this needs to be managed differently to the usual report that it put on the rolling report due to the large number of items.</p> <p>TG explained he took assurance from GH having oversight.</p> <p>GH explained some items will have a big impact but others are more good practice and nice to have. The top five recommendations should perhaps be added to the rolling report.</p> <p>PO noted that key is being able to see clearly where the risk is and vulnerability. GH explained sim swapping and move to authenticator.</p> <p>CJ suggested that the Committee appoint someone to work with GH and assist on what needs to sit on the rolling report and what could be just operational and volunteered to assist. TG agreed and would also like to be involved. There needs to be agreed main priorities. The Committee perhaps need guidance on ranking. GH explained he had also carried out work with CJ on 'cloud' and it was agreed it would be good governance to have a link governor and CJ was also welcomed to attend one of the KyptoKloud client meetings.</p> <p>Action: GH/CJ/TG to agree on items to be added to rolling report</p> <p>GH felt the main recommendations page with the 26 items would be the appropriate number to come to the Committee and GH could join to feed back on progress which was agreed. TG felt that perhaps there should be one overarching risk. When final report is received then priorities will be outlined. GH explained there were zero criticals or highs from externals which was positive.</p> <p>Action: GH to provide feedback on progress on 26 main recommendations</p>
62/24	<p>RISK MANAGEMENT</p> <p><u>Risk Management Group Minutes – 13 February 2025</u></p> <p>The Risk Management Group Minutes of 13 February 2025 had been circulated and were noted by the Committee.</p> <p><u>Risk Management Group Minutes – 24 April 2025</u></p> <p>The Risk Management Group Minutes of 24 April 2025 had been circulated and were noted by the Committee.</p>
63/24	<p>SICKNESS ABSENCE FIGURES</p> <p>The sickness absence figures year on year comparison had been circulated for information.</p>

64/24	URGENT BUSINESS There was no urgent business discussed.
65/24	DATE OF NEXT MEETING Date of Next Meeting: the next meeting will be held in the Autumn Term
	The meeting closed at 1750 hours.

..... Date

Chair

Action List
Actions from the Audit and Risk Committee Meeting held on 7 July 2025

Minute Number	Description	Action by	Target Date	Status/Note
55/24	Ascertain if audit recommendation figures can be added to dashboard	CM – GH	For next academic year	
56/24	Board to be reminded of detail in RSM Emerging Issues newsletter	TG	Board meeting	Complete
	Franchising audit to be followed up – requirement	JL – SN	End July 2025	
57/24	Periodic checks to be confirmed	JL	Next meeting	
	AJ to be followed up with on functional skills	SA	Next meeting	
	Confirmation to be provided on completion of funding assurance actions	JL	Next meeting	
	Confirmation that checks are carried out relating to study programmes	JL	Next meeting	
58/24	Add Finance Committee oversight to Finance Team capacity on risk register	JL	following meeting	
	Consider reputation being high on the risk register	JL – GLT – Board	Following meeting	
	Develop risk register linked to strategy	JL	For next academic year	
61/24	IT items to be added to rolling report to be agreed	GH/CJ/TG	For next meeting	
	Feedback on 26 recommendations to be provided	GH	As progress is made	

Audit Committee – highlights report

- Status of Audit recommendations to be included on the Board Dashboard
- All Board Members to be aware of the contents of RSM’s Emerging Issues

Items to escalate

- None