



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 19 SEPTEMBER 2017 AT 17.00 HOURS

Present:	Nick Cudmore Peter Horner Dean Graham Sam Yates	Chair Staff Governor
In Attendance:	Sarah Adams Thomas Dannatt Claire Love Mark Ashton-Blanksby	Clerk to the Board of Corporation Director of Finance and Commercial (F&C) Group Financial Controller ICCA
Apologies:	Mark Speed Richard Lewis	RSM UK Audit LLP

1/17 APOLOGIES FOR ABSENCE

Apologies were received from Mark Speed and Richard Lewis.

2/17 ELIGIBILITY, QUORUM AND DECLARATIONS OF INTEREST

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.

3/17 MINUTES OF MEETING HELD ON 25 JULY 2017

The minutes of the meeting held on 25 July 2017 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly.

4/17 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

54/16 – curriculum leader to attend next meeting – a list of 4Risk users has been received from H&S team and an attendee will be identified for November meeting.

Action: 4Risk User for November meeting

54/16 – Audit Regularity Questionnaire now received for completion and will be brought to the next meeting following approval by ELT

Action: Audit Regularity Questionnaire to be brought to next meeting

54/16 – Audit tender to be launched through Crescent Purchasing. A recommendation will be brought to the Committee together with the scoring and overview if required. This will be launched in the new year for the March meeting.

Members of Audit Committee will make up part of the panel as it is the responsibility of the Committee to appoint the Auditors. The Chair expressed that the Committee need to be comfortable with the process. It was explained that Crescent do all the frameworks and tender processing and organisations included on the list of recommendations will have been through the first stage of the process to be included on the register. The College has the option to amend the criteria and weighting depending on specific requirements.

55/16 - Items have been removed from the Outstanding Audit Recommendations report as agreed at the last meeting and dates of updates have been added.

58/16 – The Internal Audit Plan will be recommended to the Board in October.

There were no matters arising or notifications of urgent business.

5/17 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT

The Schedule had been updated prior to the meeting.

The Clerk explained that updates had been carried out over the summer and that now term had commenced follow ups were being carried out on all outstanding issues with individual staff members. A full update will be provided prior to the next meeting. It was reported that the audit work on governance had commenced.

Discussion took place on specific recommendations and particularly those linked to strategy now the Group Strategy has been launched:

Employer Provision. Apprenticeships and response to reforms. It was explained that there is a separate section on the risk register to map apprenticeships and that weekly Gold Group meetings are now taking place with this as the focus as had been done with English and maths last year. The articles for Greater Lincolnshire Apprenticeships Ltd are now complete.

Sickness Absence Management. It was asked if surveys have been completed. It was explained that a follow up is yet to be sent out. It was outlined that even though there are better questions that could be asked or they could be worded differently it was currently necessary to ensure wording remains the same to allow for like-for-like comparison.

Post meeting note: following clarification the survey sent out in Spring was the CEO survey. The HSE survey which is now within STEP will go out to staff in October.

Action: update on rolling report to be sent out by the end of October

The Chair reported that the report is better and is an improvement on layout and content. It was noted that it is within the remit of the Committee to ask managers to come and report on why things haven't been done if they continue to be included on the report and this will be monitored.

It was explained that the process forms part of the annual opinion provided by internal audit and is therefore an important tool.

6/17 TERMS OF REFERENCE – APPOINTMENT OF CHAIR AND VICE-CHAIR

The Clerk reported that, in accordance with the Standing Orders, the Chair and Vice Chair of the Committee should be appointed on an annual basis.

Nick Cudmore has indicated he would like to continue as Chair for the year. Dean Graham therefore formally nominated and Peter Horner seconded the appointment and Nick Cudmore was appointed as Chair.

The Clerk asked if there was anyone willing to stand as Vice Chair. It was asked if the Clerk could contact Mark Speed to ascertain if he would be willing to take the position.

Action: Clerk to contact Mark Speed.

Post Meeting Note: the Vice Chair position to be further considered at the next meeting.

The Clerk explained that the Terms of Reference had been amended to reflect the Post-16 Audit Code of Practice which has replaced the Joint Audit Code of Practice and that the Delegation of Authority had been changed accordingly. The Committee approved the amendments.

Terms of Reference were approved as amended

The Chair asked if there should be a standing item linked to fraud and/or regularity and also asked if there was a mechanism to ensure the Committee were made aware if there were any issues. Discussion took place and it was considered that there may be issues that are dealt with through the HR team and that the Finance Team may not be made aware of these. It was noted that external audit would ask the question. Mark Ashton-Blanksby highlighted that fraud is not always finance related and for example could be within MIS data.

The Financial Controller explained that within the Financial Regulations it is the duty of all staff to notify any issues to the Group Director (F&C) who in turn informs the CEO and Audit Committee. The Financial Controller explained that a separate Fraud and Irregularity Policy is to be produced.

The membership of the Committee was discussed. Following the appointment of Mark Platts to full Board the Clerk was asked to raise this at the next Search Committee. It was agreed that a lay governor with relevant experience was a key member of the Committee.

Action: Clerk to ask Search Committee to identify a lay governor for Audit

7/17 INTERNAL AUDIT REPORTS

a) 10.16/17: MIS STEP Review Final Report

Mark Ashton-Blanksy explained that the review covered the commissioning and implementation of the new MIS system and also focused specifically on the critical areas for improvement identified by Ofsted. Detailed conversations had been held with Graham Harrison against the timescales set for each modules. The Audit areas covered: Implementation of ProSolution and a revised core structure (ready to go for 2017/18); Development of Data Dashboards; Key systems critical for ILR and funding claims. It was noted that it was unusual to switch a system on in April but the changeover has worked.

The action plan includes any areas picked up that require follow up. It was explained that some errors had been noted on the top-level scorecard.

Now the system has moved to ProSolution this can be automated in future but was outside the scope of this audit. Dates for reviewing the process for automation were noted but a final date for total automation has not been set. Once this is automated the information can be brought up on screen and then be drilled down to look at more detail than is currently available. It was asked if there was any risk of fraudulent figures as this is currently produced manually. The D(F&C) explained the tiers of data review that are in place and also that the figures are linked to actual facts. Where there are forecasts and some subjectivity these are debated in detail. There is a very low risk of any issues.

The second area highlighted was looking at the administration and management of the enquiry and applications process. This was being looked at over the summer and could not be included at the time of the report. The D(F&C) explained this was not just technical changes but also a restructuring of the team and processes involved.

It was asked if the CRM system is live. The D(F&C) responded that the technical fix is up and running and has been presented to ELT. There are now logons set up and a trial is being carried out to enable staff to add information, for example engagement opportunities. The system will link to business development but is in the early stages.

b) 9.16/17: QIP Part 2 Final Report

Part 1 was completed with a limited assurance opinion at the start of the year. The audit had been carried out in two parts with reasonable progress made. There are still some issues linked to design and how utilised. Part 2 which was a review/follow up looked at if all the issues had been picked up and had management addressed these.

Areas for improvement:

- RAG rating on top level scorecard showed some inconsistencies – automation will resolve this.
- The Action Plan could be enhanced and where this is amber it should include further detail of what is required to move to green. There is a need to look at the targets and map these across, ie look at grade profile for lesson observations, prioritise the actions, ask if they in the right order and what needs to be done now?
- It was highlighted to the Committee there are still a number of Amber actions and it was suggested these are reviewed to ascertain if they are actually all still amber. It was explained that the Director (Planning and Performance) would like to receive final data before making any changes and the auditors understood that stance. The data will be available in November. The auditors agreed with the management responses and why this was cautious. A further follow up is scheduled.

Discussion took place on when automation would take place. It was explained there was a difference in responses and that the Director (Planning and Performance) would need to work with the Group Director of IT, CIS and STEP to find the best solution.

The Committee asked if there could be a forecast put on the plan that showed where it is expected the figures will move to, ie predicted outcomes and actual outcomes to enable the Committee to have a better understanding of those points and what and how it is being monitored.

Action: Clerk to arrange for the key lead for the QIP to attend the next meeting to update the Committee.

8/17 URGENT BUSINESS

There was no urgent business to consider.

9/17 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 28 November 2017 at 1700 hours.

The meeting closed at 1830 hours.

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Chair

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Date