



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 25 JULY 2017 AT 17.00 HOURS

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

51/16 APOLOGIES FOR ABSENCE

Apologies were received from Mark Speed, Dean Graham, Mark Ashton-Blanksby and Richard Lewis.

52/16 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.

53/16 MINUTES OF MEETING HELD ON 13 JUNE 2017

The minutes of the meeting held on 13 June 2017 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly.

54/16 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

- 43/16 – Risk Owner to be identified in September - TD
- 45/16 – Audit Regularity Questionnaire – not yet available
- 48/16 – Internal Audit Tender to be launched through ‘Crescent Purchasing’

There were no matters arising or notification of urgent business.

55/16 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT

The Schedule had been updated prior to the meeting.

Eighteen audit recommendations that are now complete and can be removed from the list following Audit Committee approval. It was noted that there would be follow up audits which would provide the assurance that all recommendations highlighted are complete. The Committee approved the removal of those items flagged.

The Clerk requested feedback on the format of the document. It was requested that the date of update is also added within the latest position column.

Action: Clerk to remove items as approved by the Committee.

Action: Clerk to add date of update into latest position column.

56/16 INTERNAL AUDIT REPORTS

a) Internal Audit Progress Report

The Internal Audit Progress Report was presented. There are two reports in planning stage, three in draft stage and all other reports finalised. It was explained that the audit on Business Planning and Performance Management due to be carried out in April had been moved to July 2017 as part of the changeover to ProSolution and the key staff required to undertake the work.

b) 05.16/17 – Conditions of Funding 16-18 English and maths – Final Report

Scott Winter gave background on the Conditions of Funding required to draw down the £4k for each student. Substantial Assurance has been given. It was specifically noted that non-compliance errors were 0.18% for English and 0.10% for maths which is extremely low. It was noted that the tolerance figure used by the ESFA is 5%. The recommendations were to document the process for enrolling students to the correct level and secondly to ensure the evidence to support exemptions are in place. It was noted that this has been an issue in previous years but has been dealt with effectively.

c) 06.16/17 – English and maths Strategy – Final Report

The Committee was reminded that this is a compliance review and has not looked at the effectiveness of the strategy. It was reported that the College is complying but is below benchmark. It was noted that the Auditors have not looked at the strategy itself; if this takes place it would take the form of an 'added value' review. The Committee asked if the College being below benchmark indicates that the strategy is not correct and this was discussed. Committee asked for explanation re figures and the Clerk explained that this is the 'value added' score and it is not unusual for this to be a negative. Value added scores have been used for A levels previously and are being rolled out to all courses for this academic year. The recommendations were explained as: to update the strategy and guidance document and this would need approval by the appropriate forum/committee: to carry out a formal assessment of the effectiveness of the measures put in place. It was noted that 3 students of the 30 tested had withdrawn before initial assessment; this may indicate that the assessments need to be carried out sooner. The Committee asked how many more had been tested above these 30 sampled files and it was explained this was the full sample size. It was explained that the timing of assessments may have been impacted due to time lags in the old system and that the new MIS ProMonitor system will accelerate the process and flag where there are delays in completion of assessments.

d) 07.16/17 – Performance Management Framework – Final Report

The audit had focused on staff training and development and also staff performance management. Substantial assurance was given and it was reported there is a robust system in place. A small number of non-compliance issues were noted and a summary of the issues was given including lack of retention of previous documents and late uploading of completed reviews. It was explained these were not significant due to the low number. Two recommendations were given related to reminders for all staff of the process and procedures to be followed and ensuring copies are retained.

e) 08.16/17 – Follow-up – Learning Support and High Needs Funding – Draft Report

It was explained this was a follow up audit due to limited assurance in 2015 to ensure the system is now adequate. Four of the seven initial recommendations have been fully implemented. Those not implemented were awaiting the introduction of ProSolution as they link in and therefore it is reasonable that these are ongoing and not yet fully implemented.

It was noted as important that a reconciliation is carried out as experience shows that many Colleges actually under-claim. This will be carried out once the migration to ProSolution is completed. On the whole a much improved position which will be monitored.

57/16 ANNUAL CYCLE OF BUSINESS

The Clerk was thanked for producing the outline annual cycle of business. It was noted that this will be added to as necessary. The cycle is in line with the production of the financial statements.

The cycle of business was approved by the Committee.

58/16 DRAFT INTERNAL AUDIT PLAN 2017/18

Scott Winter presented the Internal Audit Plan for 2017/18 and explained this is draft until approved by the Corporation. The plan was outlined. The key risks were explained to the Committee and specifically those areas of risk identified as RAG rated red. The specific audit areas were explained and the scope for each is detailed on pages 7 to 9 of the plan. These include:

Risk Based

- Curriculum Planning and Efficiency
- Readiness for Compliance with General Data Protection Regulations (GDPR)
- IT Data and Cyber Security
- Corporate Governance
- Risk Management and Board Assurance
- Fundamental Financial Accounting Controls – Management Accounts
- Fundamental Financial Accounting Controls
- Quality Improvement Plan – it was noted that as an inspection is due during this academic year this would be undertaken early

Non Risk Based

- Student Records and Funding - ESFA
- Follow up of Previous Internal Audit Recommendations

- Management, Planning and attendance at Audit Committee.

The Internal Audit Strategy sets out the areas for 2013/14 to 2019/20 to show the full range of audits carried out previously and those planned.

The Clerk reported on feedback received from Richard Lewis on the Plan. He agreed with the strategy and areas of audit with all key elements being covered in line with emerging issues in the sector. Data protection is very important and should be carried out sooner rather than later as non-compliance will lead to fines.

The Committee were happy that the plan visited some of the fundamentals and was appropriate to meet the areas that had been requested by the Committee. The D(F&C) had circulated the document to the Executive Leadership Team (ELT) and confirmed they were happy with the areas and scope but there may just be some slight adjustment to timings to fit with operational requirements.

Mark Platts asked if IT was capitalised and this was confirmed. It was asked if consideration had been given to holding an amount back pending the audit of the IT Data and Cyber Security. The D(F&C) confirmed that an amount has been held back.

Action: The Committee approved the plan and recommended approval to the Board of Corporation.

Agreed: The Committee agreed to the moving of dates as required.

59/16 URGENT BUSINESS

There was no urgent business.

60/16 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 19 September 2017 at 1700 hours.

It was explained that the full schedule of dates would be sent out once the Committee membership has been approved following the reviews being carried out currently.

The meeting closed at 1820 hours.

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Chair

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Date