



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 7 MARCH 2017 AT 17.00 HOURS

Present:	Nick Cudmore Peter Horner Nick Lyons Mark Platts	Chair Vice Chair
In Attendance:	Sarah Adams Tom Dannatt Richard Lewis Claire Love Becky Ward Scott Winter	Clerk to the Board of Corporation Group Director of Finance and Performance RSM UK Audit LLP Group Financial Controller Group Head of Information Services ICCA
Apologies:	Dean Graham Mark Ashton-Blanksby Mark Speed	ICCA

27/16 APOLOGIES FOR ABSENCE

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

28/16 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.

29/16 MINUTES OF MEETING HELD ON 13 DECEMBER 2016

The minutes of the meeting held on 13 December 2016 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly.

30/16 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

There were no matters arising or notification of urgent business.

It was noted the financial statements had been filed on time.

The Committee reported they are still having issues logging into 4Risk and the Clerk will liaise with the relevant staff to resend login details.

Action: resend Risk Register Logins to business email addresses and committee members confirm access.

31/16 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT

The schedule of Audit Recommendations had been brought up to date and the Clerk was thanked for her support following up with responsible staff to ensure current management responses were included. The report had been circulated to the Committee. The Committee agreed that the items marked green as completed could now be removed from the report and that this will continue to be reviewed at each meeting.

It was asked that the recommendations included within the Provider Financial Management and Assurance Review Report received from the Skills Funding Agency are added in.

Action: items agreed as completed to be removed.

Action: SFA/PWC funding assurance review recommendations to be included.

32/16 INTERNAL AUDIT REPORTS

The Internal Audit Reports had been circulated, including those deferred from the last meeting. It was noted that the first two were from academic year 2015/16 and had now been resolved. Scott Winter presented the reports.

- a) Final Report 06.15/16: STEP – Revised Budgetary Control and Accountability Framework 2015/16

Three medium risks and one low risk which were noted. It was explained that dates are now published and met for the production of monthly management accounts and the dates for budget build are already set. It was asked if this detail could be circulated for visibility to give assurance while going through accounts.

Action: dates for production of accounts and budget build to be circulated.

- b) Final Advisory Report 10.15/16: Lincoln College Directorate (Employer Provision)

It was noted a follow up report was included under g). This was conducted as an advisory report due to the ongoing STEP project. It was noted that recommendations made but not implemented stem back to the structure which is part of STEP and therefore it was not possible for recommendations to be put in place. The timing of the audit was discussed.

- c) Final Advisory Report 01.16/17: Employer Provision Cost Model

Discussion took place on the current costing which is used irrespective of the type of provision, delivery and location which is set at £120/£135ph and is a very blunt tool. It was noted there was no background detail available as to why this is the figure used. It was agreed that a different way of looking at the costing of the apprenticeship provision is required. There is currently no guidance on the use of loss-leaders for example which may be an important consideration for the future. Competitor analysis is to be undertaken. It was noted that LMI has been improved. Analysis of the cost of delivery has commenced. A progress report is due on 31 March 2017. There is currently not a date set for the cost of delivery model to be completed. Richard Lewis observed that 3.2 (costing model) is crucial. This is recognised and being taken forward.

d) Final Report 02.16/17: Sickness Absence Management

It was reported the system is of good design with adequate application. Only one high level recommendation was made. It was noted 33% reported as absent due to stress compared to 17% AoC data. Further analysis has been requested. An update was given and it was explained that when comparing like for like the actual benchmark is 25%. The 17% does not include some categories, for example mental health. TD reported on health and wellbeing. It was asked how the figures compare to historical data and this was discussed. The support in place for staff was outlined, including access to phone lines and healthcare. Discussion took place on the surveys carried out and the improvements being seen.

Action: TD to provide detail of surveys carried out with staff.

e) Final Advisory Report – External Assurance of Sub-Contracting Controls

This was a review of sub-contracting controls to provide a submission to the SFA which has been completed. Findings were reported as being fully compliant in all areas except match-funding requirements. It was noted this was not significant but needed to be included due to SFA regulations. There were no issues. Discussion took place on sub-contracting and providers where there have been issues in particular. It was noted that sub-contracted provision is reducing. It was asked if there was a link between costing and sub-contracting and the difference between costings for in-house delivery and sub-contracted delivery was outlined.

f) Final Report 03.16/17: Quality Improvement Plan Part 1

It was noted this was looking at the post-inspection action plan. It was reported that due to the timing of the draft and final reports a lot of progress had been made. It was explained that a different view would be taken should this audit be carried out at this point in time. Gold Group were monitoring the high level plan but not the detailed plan at this point. The detail in the management responses shows what has been followed up and the significant progress made between December and February. It was agreed that a robust response and assurance would be in place in time for the production of the Annual Report for Audit Committee.

TD gave an update on the Ofsted Monitoring visit carried out by Jai Sharda HMI which has been shared with the Board. The report was positive and the predictions and expectations matched. Indicators are strong but the evidence is not yet in place. A follow-up audit is scheduled.

g) Final Report 04.16/17: Follow-Up Lincoln College Directorate (Revised)

(continued from report b.) Reasonable assurance. 4 high risk and one medium risk. No overall assurance given. It was asked if there would be a follow-up. It was agreed the timing of the audit had been early. TD reported on the links with GIG working on apprenticeships, the setting up of Greater Lincolnshire Apprentices Limited, additional resource to work on the levy and reforms. An external consultant has also been brought in to look at cost of delivery on EP. It was agreed to wait until the work has been completed to reschedule a follow up audit.

Agreed: to reschedule and review at a future date working with the auditors.

h) Draft Report 05.16/17: Conditions of Funding – 16-18 maths and English

Scott Winter explained that this has been continued as it is a government initiative. Only 3 learners now failing to meet the conditions of funding. It was explained these are the same students noted in both areas. No questions were raised.

i) Internal Audit Progress Report

The number of reports in progress and to be completed were explained. Follow up for QIP part 2 and English and maths may be revisited. These will be rescheduled for the earliest opportunity. P3 'Raising Awareness of Sector Developments' was noted as helpful reading. It was noted that agreement has been reached to not go ahead with TopCo and therefore this would be removed from the Audit Schedule.

Action: remove TopCo from Audit Schedule.

33/16 PWC/SFA FUNDING AUDIT REPORT – UPDATE

The document had been circulated on 14 December 2016. Becky Ward reported that the audit had gone well. There were no funding changes made. A new system has been brought in to iron out any inconsistencies. It was noted this is not an annual audit but carried out linked to risk or luck of the draw. There were no material changes to the accounts following the audit.

34/16 UPDATE ON THE NEW MIS SYSTEM IMPLEMENTATION

Becky Ward reported that ProSolution has been purchased and is being installed. Data migrations have commenced. Reports are being moved over and critical functions being identified. It was noted this is one of the best packages on the market. The system is due to go live on 18 April. Contact has been made with other Colleges who use the package currently and it was noted that a lot of support has been provided by the supplier. It was outlined that a number of fields that had to be added manually in the old system are automatic and the customer support and service was reported as very responsive. Paperwork is already being reduced by the move to the new system. Staff training is being carried out currently. Becky Ward reported that there are also other systems that can be put into ProSolution in the future. The Committee welcomed receiving further progress reports once the system is fully operational. Becky Ward was thanked for her input and attendance at the meeting.

35/16 RISK MANAGEMENT UPDATE

The Annual Risk Management Report had been provided to the Committee in December. 4risks is being used well by Directors. It was agreed that for the next meeting it would be helpful to bring the package up online and have an interactive session.

Action: Next meeting use 4risk live.

36/16 URGENT BUSINESS

There was no urgent business.

37/16 DATE OF NEXT MEETING

The next meeting was scheduled to be held on Tuesday 20 June 2017 at 1700 hours, however following discussion it was agreed that this would be moved to Tuesday 13 June 2017. Diary invitations will be amended.

The meeting closed at 18.30 hours.

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Chair

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Date