



MINUTES OF A MEETING OF THE LINCOLN COLLEGE AUDIT COMMITTEE HELD AT LINCOLN COLLEGE ON TUESDAY 11 OCTOBER 2016 AT 17.00 HOURS

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

1/16 APOLOGIES FOR ABSENCE

Apologies were received from Peter Horner, Mark Platts and Scott Winter.

2/16 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.

3/16 MINUTES OF MEETING HELD ON 29 JUNE 2016

The minutes of the meeting held on 29 June 2016 were checked for accuracy and matters arising. The minutes were agreed as a true and accurate record and were signed accordingly.

4/16 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

There were no matters arising or notification of urgent business.

5/16 SCHEDULE OF THE AUDIT RECOMMENDATIONS MONITORING REPORT

The Director of Finance and Performance reported that a rolling monitoring report of Audit Recommendations had been requested at the last meeting and the report was duly circulated and will be sent out electronically following the meeting. Thanks were given to Mark Ashton-Blanksby for providing the format and basis for the report.

Clarification was provided to the meeting that the record will be kept as a live document and items will be removed as they are completed and added on commencement.

Mark Ashton-Blanksby reminded the Committee of the responsibility of the Auditors and the Audit Committee in respect of signing off audits. Following discussion it was agreed therefore that there would need to be management assurance or the agreement of the Audit Committee prior to removal from the record.

Action: Required approval required prior to removal from the record.

The Chair asked if there were any comments on the process or procedures. The report was welcomed by the Committee. It was noted that by December 2016 some recommendations should be removed or replaced as they were follow up from last year.

6/16 TERMS OF REFERENCE – APPOINTMENT OF CHAIR AND VICE-CHAIR

Nick Lyons nominated and Dean Graham seconded the appointment of Nick Cudmore as Chair for the year, which he accepted. Peter Horner was nominated as Vice Chair. The Chair agreed to contact Peter Horner and subject to his approval this appointment was also confirmed by the Committee.

Post Meeting Note: Peter Horner accepted the appointment of Vice Chair.

7/16 MIS AUDIT SEPTEMBER 2016 – UPDATED POSITION

The audit has been completed but the report is not yet available. Mark Ashton-Blanksby was thanked for his input and support. It was noted that there were no fundamental control weaknesses. RSM would like to see the report for their files and this will be provided.

Action: Report to be provided to Richard Lewis.

The committee asked for their thanks to be extended to the team involved. Mark Ashton-Blanksby will be referenced in the end of year report. It was recommended to the Chair that this is included within the end of year Audit Committee Report and this was agreed.

8/16 DRAFT AUDIT REPORT – LINCOLN COLLEGE: LINCOLN COLLEGE DIRECTORATE (EMPLOYER ENGAGEMENT)

Mark Ashton-Blanksby gave background on the two reports provided and explained that currently there is no management response due to staff illness. There are no issues of contention in either report.

An overview was given. Aspire had been restructured, as part of the STEP, and split into Employer Engagement and Business Development. The audit reviewed whether the resource and operational controls are in place to deliver the strategy, which is particularly critical linked to apprentices. Market intelligence and competitor analysis were looked at as part of the process. In light of the Area Review process and that this is at an early stage of the restructuring assurance was not felt appropriate and therefore an advisory report had been provided.

More work under the restructure is to be undertaken in wave 2. This will develop the engagement strategy to include market intelligence information and the objectives of the business development team and ensure engagement with employers is carried out appropriately including taking into account the LEP priorities. The marketing strategy needs to link with this and include the detail on the levy and replacement of apprentices as they complete, ie taking into account the large number of NHS apprentices.

Mark Speed asked when the management response is expected. The Director of Finance and Performance responded these would be provided by the end of October following half term week. When complete the updated report to be circulated.

Action: updated report to be circulated prior to the next meeting.

Mark Ashton-Blanksby highlighted there are a number of positives within the report and specifically the big contract with the NHS and also the robustness of the CRM system.

The Director of Finance and Performance reported on the collaboration with other providers related to Apprenticeship provision.

There were no further questions.

9/16 DRAFT AUDIT REPORT – EMPLOYER PROVISION COSTING MODEL (REPORT 01.2016/17)

Mark Ashton-Blanksby outlined that this report follows on from the last item and looks at qualifications, courses and how these are costed and to ascertain if the pricing structure is viable and based on robust assumptions. It was noted that some staff were not aware of how the rate per hour was arrived at. It was confirmed this was a standard rate that had been used for a number of years. It was explained there is some work that can be carried out to ensure the amount is accurate. This is important, specifically considering new contracts being further afield, how technical the provision is, etc. and therefore would be a more bespoke costing rather than a set amount.

It was explained that a new system is being introduced to assist in determining the cost of delivery. Sub-contracting work and the ratios were outlined.

It was noted that funding rates may still change as the government policy is still changing.

It was confirmed that the management response will also be available following half term week.

10/16 DRAFT UPDATED INTERNAL AUDIT PLAN AND STRATEGY 2013/14 – 2018/19

It was explained that the Internal Audit Plan and Strategy had been updated for 2016/17. This is tied back to the College Risk Register and helps inform discussions with the College when plans are put together.

The plan is owned by the Audit Committee and therefore requires the Committee to give their approval.

Audit Areas were outlined as follows:

- Employer Provision – cost model
- Staff Absence Management – it was agreed some benchmarking would be useful
- MIS STEP review – it was agreed that this will be moved from October to next June to allow the process to be undertaken and the new system to be established. It was noted that tenders have been submitted and are currently being analysed. The system is due to go live in February 2017. The audit will include looking at the integrity of retaining the data. The Committee welcomed assurance on this during the current academic year.
- Follow up on Previous Internal Recommendations – 09.15/16 Lincoln College Directorate (Employer Engagement)
- Quality Improvement Plan – to be covered in November to look at response to the areas for improvement identified by Ofsted
- QIP part 2 – to ensure progress is being made
- Conditions of Funding Healthcheck – early sight and review to ensure no issues. This will be carried out onsite in December.
- Review of establishment of TopCo
- Follow up on 08.15/16 Learning Support and High Needs Funding
- Business Planning and Performance Management – looking at the support in place
- English and Maths Strategy – it is essential there is a robust strategy in place
- HR Performance Management – how under-performance is addressed.

It was noted that there was a clear Ofsted theme during the year.

The plan and strategy gives a view on the assurances and levels over the last three years.

In relation to financial controls it was noted that RSM had no concerns and Richard Lewis agreed the plan showed a clear focus for areas of concentration and gave the plan his support.

There is work to be completed on budgetary control and accountability framework and this will come to the December meeting.

The Chair thanked Mark Ashton-Blanksby for the schedule and also for the input of the Executive Team in preparing the plan.

Dean Graham asked about staff retention and if any work could be carried out on this, particularly linked to senior posts, as it seemed there had been a number of staff changes. It was confirmed that there would be work carried out looking at capacity and structure within employer provision and MIS as part of this audit. Discussion took place on the competitive nature and high level expertise in certain curriculum areas. It was felt overall staff turnover was low.

Subject to the change of date for MIS the plan was approved by the Committee and adopted for the year.

11/16 INTERNAL AUDIT PROGRESS REPORT

The summary of audits carried out during 2015/16 was outlined. Only one audit had received a limited opinion. There are some areas for development that will be tracked.

Richard Lewis highlighted that the audit for finance commences next week. Pre-audit checking and preparation has been carried out and Richard was thanked for the support provided to the team to help prepare for the audit.

It was reported that a new Financial Controller has been appointed and will take up post in November. There is still one vacancy within the Finance Team and the structure of the unit may be reviewed following the appointment of the Financial Controller.

12/16 URGENT BUSINESS

There was no urgent business.

13/16 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 29 November 2016 at 1700 hours.

The meeting closed at 18.00 hours.

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Chair

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Date

Action List
Actions from the Audit Committee Meeting held on 11 October 2016

Minute Number	Description	Action by	Target Date	Status/Note
5/16	Audit Recommendations Monitoring Report	Audit Committee	As completed	Approval required by the committee prior to removal
7/16	MIS Audit report to be provided to RSM	Clerk	When available	
8/16	Audit Report Employer Engagement to be circulated	Clerk	When available	Completed
8/16	Audit Report Employer costing to be circulated	Clerk	When available	Completed