

East Coast College

Audit Committee Meeting 9am 7th May 2024 Video Conference

Present:	Giles Kerkham (GK) Rob Evans (RE) and Teresa Sharman (TS)	
In attendance:	Urmila Rasan Deputy Chief Executive Wendy Stanger (Director of Governance) Lucy Wharry (Head of Finance) Suzanne Rowlett (RSM Internal Audit) Tim O'Connor (Scrutton Bland External Audit.) and observing Kerry Payne Principal Lowestoft Sixth Form and Assistant Principal (Higher Education and Access)	
A/24/05/1	Membership and Apologies	Action
None as all in attendance		
A/24/05/2	Declarations of Interest	
There were no new declarations of interest		
	Audit Committee	
	Confidential Private Session with the Internal and External Auditors	
<p>A private session was held with the Internal and External Auditors.</p> <p>Internal Audit raised no issues and confirmed that the audit plan was complete and had been managed well.</p> <p>External Audit raised no issues and advised that the Audit planning meeting was booked.</p>		
A/24/05/3	To approve the Minutes of the meeting of the Audit meeting held on 5th December 2023 and any other matters raised previously not otherwise included in the Agenda	
The minutes of the meeting of 5th December 2023 were agreed as a true record.		
A/24/05/4	To review the post meeting action log	
<p>The action log was reviewed</p> <p>Training and awareness raising on the Counter Fraud Strategy, Anti-Fraud Policy or the Anti-Bribery Policy to be carried out – The Deputy Chief Executive advised that training was to be rolled out to all staff. The Director of Governance advised that these needed to include a link to the College's policies as the action had been due to staff not all being aware of the policies.</p>		
A/24/05/5	Subcontracting Standard Assurance	
<p>The Deputy Chief Executive presented the outcome letter which confirmed that the College met the subcontracting standard for the 2022 to 2023 funding year and advised that this was in relation to the audit assessment against the ESFA Subcontracting Standard: funding year 2022/23 considered at the last committee.</p> <p>The Committee noted that this meant that the College could continue to subcontract and noted thanks to all involved.</p>		

A/24/05/6	To review the Risk Register	
A/24/05/6.1	Strategic Risk Register	
A/24/05/6.2	Tactical - Finance and General Purposes	
A/24/05/6.3	Tactical - Quality and Standards	
A/24/05/6.4	Tactical - Curriculum Growth and Development	
A/24/05/6.5	Tactical - People	
A/24/05/6.6	Tactical - Governance Remuneration and Search	
A/24/05/6.7	Tactical - Estates	

Governors reviewed the risk registers in detail and noted that all committees were reviewing their tactical registers appropriately. The usefulness of the summary included with the Strategic Risk Register was discussed and it was agreed that this needed to be akin to the summary with the tactical registers where main changes were highlighted.

Governors queried:

- The new risk on the finance and general purposes tactical risk register related to pensions. The Deputy Chief Executive advised that the College was reviewing all pensions as a concern had been identified with some pre-merger records, this was commencing with those closest to retirement and could result in a financial cost to the College.
- The issues raised at the People Committee in relation to significant concern around the HR System and data. The Deputy Chief Executive advised that this was in relation to reporting and that the majority of concerns were now resolved.
- The Estates risk register and why the novation of contracts was now dormant. The Deputy Chief Executive advised that this was no longer a risk as novation was included in the tender documentation.
- The Deputy Chief Executive advised that the Estates Register would need review once the re-build, currently at planning was granted, The Place funding and lease was finalised and the T Level refurbishment commenced. The next Estates Committee was booked for May.
- If there was a risk that the re-build project would be delayed or the project's funding withdrawn. The Deputy Chief Executive advised that risks would reduce once planning was granted and the contract signed. There was a risk if planning identified additional costs or an election was called and Ministers could therefore not sign off.

Governors agreed the following action:

- **Strategic Risk Register summary report to highlight main changes since the last review under each risk.**

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A/24/05/7	Internal Audit Reports	
A/24/05/7.1	Progress Report including sector update	
<p>Internal Audit presented a progress report on the internal audit programme together with a sector briefing and advised that the Internal Audit plan was complete. The work plan had been blocked to be more efficient.</p> <p>The Deputy Chief Executive advised that the RSM funding advisory audit had also been complete and the report was at draft for management comments. This would come to the next Audit Committee.</p>		
A/24/05/7.2	Follow Up	
<p>Internal Audit presented the follow up audit which demonstrated good progress in implementing agreed management actions with only two low priority actions not implemented and one action in progress. This was a positive improvement from previous follow up audits.</p>		
A/24/05/7.3	IT Controls	
<p>Internal Audit presented the report which was reasonable assurance with 6 medium and 5 low agreed actions. This audit had been carried out by a specialist auditor.</p> <p>Governors commented that this was a critical area for the College and assurance with progress on the actions needed to be provided to the next Committee. The Committee questioned if given the number of actions this was reasonable assurance. The Deputy Chief Executive advised that the College was already implementing change and a number of the recommendations had been in relation to formalising practises into policy and procedures. Internal Audit advised that the report had been discussed with the auditor including the assessment of reasonable assurance and this had been based on his assessment of action being taken and the knowledge in the team.</p> <p>Governors challenged if the areas for action left the College more open to a cyber-attack and queried what measures the College had in place to avoid and mitigate an attack. The Deputy Chief Executive advised that the College had processes and business continuity plans in place in event of a cyber-attack including core systems on the cloud and external backups. Additional measures could be put in place but this needed to be considered against the cost with ever changing threats and would require specialist advice and support.</p> <p>Internal Audit advised that a management deep dive could be carried out on the assurances available to see if these were felt to be sufficient, and they could provide support for this.</p> <p>The Director of Governance suggested that a meeting be held with a college that had been subject to a cyber-attack to see what lessons could be learnt. Governors agreed that this would be useful and could identify if additional specialist IT consultancy support was required.</p> <p>Governors agreed the following action:</p> <ul style="list-style-type: none"> • Meeting to be arranged with a college that had been subject to a cyber-attack to discuss lessons learnt. 		WS/UR

	<ul style="list-style-type: none"> IT Manager to attend July 2024 Audit Committee to update on progress with implementing the IT Audit Report actions and on the College's approach to cyber security. 	UR
A/24/05/7.4	Key Financial Controls - Canteen and Refectory	
<p>Internal Audit presented the report which was reasonable assurance with 4 medium and 5 low agreed actions.</p> <p>The Head of Finance advised that actions were in the process of being implemented.</p>		
A/24/05/7.5	Apollo	
<p>Internal Audit presented the report which was an advisory audit requested by the College. This resulted in 5 low and 1 medium agreed action.</p> <p>The Deputy Chief Executive advised that the advisory audit had been requested to help ensure that the appropriate processes and governance had been put in place to manage the Apollo project.</p>		
A/24/05/7.6	RSM Further Education - benchmarking of internal audit findings 2022/23	
<p>The Committee noted the benchmarking report.</p>		
A/24/05/8	External Audit Verbal Update	
<p>External Audit provided an update on the change in ownership of the firm and provided assurance that this would not affect their delivery and service to the College.</p>		
A/24/05/9	Fraud Register	
<p>The Committee noted the nil return on the fraud register.</p>		
A/24/05/10	Assurance Mapping	
<p>The Committee noted the assurance map which had been updated to reflect the latest assurances received.</p>		
A/24/05/11	QD029 Risk Management Strategy and Policy and Procedure	
<p>The Deputy Chief Executive presented the revised policy. The Director of Governance advised that a tracked vacancy version of the policy had been included so changes could be identified and the Committee agreed that this was useful.</p> <p>Governors discussed the risk appetite and whether this needed disaggregation and review.</p> <p>Governors agreed the following action:</p> <ul style="list-style-type: none"> Risk appetite to be reviewed. at a future away day, to consider disaggregation of the risk area and risk appetite threshold. This to be reflected in the summary report to the Corporation. <p>The Committee resolved to recommend</p>		WS

	<ul style="list-style-type: none"> the revised QD029 Risk Management Strategy and Policy to Corporation for approval. 	
A/24/05/12	Apprenticeship Action Plan Review	
	<p>The Deputy Chief Executive presented the report and advised on progress. In January 2024 the College appointed an experienced Apprenticeship Lead to address the technical knowledge gaps, to review existing processes and identify and implement revised, improved processes. This is split into two phases, the first focussing on the onboarding process in order to ensure compliance for new starts. Phase 2 will consider all delivery and End Point Assessment (EPA) processes. The Apprenticeship Lead is able to access RSM's funding team for advice, and progress will be reviewed at the next RSM funding advisory audit.</p> <p>Governors commented that the investment was required to ensure compliance. The Committee had challenged previously why the College continued to offer apprenticeships but it recognised there was a local need and the College therefore needed to provide and ensure that the funding rules were complied with.</p> <p>The Deputy Chief Executive advised that the College was unable to correct historical records and therefore there could be a funding risk, this risk would reduce as apprentices completed.</p> <p>The Director of Governance advised that the July Board was to consider a report of apprenticeships that would cover funding compliance, quality and recruitment.</p>	
A/24/05/13	Audit Code, Accounts Direction, Reg Audit & financial handbook	
A/24/05/13.1	Post-16 Audit Code of Practice 2023 to 2024	
A/24/05/13.2	College accounts direction 2023 to 2024	
A/24/05/13.3	Regularity self-assessment questionnaire (2023 to 2024)	
A/24/05/13.4	College financial handbook 2024	
	<p>The Director of Governance presented the revised guidance applicable for 2023/24 and the Financial Handbook applicable which is effective from 1 August 2024. A webinar was being held on the financial handbook and the resources from this would be shared.</p>	
A/24/05/14	Agenda Planning	
	IT Manager – Progress on IT Audit recommendations and cyber security.	
A/24/05/15	Review of Meeting	
	<ol style="list-style-type: none"> Confidential Items: Detail of audit findings Risk Management: As noted, with risk appetite to be reviewed at next away day. Health and Safety: None Equality and Diversity: None Media: None How did the meeting go: Agenda for guidance only and shouldn't constrain what needs to be considered. 	