

East Coast College Audit Committee Meeting 14th July 2020 Video Conference

Present:	Giles Kerkham (GK) Rob Evans (RE) Albert Cadmore (AC) and Roger Cracknell (RC)	
In attendance:	Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive) Rob Newell (Head of Finance) Nick Fanning (RSM Internal Audit) and Sharon Gravener and Mark Smith (ScruttonBland External Audit.)	
A/20/07/1	Membership, Apologies	Action
There were no apologies as all in attendance.		
A/20/07/2	Declarations of Interest	Action
There were no declarations of interest.		
A/20/07/3	To approve the Minutes of the meeting of the Audit meeting held on 28 4 20 and any other matters raised previously not otherwise included in the Agenda	
The minutes of the meeting of 28 4 20 were agreed as a true record.		
A/20/07/4	To review the post-meeting action log	
<p>The post meeting action log was reviewed and it was noted where complete or on the agenda.</p> <p>A/19/12/6 – Action log of recommendations replaced at this meeting by the follow up audit. The action log would be presented to the next Audit Committee.</p> <p>A/19/12/8 – replaced at this meeting by the COVID Key Financial Controls Audit.</p> <p>A/19/12/11 – IT Business Continuity Planning to be considered as part of the overall update of the Business Continuity Plan.</p>		
A/20/07/5	To review the Risk Register	
A/20/07/5.1	Strategic Risk Register	
<p>The Deputy Chief Executive presented the strategic risk register, the main change had been the risk to the quality of teaching and learning due to Covid.</p> <p>The Committee agreed the following actions:</p> <ul style="list-style-type: none"> Result of risk S03 quality of teaching and learning to be updated to reflect that the College had been assessed as Ofsted good. 		UR
A/20/07/5.2	Covid Risk Register	
The Deputy Chief Executive advised that the Covid risk register was under regular review due to the changing nature of the pandemic and government advice. The		

College had also developed a dashboard to monitor local infection rates so that appropriate mitigation could be taken.

Governors challenged how often the register was reviewed. The Deputy Chief Executive advised that review was ongoing in light of guidance changes and risk assessment updates. Risk assessments were carried out at department level in conjunction with health and safety and these were reviewed by the Deputy Chief Executive and signed off by the Principal with any necessary updates made to the risk register.

The Director of Governance advised that following the audit committee's last review, the Covid register had been reviewed by the Emergency Planning Committee and Corporation. Following these reviews the risk of 'face to face contacts increase opportunities for exposure to the virus' had been split between staff and students and a fraud and financial risk added.

Governors challenged how other Colleges were addressing the Covid risk. The Internal Auditor advised that Colleges either had a separate Covid Risk Register or had amalgamated the covid risks into their overall register.

Governors challenged whether the College was ready for another outbreak. The Director of Governance advised that the Curriculum teams had reviewed this in planning week, where they had planned the curriculum for full opening, partial opening or full closure. The Committee agreed that this needed to be kept regularly reviewed so as to ensure that the College was ready to mitigate the risk of a second outbreak.

The Committee commented that it was clear that the Covid risk register was an active document that gave a clear summary of risks, actions and mitigations. The Covid register needed to be kept in place until the risk of Covid was removed.

A/20/07/5.3

Tactical Risk Register

The Deputy Chief Executive presented the tactical risk registers.

The Director of Governance advised that during the pandemic the Emergency Planning Committee had replaced the normal committee cycle and had reviewed the mitigation of risks. The Committee cycle had now recommenced and an update on the committee reviews had been included at agenda item 5. GRS had reviewed their register since the report was produced and had concluded that the register was being mitigated by the reports at their meeting and that the register would need a full review after these had been implemented.

The Chair of WOM commented that recruitment risks had been reviewed as a key risk area by the Emergency Planning Committee.

The Committee discussed how the Covid risks would be reviewed by the Committees. The Director of Governance advised that it was proposed in the 20/21 Governance schedule that due to the financial and strategic risks the College was facing that monthly board meetings would be held and these would receive the Covid register. The Committee agreed it would also be appropriate for the Committees to review the Covid register.

The Committee noted that the action logs had not been included in this review and that these would be required again at future meetings.

The Committee agreed the following actions:

- **Committees to receive the Covid risk register as well as their tactical risk register in 20/21.**

WS

<ul style="list-style-type: none"> • Risk register action logs to be considered at next meeting. 		UR
A/20/07/6	Internal Audit Reports	
A/20/07/6.1	Progress report and Sector updates	
<p>The Internal Auditors presented the progress report and sector updates. This included details of how the audit plan had been adjusted due to Covid.</p> <p>The Committee agreed the following actions:</p> <ul style="list-style-type: none"> • Sector updates to be sent to the Corporation. 		WS
A/20/07/6.2	Follow Up Audit	
<p>The Internal Auditors presented the report which demonstrated that reasonable progress had been made. The audit had considered 14 management actions comprised of five Medium and nine Low priority actions.</p> <p>The Committee noted that the remaining recommendations would be reviewed at the next Audit Committee.</p>		
A/20/07/6.3	GDPR	
<p>The Internal Auditors presented the report which was an advisory audit with 3 medium and 2 low actions.</p> <p>The Deputy Chief Executive advised that the action 'The Covid-19 risk register will be updated to include a risk on Data Protection in relation to the Covid-19 pandemic' had already been actioned.</p> <p>The Director of Governance advised that the committee received a report of breaches in the annual GDPR report.</p>		
A/20/07/6.4	COVID Risk Management	
<p>The Internal Auditors presented the report which was an advisory audit with 1 medium action.</p> <p>Governors challenged if there was a risk to the college in availability and purchase of equipment such as PPE and cleaning materials and it was agreed that a supply days in hand should be recorded for essential supplies so as to assess the College's vulnerability to change. The Deputy Chief Executive advised that PPE requirements and re-engagement of the cleaners had been picked up in the risk assessments carried out prior to the campuses being re-opened. These risk assessments had been carried out for the College, curriculum area and by building and any issues identified informed the Covid risk register.</p> <p>Governors discussed the cyber risks. The Deputy Chief Executive advised that all college laptops have a firewall built in and that the method of accessing college files externally had not changed just the number accessing increased. The College was constantly strengthening its cyber controls and these would be accessed as part of the overall review of the Business Continuity Plan.</p>		

The Committee agreed the following actions:		
	<ul style="list-style-type: none"> • Covid Risk Register to be reviewed in light of the audit report appendix b additional risk considerations to ensure that the areas where all covered 	UR
	<ul style="list-style-type: none"> • Supply days in hand to be recorded for essential supplies 	UR
	<ul style="list-style-type: none"> • Business Continuity Plan review to be included in future audit plan. 	UR
A/20/07/6.5	COVID Key Financial Controls	
<p>The Internal Auditors presented the report which was substantial assurance with 1 low priority action. The testing has identified that there were robust controls in place with detailed scrutiny of spend. This had resulted in a reduction in spend and effective management of cash flow.</p> <p>Governors challenged if auditing virtually restricted the audit impact. The Internal Auditors advised that for virtual audits it was imperative that the scope was clear to ensure that assurance could be given and any issues that could not be audited virtually are noted in the reports. In this audit it had been noted that the authorised signatory's list could not be checked as a paper copy was held on the campus.</p> <p>Governors challenged if the finance team was now adequately resourced. The Deputy Chief Executive advised that the planned recruitment had been put on hold and this would be reviewed once the planned upgrade of the financial system had been completed. The Head of Finance advised that the team had been upskilled and transactional and reconciliation controls put in place but that there was still a need for additional qualified resources.</p> <p>Governor discussed the recommendation which was that the Colleges Regularity, Propriety and Compliance Manual be regularly updated to reflect the Colleges current financial processes. The Deputy Chief Executive advised that the review had been delayed due to Covid and would be reviewed over the summer with the revised manual brought for approval to the next Audit Committee.</p> <p>The Committee noted that the report highlighted the purchase of laptops with the more expensive quote accepted due to quicker delivery and the committee accepted this as an appropriate reason in the circumstances.</p>		
A/20/07/6.6	COVID Teaching and Learning - Verbal Update	
<p>The Internal Auditors gave a verbal update on the audit. The audit had been carried out by a Senior Education Manager and had considered the teaching and processes that had been put in place due to Covid.</p> <p>Governors noted that the audit had been about teaching and not learning and that this was an important distinction to make. The Director of Governance advised that the College had also carried out Research on the effectiveness of the "virtual college" at East Coast College and had amended the end of year student survey to assess student's views of the effectiveness.</p> <p>Governors discussed that there were likely to be changes to curriculum delivery in 20/21 and lessons learnt from this audit needed to be picked up in this planning. The Director of Governance advised that in the College's planning week teams had</p>		

planned teaching and learning delivery for full opening, partial opening and full lock down.		
<p>The Committee agreed the following actions:</p> <ul style="list-style-type: none"> • COVID Teaching and Learning report to be circulated to the Committee by email. 		WS
A/20/07/7	External Audit Planning Letter	
<p>The External Auditors presented the Audit Plan and highlighted the changes that had been made for Covid.</p> <p>The Committee challenged if there would be any need to extend the timetable. The External Auditors commented that at the planning meeting they had been assured that all was in place for the audit. The Deputy Chief Executive advised that processes and reconciliations had been put in place that should ensure that the audit met the timetable set.</p> <p>The Committee challenged if the audit could be carried out virtually. The External Auditors advised that all audits were currently being carried out virtually and processes had been put in place to ensure that they could be completed virtually, it would be reviewed to see if the final audit needed to be carried out on site. For sampling the College had provided a read only access to the financial systems.</p> <p>The Committee discussed the 'going concern' statement in the accounts. The External Auditors advised that cash flow would be considered in detail for this and that a covenant waiver would be required from the banks. The Deputy Chief Executive advised that there had been ongoing discussions with the bank who did not foresee an issue with providing a waiver. The College had not yet breached the covenants, but was forecasting that they would. The bank would not issue a waiver until they were breached.</p> <p>The Director of Governance advised that ESFA had not yet published the regularity questionnaire for 19/20. It was understood it was being updated for Covid. Therefore the previous year's questionnaire would be used as a basis to provide the evidence required.</p> <p>The Committee discussed the risk of the furlough payments and the issue of double grant funding. The Deputy Chief Executive advised that the College had taken a prudent approach to furloughing with areas such as commercial, canteen and full cost staff furloughed. No teachers had been furloughed. The management accounts include a provision for repayment of furlough income – this treatment will be reviewed after taking advice from the External Auditor.</p> <p>The external and internal auditors left the meeting.</p>		
A/20/07/8	Confidential - External and Internal Audit Contract	
A/20/07/9	Agenda Planning	
Audit Plan		

Annual Reports – GDPR, Audit, FOI		
A/20/07/10	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: Internal and External Audit Tender 2. Risk Management: As noted in agenda item 3. Health and Safety: Covid covered in the risk register 4. Equality and Diversity: None 5. Media: None 6. How did the meeting go: 		
	Date of Next Meeting	
TBC in Governance schedule for 20/21		