

East Coast College Audit Committee Meeting

6th March 2018 at 5.00pm

Present:	Rob Evans (RE) Tony Ing (TI) Peter Lavender (PL) and Simon Gray (SG)	
In attendance:	Wendy Stanger (Director of Governance) Simon Eaton (Deputy Chief Executive) External Audit - Scrutton Bland and Internal Audit - RSM	
Private Session	A private session was not held with the internal and external auditors as no concerns were raised.	
A/18/03/1	Membership and Apologies	Action
Apologies were received from Albert Cadmore (AC). Peter Lavender was welcomed to his first meeting of the Audit Committee.		
A/18/03/2	Declarations of Interest	
There were no declarations of interest.		
A/18/03/3	To approve the Minutes of the meeting of the Audit meeting held on 21 11 17 and any other matters raised previously not otherwise included in the Agenda	
A/17/11/5	It was agreed that the recommendation should state Those to be archived to be those risks at or below the risk appetite.	SE
The minutes were, subject to the change to minute A/17/11/5, agreed and signed as a true record of the meeting.		
A/18/03/4	To review the post-meeting action log	
The post meeting action log was reviewed and noted where the item was on the agenda. A/17/11/8 high coding error rate. The Deputy CEO advised that this had been due to the number of staff that were relatively new or covering the finance role and had occurred during the training period. The Finance team was now more stable and trained on the new finance system and codes. A/17/11/5. The Deputy CEO advised that the risk register had been reviewed and that column P, post impact mitigation gross risk, would be used to archive those with a score below 12. The variance from target appetite had not been used as this had resulted in relatively minor risks being given high priority.		

paid if not authorised and the system for sessional staff had been tightened. There has been no cases of large sessional backdated claims, as had been encountered previously. Curriculum Managers and Assistant Principals have been made fully aware that sessional staff have to be authorised by them and the Deputy CEO before they are booked. It has been made clear to all staff that all orders must be via the finance system.

Governors challenged what work was still outstanding. The Deputy CEO advised that the finance team was now more stable with an experienced manager on a short term contract brought in to support, this has meant that the work has been brought up to date as at end January. The February management accounts would be produced shortly.

External Audit queried if all controls were in place at merger. The Deputy CEO advised that the tighter controls were introduced pre-merger at Federation.

External Audit advised that they would carry out some early interim testing work for the 18/19 accounts to test whether the issues raised have been rectified.

Governors agreed the following action:

- **Management comments to be added to the issues raised in the management letter and to be considered at the next Audit Committee.**

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A/18/03/7	Internal Audit Reports: A. Sessional Staff B. Progress Report	
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A. Sessional Staff

Internal Audit presented the report which had been assessed as amber, reasonable assurance with 2 medium and 4 low recommendations. He advised that the audit did not identify high levels of non-compliance as had previously been identified during the year end accounts in this area.

Governors challenged what the procedure was for authorisation of urgently required sessional staff. The Deputy CEO advised that in urgent circumstances where sessional staff were needed to cover for instances of sickness, the form should be completed and authorised on the same day of the booking. There were still some examples of non-compliance in this area.

Governors noted that it takes time to change a culture of non-compliance but that there was a wider performance issue if people were not compliant with the policy and procedures. The Deputy CEO advised that a new ECC claim form for sessional staff had been introduced in January 2018 and if this form was not used payment would not be processed.

B. Progress Report

The Internal Auditor presented the report. The learner numbers audit was to be moved from March to end of April, the Governance and Risk Management from June to April and the HR audit from April to June.

The Audit committee resolved to note the reports and agreed the changes in the Audit programme.

A/18/03/8	Funding Audit	
<p>The Deputy CEO presented the audit. He advised that each year the ESFA select a sample of colleges due to either anomalies in their ILRs or by random selection. This audit was due to a random selection and was for Lowestoft College only. The audit sampled learners from the ILR, minimum anomalies were identified and no significant adjustments were made.</p> <p>Governors challenged if there was anything identified that could improve ECC systems. The Deputy CEO advised it was reassuring that the audit was positive with the majority of issues identified being technical ones, ECC has adopted Lowestoft's MIS system on merger.</p> <p>External Audit commented that it should also be noted that Lowestoft College had not had an internal audit service during the period and therefore had not been subject to a learner numbers audit through that. ECC had an internal audit service that would be carrying out an audit on learner numbers.</p> <p>Governors concluded that the audit was a good one and that any educational institution would have issues raised in a funding audit.</p>		
A/18/03/9	Business Continuity Plan Review	
<p>The Deputy CEO presented the plan which had been produced in conjunction with the College Insurers free of charge. A consultant had spent 4 days at the college with relevant staff to produce the draft, staff had found the process useful and the document produced was much more detailed than the Colleges previously had in place.</p> <p>Governors challenged if all the appendices noted were in place. The Deputy CEO advised that they were and the electronic version had direct links to them. There was a need to add additional ones such as the IT Continuity Plan.</p> <p>Governors challenged that the document detailed levels of incident but didn't include details of what action would be taken for different incidents, such as the loss of one site. The Deputy CEO advised that this would need adding to the finalised document.</p> <p>External Audit raised that there was a need for the appropriate staff to have access to the document and relevant phone numbers available offline.</p> <p>Governors resolved to accept the draft and agreed the following actions:</p> <ul style="list-style-type: none"> • IT Continuity Plan to be added to the appendices. • Critical Incident Management Team titles to be updated and a deputy added for each. • Finalised document and relevant phone numbers to be held by the critical incident management team offline. • Finalised document to include procedure for different incidents. • Finalised document to be reviewed by July's Audit Committee. 		<p>SE</p> <p>SE</p> <p>SE</p> <p>SE</p> <p>SE</p>
A/18/03/10	Hospitality Register	
<p>The Hospitality Register was noted. The Director of Governance advised that the next register would include an update on any hospitality received by Senior Post Holders.</p>		

<p>Governors challenged if the gifts that had been received had been kept by the recipient. The Deputy CEO advised that they had been.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Policy on acceptance of gifts and hospitality to be clarified. • All staff to be informed of the requirements of the policy. 		<p>SE</p> <p>SE</p>
A/18/03/11	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: None 2. Risk Management: Ongoing review of register 3. Health and Safety: None 4. Equality and Diversity: None 5. Media: None 6. How did the meeting go: Quick and succinct. 		
F/17/11/11	Date of Next Meeting	
24 July 2018		