

East Coast College Audit Committee Meeting 12 March 2019 at 5.00pm in the Board Room Great Yarmouth

Present:	Rob Evans (RE) Albert Cadmore (AC) and Giles Kerkham (GK)	
In attendance:	Wendy Stanger (Director of Governance) Urmila Rasan (Deputy Chief Executive) Tom Bright (Projects Manager) for items 1 to 6) and Nick Fanning RSM Internal Audit No private session was held.	
A/19/03/1	Membership, Apologies	Action
Apologies were received from David Carlin.		
A/19/03/2	Declarations of Interest	Action
There were no declarations of interest.		
A/19/03/3	To approve the Minutes of the meeting of the Audit meeting held on 22 1 19 and any other matters raised previously not otherwise included in the Agenda	
The minutes of the meeting of 22 1 19 were agreed as a true record.		
A/19/03/4	To review the post-meeting action log	
<p>The post meeting action log was reviewed and noted where the item was complete as on the agenda.</p> <p>A/18/11/8.2 – F&GP have considered and a proposal has been sent to Sentinel to resolve, no response has yet been received.</p> <p>A/19/01/6 – The Deputy Chief Executive is to share the regularity manual with managers during the budget setting process. The use of an online system for sharing and confirmation of receipt of the policy is still being considered.</p> <p>A/19/01/8 – The scope of the HR Audit was changed to consider workforce engagement rather than appraisals as the issues with appraisals had already been identified and were being addressed by the SLG.</p>		
A/19/03/5	Strategic Risks and Risk Register Review	
<p>The Projects Manager gave a presentation on the review of the risk register including the strategic risks and risk appetites. The risks and appetites were now more detailed, took into account the recent risk training and linked to the Strategic Plan targets, this allowed the College to be more specific on the risk mitigation.</p> <p>The Deputy Chief Executive advised that the financial risk was set at low due to the College still being in intervention.</p> <p>The Director of Governance advised that a Governor had queried how the Audit Committee would monitor the implementation of the Strategic Plan. The risk mitigations used the strategic plan targets and therefore would be monitored through the risk register.</p> <p>GK joined the meeting.</p>		

Governors challenged if the risks were clear and suggested that they should be revised to make it clearer on risk, cause and leading to.

Governors challenged that the financial risk needed to be clearer to show that the risk was that of financial viability.

Governors challenged where the risks to the income lines would be covered. The Projects Manager advised that there would be in the tactical risk register and would link through to the financial strategic risk for the financial implications and for student numbers to the strategic winning the market risk.

Governors challenged when the tactical risks were to be produced. The Projects Manager advised that he would meet with each member of the SLG to help them set out their tactical risks before this was approved by SLG. Each Governance Committee would then receive their strategic and tactical risks to review before the register was reviewed by July's Audit Committee.

Governors challenged how they would be able to drill down in to the tactical risks associated with each strategic risk. The Deputy Chief Executive advised that she was in the process of adding the risk register to the dashboard which would enable drill down to the tactical and operational risks.

Governors challenged why the capital projects were included as a strategic risk. The Deputy Chief Executive advised that this was due to the risk of a budget or time overrun on the colleges overall budget and curriculum plan. This would be time limited and would be closed of once the projects were secure.

Governors challenged where the risk of not having a succession plan would be covered. The Projects Manager advised that this would be a tactical risk under the Strategic Risk of failure to recruit and retain a high-quality senior team, including governors. This would also have a tactical risk in relation to reward and recognition.

Governors challenged why the completion risk was a medium appetite. The Deputy Chief Executive advised that this was as developing new provision and new specialities inherently carried more risk.

Governors challenged how the mitigation for each risk would be drawn up. The Projects Manager advised that the mitigation would be in more detail than in previous versions of the register and would consider the treat, terminate, task and transfer that was set out in the risk training.

RSM Internal Auditor commented that the approach the College was taking was a sensible one.

The Deputy Chief Executive advised that was the risk register was being reviewed the Governance and Risk Audit had been moved to the 19/20 Audit Plan.

Governors agreed the following actions:

- **Risks to be written as risk, cause and leading to.**
- **Strategic Risks to be given a title.**
- **Strategic financial risk to be rephrased to make it clear that the risk is one of financial viability.**
- **Presentation of risk register to be reviewed to help ensure that it was readable online.**
- **Each Audit Committee to have a summary report of key risk changes.**
- **Projects Manager to present the risk presentation to the next Corporation meeting.**

TB/WS

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TB/UR

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Governors resolved to recommend to Corporation		
<ul style="list-style-type: none"> • the Strategic Risks for ECC • the Strategic risk appetites and resolved to <ul style="list-style-type: none"> • approve the implementation plan for the development of the Risk Register • note that the risk mitigations are to be developed and detailed in future iterations of the register. • note that each Committee will review their Strategic Risk(s) and Tactical Risks and report back to July's Audit Committee. 		
A/19/03/6	GDPR Compliance Update	
<p>The Projects Manager presented the report which set out actions taken, areas for future work and the register of breaches.</p> <p>Governors challenged if it was acceptable that only 64% of staff had passed the GDPR online training. The Projects Manager advised that reminders had been sent to those that had not yet completed the training and alternative delivery methods were being looked into for those that did not regularly use College computers e.g. cleaning staff.</p> <p>Governors challenged that the number of subject requests looked low. The Director of Governance advised that the low number was consistent with the low number of FOI requests that the College received.</p> <p>Governors challenged what the main area of breach had been. The Projects Manager advised that this was information being emailed to the wrong person to mitigate this risk email encryption was being introduced and the policy amended to state that personal data needed to be sent using an encrypted email. He was encouraged by the number of breaches reported as it allowed for both remedial action and action to stop the breach happening in the future.</p> <p>Governors challenged if emails could be sent to all staff or all students. The Projects Managers advised that the use of the all staff and all students' emails were restricted.</p> <p>Governors agreed the following actions:</p> <ul style="list-style-type: none"> • Annual GDPR report to the Audit Committee. 		TB
A/19/03/7	Internal Audit Reports	
A/19/03/7.1	Progress Report	
<p>RSM Internal Audit presented the report which set out the progress with the Audit Plan. The Governance and Risk Audit had been moved to the 19/20 plan due to the recent adoption of the Board Assurance Framework and review of the risk register. This would be replaced with a follow up report on apprenticeships and additional testing on tier 2 and tier 4 which was initially completed as part of HE review but will now be issued as a standalone audit.</p> <p>Governors noted and agreed the changes to the audit programme.</p>		

A/19/03/7.2	Workforce Engagement	
<p>RSM Internal Audit presented the report. It was a reasonable assurance with 2 low and 2 medium actions.</p> <p>Governors challenged that the response rate for the staff survey was low and that consideration of incentives to increase the survey return rate should be considered. The Director of Governance advised that the People Committee were considering this and that it was also hoped that by demonstrating that the College had responded to the issues raised in the survey returns would increase.</p>		
A/19/03/7.3	High Level Review of the Framework for HE Provision	
<p>RSM Internal Audit presented the report. It was a reasonable assurance with 6 low and 1 medium actions.</p> <p>Governors noted that there were 3 separate processes – marketing, recruitment and admissions and it was important that the effectiveness of each was considered. The report stated that the College do not measure the effectiveness of marketing strategies and therefore have no means to determine whether marketing activities have been effective or not. This was an area that needed to be improved.</p>		
A/19/03/7.4	Review of Post 1 May 2017 Apprenticeships	
<p>RSM Internal Audit presented the report which was an advisory one and had 6 high and 6 medium management actions. The Deputy Chief Executive advised that a specialist at RSM had at her request completed the audit and would complete a follow up audit in July.</p> <p>Governors noted their concern about the audit and that they expected to see significant improvement by the July follow up audit. The Deputy Chief Executive advised that a new team, manager and processes had been introduced and the purpose of the audit had been to have a critical look to identify areas that required improvement and to help train the new team. This issues needed to be resolved otherwise the College would be at risk of clawback at a funding audit.</p> <p>The Deputy Chief Executive advised that implementation of the internal audit recommendations were included in an action plan that would be monitored by SLG weekly and reported back to the next Audit Committee.</p> <p>Governors endorsed the change to the Audit Plan to have a follow up Audit on Apprenticeships in July and expected to see a significantly improved report.</p>		
A/19/03/8	Due Diligence Risks and sensitivities Action Plan	
<p>The Deputy Chief Executive presented the report that set out how the College was addressing the risks and sensitivities identified in the due diligence report.</p> <p>Governors noted that the commercial income was RAG rated as red and challenged what action was being taken to address the shortfall in income. The Deputy Chief Executive advised that this issue had also been raised by the F&GP Committee who had received a revised curriculum plan. It was rated as red due to the risk of not meeting the target income. To try and address this the curriculum plan had been revised, additional provision had been planned and income and debt collection</p>		

improved. It was though still a risk and this would be reflected in the tactical risk register.		
Governors noted that the DD report had been to reassure the bank that the College could meet the loan repayments and that F&GP were monitoring the loan covenants.		
A/19/03/9	FE Commissioner Action Plan	
The Deputy Chief Executive presented the action plan that set out how the College was addressing the actions from the FEC report.		
Governors challenged when the L6FC systems integration would be complete. The Deputy Chief Executive advised that there was a plan in place with a target date of August 19. To help with this process line management responsibilities had been changed at L6FC.		
Governors noted that significant progress had been made on the actions and that the follow up visit was due in May.		
A/19/03/10	Accounts Direction 18/19	
The Chair advised that this item had been included so that the Audit Committee were aware of the requirements. The Deputy Chief Executive advised that this would be picked up at the Audit Planning meetings and assured that the requirements would be complied with..		
A/19/03/11	Post-16 audit code of practice 2018 to 2019	
The Chair advised that this item had been included so that the Audit Committee were aware of the requirements. The Committee were assured that the requirements would be complied with.		
A/19/03/12	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: contents of audit reports 2. Risk Management: as per the agenda item 3. Health and Safety: None 4. Equality and Diversity: None 5. Media: None 6. How did the meeting go: Good detailed and open discussions. 		
A/19/03/11	Date of Next Meeting	
16 7 2019		