

East Coast College

Audit Committee Meeting 9am 2nd July 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 Karl Bentley (RSM Funding Audit)	
	Confidential Private Session with the Internal and External Auditors	
<p>A private session was held with the Internal and External Auditors who raised no issues not included on the agenda.</p> <p>The Deputy Chief Executive and Head of Finance joined the meeting.</p>		
A/24/07/1	Membership and Apologies	Action
<p>None as all in attendance.</p> <p>Rob Evans, who was retiring from his role as a Governor at the end of the Academic Year, was thanked for his work on the Committee.</p>		
A/24/07/2	Declarations of Interest	Action
<p>There were no declarations of interest</p>		
A/24/07/3	To approve the Minutes of the meeting of the Audit meeting held on 7th May 2024 and any other matters raised previously not otherwise included in the Agenda	
<p>The minutes of the meeting of 7th May 2024 were agreed as a true record.</p>		
A/24/07/4	To review the post meeting action log	
<p>The action log was reviewed.</p> <p>The Head of Finance advised that training and awareness raising on the Counter Fraud Strategy, Anti-Fraud Policy or the Anti-Bribery Policy had been sent to all staff for completion. A record of completion would be retained.</p>		
A/24/07/5	To review the Risk Register	
A/24/07/5.1	Strategic Risk Register	
A/24/07/5.2	Tactical - Finance and General Purposes	
A/24/07/5.3	Tactical - Quality and Standards	
A/24/07/5.4	Tactical - Curriculum Growth and Development	
A/24/07/5.4	Tactical - People	

A/24/07/5.4	Tactical - Governance Remuneration and Search	
A/24/07/5.6	Tactical - Estates	
<p>Governors reviewed the risk registers and commented that the revised summary report for the Strategic Risk Register was much more informative and this with the other summaries and reports provided a comprehensive review and evidence that the risk registers were being reviewed regularly.</p> <p>Governors commented that the risk relating to Lowestoft Sixth Form needed to be considered in more detail. The Director of Governance advised that the committees were to be amalgamated to form a Quality and Curriculum Committee and each of their meetings would have a focus on part of the College's provision.</p>		
A/24/07/6	Internal Audit Reports	
A/24/07/6.1	Annual Summary Report	
<p>Internal Audit presented the draft Annual Summary Report which was a list of the core Internal Audits completed and a summary of the number of recommendations. This would be updated for the next audit committee.</p>		
A/24/07/6.2	Audit Plan	
<p>Internal Audit presented the core Audit Plan which had been drafted following a review of the risk register and in discussion with the Deputy Chief Executive and Director of Governance. Procurement, as previously requested by the Committee, had been included for 2024/25.</p> <p>Governors discussed the suggested plan for 2024/25 and queried the Learner Journey audit. The Director of Governance advised that this audit was focussing on conversion rates from application to enrolment and had been highlighted as an area to consider by other committees. The Deputy Chief Executive commented that the College was looking to implement online applications and this would be reviewed by Internal Audit in the 2025/26 plan.</p> <p>Governors suggested that given the issues highlighted in the Funding Rule Compliance around the curriculum planning for T Levels that this should be included in the 2025/26 plan. The Deputy Chief Executive advised that the curriculum planning for 2024/25 was complete and the planning for 2025/26 would commence in November. As T Levels were new provision there had been some learning and one of the reasons for having the funding rule compliance was to ensure that the College complied. A review of the completion of the actions in the funding compliance audit would be covered in the follow up audit. Currently the T Level provision was circa 200 learners in Childcare, Health and Social Care and Engineering. It was noted that T levels and the de-funding of other level 3 provision may be affected by a change in government. It was agreed to review if T Levels should be included in the audit plan at the December Audit meeting.</p> <p>Governors challenged if any areas highlighted in the RSM Emerging Issues paper should be included in the plan. Internal Audit advised that one issue could be fraud but this had been reviewed recently and the College had developed its processes and policies. Another area may be adult skills. The Deputy Chief Executive advised that the College was currently in</p>		

<p>negotiations with the Counties regarding the audit budget due to the proposed devolutions. This also might be affected by a change in government.</p> <p>Governors queried if the Procurement Audit would consider value for money. Internal Audit advised it would look at the processes the College used to help achieve value for money. The Deputy Chief Executive commented that the College tended to use a framework and their recommended tender evaluation.</p> <p>The Committee agreed to recommend the Audit Plan to the Corporation and that the plan would be reviewed at the December Audit meeting.</p>		
A/24/07/6.3	RSM Emerging Issues	
<p>The RSM Emerging Issues paper was noted and the Committee commented that these reports were very useful.</p>		
A/24/07/6.4	Further Education Funding Rule Compliance	
<p>Internal Audit funding auditor presented the report. This had focused on Study Programme learners, ESFA funded Adult Education Budget learners, and Advanced Learner Loan. Samples had been selected from each to review compliance with the relevant 2023/24 Funding Rules. This was an advisory audit and had resulted in 8 medium and 6 low recommendations.</p> <p>Governors discussed the recommendations and the implications of the findings. The Deputy Chief Executive advised that all the recommendations had been agreed with some actions already complete and all due to be complete by September. The College reviewed its records to ensure that the issues identified in the sample weren't happening elsewhere and through error reporting.</p> <p>Governors challenged how the College's compliance compared to other Colleges. Internal Audit advised that the College was reasonable in comparison to others, which was demonstrated in the benchmarking included in the report. Progress with actions would be reviewed in the follow up audit and part of the role of the audit was to help ensure compliance and give assurance. Funding was an ever changing system with at least annual changes.</p>		
A/24/07/7	External Audit Reports - Audit Planning Letter	
<p>External Audit presented the audit planning letter and advised on the audit programme to be followed. Scrutton Bland was now part of Sumer but the audit team and local delivery would not change with Sumer committed to Further Education. An area to be considered in this audit was the accounting treatment for the Great Yarmouth redevelopment.</p> <p>The Head of Finance advised that the team was ready for the year end and was expecting the audit to be a straight forward one.</p>		
A/24/07/8	Cyber Security	
<p>The Deputy Chief Executive presented the report and advised on a meeting held with a Chief Executive of a College which had been subject to a cyber-attack. This discussion highlighted the human cost of a cyber-attack as well as the practical aspects of getting a college back on line. The College will be carrying out a cyber security risk assessment and a ransomware</p>		

simulation training session supported by companies recommended. Once the work has been completed, a Cyber Gap Analysis will be produced and recommendations implemented and a Cyber Business Continuity Plan written which would be brought to the December audit meeting.		
The Committee agreed that the approach suggested was a sensible one.		
A/24/07/9	Fraud Register	
The Committee noted the nil return on the fraud register.		
A/24/07/10	Audit Action and Apprenticeship Action Plan Review	
The Deputy Chief Executive presented the action plan which set out progress against actions from the Internal Audits and the Apprenticeships review. This was to give assurance to the Committee that progress was being made against the actions.		
A/24/07/11	Assurance Mapping	
The Committee noted the assurance map which had been updated to reflect the latest assurances received.		
A/24/07/12	QD100 Corporate Governance and Board Assurance Framework	
The Director of Governance presented the revised policy and advised on the changes proposed and the Committee agreed with the changes.		
<p>The Committee resolved to:</p> <ul style="list-style-type: none"> • recommend QD100 - Corporate Governance and Board Assurance Framework to the Board for adoption. <p>Internal and External Audit left the meeting.</p>		
	Confidential	
A/24/07/13	ESFA ILR Audit	
<p>The Deputy Chief Executive updated the Committee on the ESFA ILR Audit and advised that this was to commence on 23rd September and it was hoped to be complete before completion of the year end audit. As the Committee was aware the College was subject to an audit in the previous year and a clawback. Progress had been made in addressing issues, as set out in the Apprenticeship Action Plan, but the College was still at risk. If an error was identified the total funding could be clawed back. The College would remain on the ESFA risk register for a funding Audit until errors identified were below the 5% threshold.</p> <p>The Director of Governance advised that the Internal and External Auditors were aware of the impending ESFA Audit.</p> <p>Governors challenged if the risk register needed to be updated and whether the College was at risk of another clawback. The Deputy Chief Executive advised that the College was at risk of a clawback but at this stage the financial level of this risk could not be estimated. The risk register included the risk of clawback of apprenticeship income. The College did have some financial headroom but any clawback would affect the College's ability to invest in its infrastructure and staff.</p>		

A/24/07/14	Agenda Planning	
Review of Internal Audit Plan Cyber Business Continuity Plan ESFA ILR Audit		
A/24/07/15	Review of Meeting	
<ol style="list-style-type: none"> 1. Confidential Items: Detail of audit findings and ESFA ILR Audit until complete 2. Risk Management: To be updated following the ESFA ILR Audit and Cyber review. 3. Health and Safety: None 4. Equality and Diversity: None 5. Media: None 6. How did the meeting go: A good meeting 		