

Minutes of a Meeting of the Audit Committee

Venue: TEAMS/STC (Conference Room 3)

Date: Wednesday 9th March 2022

Time: 4.00pm – 4.50pm

Present: Sheila Alexander (in the Chair)
Mark Overton
Jackie Watson
Andrew Watts
Susan Wear

In Attendance: Lindsey Whiterod (Chief Executive Officer)
Jane Cuthbertson (Chief Operating Officer)
Neil Longstaff (Director of Governance)
Philip Church (RSM Auditors)
Craig Scott (Director of IT)
Steve Chittenden (Head of Finance)
Lorna Lister (Clerk)

ITEM NO.	ISSUES	ACTION
1.	<p>Meeting with Auditors in Absence of Management</p> <p>The Chair welcomed everyone to the meeting.</p> <p>RSM auditors stated that they had been given full access to all areas requested, there had been full engagement by management and were pleased to announce that there were no issues to report to the Committee.</p> <p>JC, CS, SC joined the meeting.</p>	
2.	<p>Apologies for Absence</p> <p>It was noted that LWWh was due to attend the meeting but would be joining the meeting late.</p>	
3.	<p>Declarations of Interest</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p> <p>The members of the Committee were reminded of the standing declarations in respect of the roles held in Tyne Coast Academy Trust by LWWh, AW, MO, SW and JC.</p>	
4.	<p>Minutes</p> <p>The minutes of the Audit Committee meeting held on 1st December 2021 were approved and to be signed by the Chair.</p>	

	<p>Matters arising not covered on the agenda</p> <p><u>Annual Data Protection Report</u> It was confirmed that the Governors would be utilising college email addresses by Easter 2022. It was also highlighted Governors were offered 1:2:1 support from the IT department regarding the use of email addresses.</p>	
<p>5.</p>	<p>Data Protection Policy</p> <p>The purpose of the report was to seek approval for updates to the Data Protection Policy relating to emergency disclosure of data to Police and other emergency services.</p> <p>The following was discussed:</p> <ul style="list-style-type: none"> • Current policy required verbal approval from a Senior Manager for emergency release of data. • Proposed changes allowed for any member of staff to provide data to Police or other emergency services where it was believed there was imminent risk of injury or death, or a crime was in progress. In those cases, the staff member was to seek authorisation from a manager where doing so would not increase any risk of injury or death • In addition, to address scenarios where the emergency services were on-campus during operational hours this adjustment allowed for staff off campus (e.g. education visits), or working out of hours (e.g. Halls of Residence) who might not have easy access to a manager to release data in an emergency. <p>It was highlighted that all staff had been trained in the new process.</p> <p>Resolved:</p> <ol style="list-style-type: none"> i. That the Committee accepted the report, as presented. ii. That the Committee recommend the Data Protection policy for approval by the Board 	<p>CSc</p>
<p>6.</p>	<p>Internal Audit Reports</p> <p>The reports detailed below were presented to members of the committee.</p> <p><u>6.1 Internal Audit Progress Report</u> Governors were reminded that the Audit Committee had approved the Internal Audit Plan for 2021/22 at its meeting on 23 June 2021.</p> <p>This report was to provide a summary update on progress against that plan. Four reports had been finalised since the last Audit Committee meeting, which were detailed below (Items 6.2 – 6.5).</p> <p>RSM indicated that given the progress being made they were confident that they could deliver the plan in full and deliver an annual opinion for the Year end in July 2022. T Levels were only at the initial preparation phase and delay of this audit would allow time for this to be embedded possibly 2022/23.</p> <p>A governor questioned the actions and asked how would you identify if they were new actions or if they were outstanding? PC stated all actions in the reports were new actions and they would be transferred to the audit tracker to check progress.</p>	

6.2 UKVI Compliance (Tier 4)

The audit focused on overseas students currently studying at the South Shields Marine School, for which 250 CAS (Confirmation of Acceptance for Studies) references were applied for in 2021.

Currently, the College had a total of 81 students with an accepted CAS, studying within the UK, though there were a total of 122 students in the overall population, however a number of those students were not actively studying for a number of reasons including Covid-19 impacts, delayed travel or visa refusals.

The review focused on the College's compliance with the UKVI regulations including checks the College were required to undertake prior to the issuance of a CAS such as the student's passport picture page, English Language Assessment score, relevant qualifications, and a tuberculosis test. The college also sample tested a number of students to ensure that the College had retained the appropriate documentation for each student including a copy of the biometric residence permit (BRP), absence/attendance records, and a history of the students contact details to include UK residential address, and mobile telephone number.

Further to this, the auditors also looked at the reporting mechanisms in place to allow for the accurate and timely reporting of any change in student circumstances, and the controls the College had in place to ensure that any students undertaking resits or repeat study do so in line with the UKVI guidance requirements. Compliance with the UKVI Covid-19 guidance and performance reporting measures were also considered as part of this review.

It was reported there were three low actions identified from the review and policies and procedures had changed to incorporate the findings.

Taking account of the issues identified, the Committee was informed that it could take reasonable assurance that the controls upon which the College relied to manage this risk were suitably designed, consistently applied and effective.

It was recommended that the Principal for SSMS presents a report to the next committee on the number of applications the college processes.

6.3 Key Financial Controls - Payroll

A review of Tyne Coast College's payroll processes was undertaken with the objective of providing assurance that processes in place for new starters, leavers and contractual changes affecting payroll were well designed and operatively effectively. The review had included the use of IDEA data interrogation software to supplement the testing.

Following the audit there was one low priority action identified.

JC noted that this audit had the highest assurance rating and the procedure to address the management action was in place, it just required formalising.

Taking account of the issues identified, the Committee was informed that it could take substantial assurance that the controls upon which the College relied to manage this area were suitably designed, consistently applied and effective.

6.4 Financial Planning

This review focused on the budgeting and financial planning processes in place at the College to ensure the College delivered financial sustainability through robust

budgeting and financial planning processes. Auditors reviewed the College's processes for the development of the financial plan to ensure alignment to the College's strategic objectives; the current sensitivity analysis process undertaken by the Head of Finance; review of both the annual budget and the financial plan to identify how these aligned; and review of processes to understand the level of departmental management involvement in the budget setting process including budget challenge and approval processes.

Further to this, the auditors looked at the College's financial reporting and governance review structure, including the process for the ongoing review and monitoring of the budgetary position; the production and distribution of management accounts and the information provided to ensure that financial performance could be adequately assessed; and overall monitoring and reporting on the College's financial health.

It was noted that the College's financial health self-assessment had aligned with the automated health assessment of Good, for both 2021/22 and 2022/23.

The review identified that the College had robust controls in place to ensure that financial sustainability was delivered through robust budgeting and financial planning processes. One area was identified for improvement resulting in one low priority management action.

Taking account of the issues identified, the Committee was informed that it could take substantial assurance that the controls upon which the College relied to manage this risk were suitably designed, consistently applied and effective.

The College would ensure that the documented Budget Setting Procedure was reviewed on an annual basis to provide assurance that the document was still fit for purpose, and this was clearly documented within an audit trail.

JC commented that the low management action was regarding procedure, she knew the action had been completed but it was about proving that to the auditor.

A governor stated that following the audit it was very reassuring to know that a robust process was in place as this was one of the college's highest risks.

6.5 Higher Education – Student Applications

Tyne Coast College had around 600-700 higher education students for the current academic year across all of its institutions. Higher education courses were primarily taught at TyneMet College, South Tyneside College and the Marine School.

Therefore, a review of the student application process for higher education had been completed to provide assurance that the College had appropriate systems and controls in place to ensure applicants were kept engaged throughout the application process and mitigate and reduce the risk of attrition between initial enquiry and enrolment.

As a result of the review, 10 management actions were agreed consisting of seven low priority management actions and three medium priority actions.

It was noted that policies required updating to include HE as well as FE and Apprenticeships.

There was a discussion around the sample numbers tested, 11/20 students sampled were not contacted within a certain timeframe upon application. It was

	<p>noted if there were 600/700 students at the college at present and if the same ratio was used it would be a significant figure. PC noted that there could be possibly hundreds more who enquired who could not be sampled.</p> <p>A governor asked was the college losing numbers they did not know about? CS stated that all enquiries made to the college (handwritten or not) should be recorded on the EBIS system but this was an area to be investigated.</p> <p>A governor suggested SA to provide a paper to the next meeting on the five-year trend data for HE. What were the numbers and the proportion of those students following through the whole process. Was the college achieving its fair share?</p> <p><u>6.6 RSM's Conformance with the IIA Standards and Codes of Practice (Jan 2022)</u> A briefing paper was presented to the Committee, which outlined the findings of a review on RSM's internal audit services in relation to vision and strategy, planning and prioritisation, people and culture, working practices, tools, quality and deliverables, and role and mandate.</p> <p>The independent assessor's findings were that RSM UK Risk Assurance Services LLP 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of nonconformance with any of the Professional Standards.' Governors were informed that the rating of 'generally conforms' was the highest rating that could be achieved, in line with the IIA's EQA assessment model.</p> <p>Resolved:</p> <ul style="list-style-type: none"> i. That the Committee accepted the audit reports as presented. ii. That the Principal of the Marine School presents a paper to the next committee meeting on the number of overseas applications the college processes and that this be an annual report added to the College Workplan. iii. That a five-year trend analysis is completed to look at whether the students followed through the whole HE process. 	<p>SA</p> <p>SA</p>
7.	<p>Audit Recommendation Tracker</p> <p>The Director of Governance presented the tracker for governors' consideration.</p> <p>The document identified any recommendations which were deemed a high or medium risk, which were either overdue for implementation or could be removed if completion had taken place. All personnel who were shown on the list with outstanding issues had been asked to advise if there had been any further progress and the tracker had been updated accordingly.</p> <p>It was reported that all actions bar one had been completed, the outstanding risk was tracked to be completed by August 2022. NL noted that excellent progress had been made.</p> <p>Resolved: That the report is received and accepted.</p>	
8.	<p>Any Other Business</p> <p>A governor stated that when or if the bids were successful for both campuses were LWh and JC aware of the requirements for internal and external audit. LWh noted that she was holding a meeting with the ESFA and she would ask what the</p>	LWh/JC

	<p>requirements were around the larger funds as well as what the college had to do regarding the disposal of assets.</p> <p>The Chair asked how was compliance dovetailed between committees so that action or information did not get missed and feedback to Board was timely. A governor stated that NL was to feedback to audit committee where a compliance issue had been noted/highlighted.</p> <p>A governor suggested two areas for audit to review in the future could be performance data and learner development.</p>	JC
9.	<p>Date and Time of Next Meeting</p> <p>TBC – likely change from 28/06/22 due to JC’s work commitments.</p>	
10.	<p>Identification of Confidential Items</p> <p>None</p>	

Signed:

Date.....