

The Corporation of Newham Sixth Form College

Audit & Risk Committee

Minutes of the Meeting held on 22 November 2023

Members

Kofo Ladele (Chair)	Independent Member	Present
Chris Folorunso	Independent Member	Present
Ebby Maps	Independent Member	Present
Avnesh Pandya	Independent Member	Present

Non-Members invited to attend

Miranda Coles	Interim Executive Director Finance, Estates & Marketing	Present
Leisyyen Cox	Scrutton Bland	Apologies – other commitment
Susanne Davies	Interim Principal	Present
Mandeep Gill	Principal & Chief Executive	Apologies – ill health
Paul Goddard	Scrutton Bland	Apologies – other commitment
Matthew Hrycaiczuk	Buzzacott	Present
Robin Jones	Head of Governance	Present
Ryan Pearce	Scrutton Bland	Present
Hugh Swainson	Buzzacott	Present

1 WELCOME TO THE MEETING

In the absence of the Chair of the Committee who was experiencing some technical difficulties in joining the meeting online, Chris Folorunso welcomed all those present to the meeting.

2 EXTERNAL REVIEW OF GOVERNANCE

The Head of Governance reminded Members and the others present that an external review of governance was to be conducted over this cycle of meetings of Committees and the Corporation.

The review was being conducted by Sandra Prail MBE who would observe this meeting of the Committee and, at her request, the meeting was being recorded; she was not present during the meeting.

Note: Kofo Ladele, Chair of the Audit & Risk Committee, joined the meeting during the following item and took the Chair.

3 CONFIDENTIAL BRIEFING SESSION FOR MEMBERS BY THE AUDITORS

The Auditors were invited to make known any key and emerging issues relating to the College for the information of Members so as to raise awareness.

It was noted that the College Managers were not present for this item but would join the meeting for the rest of the Agenda.

The Lead Partner for Buzzacott, the Financial Statements Auditors, made some introductory comments and, in doing so, stressed that, on this occasion, there was nothing to be said that he would not say with the College Managers present.

The key points highlighted by the Lead Partner for Buzzacott included the following:

- The impact of the change in the College main contact with the departure of the Vice Principal Finance & Operations and the arrival of the Interim Executive Director covering Finance, Estates & Marketing who, by chance, was known to Buzzacott as she had worked previously with another of their clients
- The audit review had proved to be more challenging than previously and the Lead Partner had been in contact with the Chair of the Committee to keep her apprised of the emerging issues
- With the arrival of the Interim Executive Director a lot of progress has been made – Buzzacott happy to report that there is full engagement on the part of the College with what needs to be addressed
- The preparation of the Audit Report was later than originally planned and there were still a number of issues to be addressed and resolved including aspects of creditors and debtors and there was a need to ensure that nothing had been missed in terms of materiality
- NewVlc was the last of Buzzacott's sixth form college clients to complete the audit and the preparation of the related documentation
- Need to review the timetable for future years so that the audit was completed in good time

The representative of Scrutton Bland, the Internal Auditors, advised that there was nothing to be made known at this point of the meeting.

The Partner was thanked for his comments which were extremely helpful and would be addressed when considering the draft Audit Report later in the meeting and subsequently.

4 INTERIM EXECUTIVE DIRECTOR

Miranda Coles, the Interim Executive Director for Finance, Estates & Marketing joined the meeting.

5 MEMBERSHIP OF THE AUDIT & RISK COMMITTEE

The Committee noted that, at the meeting on 11 October 2023, the Corporation had approved the following membership of the Audit & Risk Committee for 2023/24:

- Kofo Ladele (Chair)
- Chris Folorunso
- Ebby Mapps
- Avnesh Pandya

The Head of Governance explained that, as result of his work commitments, Simon Mayfield would not take up the invitation to join the Committee as a Co-opted Member.

6 APOLOGIES FOR ABSENCE

All Independent Members were present at the meeting by this stage of the Agenda although, as noted earlier, Kofo Ladele had not been online at the very start due to technical difficulties.

The meeting was quorate throughout.

7 DECLARATION OF INTERESTS

The Members and others present confirmed that there were no declarations of interest to be recorded on this occasion although, for the sake of transparency, Kofo Ladele made known, once again, that Scrutton Bland acted as the Internal Auditors and Buzzacott the Financial Statements Auditors to the College where she is employed.

8 MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 27 JUNE 2023

The Minutes of the meeting of the Audit & Risk Committee held on 27 June 2023 were agreed to be a correct record.

9 INTERIM PRINCIPAL

The Interim Principal, Susanne Davies, known in College as Davies, joined the meeting.

It was explained that the late arrival was due to attendance at a meeting at ACAS which was arranged sometime ago and was a priority for the College.

10 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 27 JUNE 2023

The Committee agreed that there were no matters arising from the Minutes of the meeting held on 27 June 2023 which required attention at this time as items were covered by the published Agenda. This said a Member asked about the Approved Supplier Database which was reported to being updated at the last meeting of the Committee. Given the changes in staff over the last few weeks and the need to focus on the end of year audit the current position would be checked and the Committee updated as soon as practicable.

11 APPOINTMENT OF VICE CHAIR OF THE AUDIT & RISK COMMITTEE – 2023/24

Chris Folorunso was appointed as the Vice Chair of the Audit & Risk Committee for 2023/24.

12 AUDIT & RISK COMMITTEE – GOOD GOVERNANCE FOR AUDIT COMMITTEES

The Committee received a presentation by the Internal Auditors as requested previously by Members on Good Governance for Audit Committees.

The presentation was circulated to Members prior to the meeting as a reference document.

A number of issues were covered during the presentation including:

- the approach by some other clients of always covering fraud at meetings of the Audit & Risk Committee
- linking the Audit Plan for future Internal Audit reviews to the Risk Register
- the move to online meetings and the difficulties experienced by some other clients and not only NewVlc in logging on with, on occasions, an adverse impact on attendance due to Members leaving before the scheduled end of meetings or not engaging fully in the discussions

The Chair, on behalf of the Committee, thanked Scrutton Bland for the informative presentation and indicated that issues would be addressed as appropriate.

13 RISK REGISTER

The Committee received and discussed the report of the Interim Executive Director Finance, Estates & Marketing and the updated Risk Register.

Members were advised that, following review and discussion at meetings of SLT and CMT, a number of changes had been made to the risks covered including:

- combining risks relating to strike action damaging the College (1 and 2)
- remove the risk of negative impact of Brexit on education (17)
- remove the risk relating to Covid (18)
- add “risk of negative findings from JCQ investigation”
- add “risk of impact of T Level under-recruitment, identification of valid work placements and difficulty in staffing”
- add “risk of non-compliance with data requirements”

The Committee AGREED following discussion:

1. to welcome the new format of the updated Risk Register which it was thought was a great improvement with changes highlighted in bold
2. to look forward to receiving at future meetings the updated Risk Register and a one page Heat Map which, it was thought, would be extremely helpful.

14 INTERNAL AUDIT ISSUES – IMPLEMENTATION OF ISSUES

The Committee received the position statement presented by the Interim Executive Director Finance, Estates & Marketing setting out the current position with regard to the progress being made with regard to the earlier Internal Audit recommendations as previously reported to the Committee.

It was appreciated that, due to the need to focus on the end of year audit, there had been little progress chasing but this would be done in the new year so that an update could be provided to the Committee.

The Committee agreed to NOTE the current position with regard to the Internal Audit recommendations and to look forward to receiving an update at the next meeting.

A Member noted that there was a date of June 2020 in the heading of the report which needed to be updated.

Note: Hugh Swainson left the meeting due to another commitment.

15 INTERNAL AUDIT PROGRESS REPORT

The Committee received the Internal Audit Progress Report and noted the dates for the forthcoming planned reviews:

- Health & Safety – 22 and 23 January 2024
- Budgetary Control and Cash Flow Forecasting – 5 and 6 February 2024
- Enrolment Processes (Health Check) – 21 February 2024
- Human Resources – Performance Management and Sickness Absence Management – 25 and 27 March 2024
- Follow Up of Previous Recommendations – 1 and 2 May 2024

It was explained that it was intended to present the first two reports to the Committee in March and other reports in June 2024 for review by Members.

The Committee AGREED:

1. to NOTE the Internal Audit Progress Report and to look forward to receiving the outcomes at the forthcoming meetings

2. that Members should make known, as and when thoughts occur to them, other areas of College activity which might warrant the attention of the Internal Auditors.

16 INTERNAL AUDIT ANNUAL REPORT – 2022/23

The Committee received and considered the Internal Audit Annual Report for 2022/23.

The representative of Scrutton Bland was present to take Members through the document if there were any questions on what was the standard format for the Annual Report as presented in previous years.

The basis for the end of year opinion was set out in the Annual Report – NewVIc had for the year ended on 31 July 2023:

- Adequate and effective risk management processes
- Adequate and effective governance processes
- Adequate and effective control process

The Committee AGREED:

1. to note the Internal Audit Annual Report for 2022/23
2. to forward the Internal Audit Annual Report for 2022/23 to the Corporation for information on 13 December 2023

17 FINANCIAL STATEMENTS AUDITORS REPORT – 2022/23

The representative of Buzzacott presented the working draft of the Post Audit Management Report prepared following the ongoing review of the Financial Statements for 2022/23.

It was appreciated from what was said earlier in the meeting that there had been delays in completing the audit but good progress was now being made and it was confirmed that the NewVIc staff were clearly willing to get all of the remaining issues confirmed.

The College would, based on the information available, once again report a large end of year surplus – for 2022/23 this would be around £3m.

The EIBTA for NewVIc was higher than most colleges in the sector and the question was posed about how this would be viewed when the priority was to support students. The Head of Governance confirmed that the ways and means of supporting students was a focus for the Finance & Resources Committee and would be addressed again at the meeting scheduled for 29 November 2023.

The Committee was pleased to hear that the audit had not identified any instances of fraud or other such issues.

It was explained that there were a number of issues requiring further attention including the LGPS position; the triennial evaluation was not due for another 2 years.

On a governance point it appeared to the Auditors that a number of Declarations of Interest were out of date but this was to be checked as it was thought that the Auditor had picked up the date when the form was last reviewed and agreed and not when individual Members completed prior to publication on the website.

In looking to the future it was suggested that a number of College practices needed to be reviewed so that, for example, there were month end reconciliations which would assist greatly in the end of year audit.

It was also important to look at the programme for the audit so that the review could be completed in good time and the final version of the Audit Report made available prior to the meeting of the Audit & Risk Committee.

Members took the opportunity to comment and clarify points based on the draft Audit Report circulated prior to the meeting. It was confirmed that the various typos in the text had been addressed as would be seen when the final version was circulated for review.

In terms of the interesting benchmarking data set out in the draft report, it was thought that the College should explore what Itchen College was doing to see if there were any learning points for NewVlc.

The Committee agreed following discussion:

1. to note the working draft of the Post Audit Management Report for 2022/23 prepared by Buzzacott
2. to note the working draft of the Financial Statements prepared by the College and to be reviewed by Buzzacott as the basis of the outcome of the audit
3. to note that the Financial Statements would be presented to the Finance & Resources Committee on 29 November 2023 for review
4. to look forward to receiving, as soon as they are available, the final versions of the Audit Report and Financial Statements so that a view could be taken by Written Resolution on the basis of the recommendation to the Corporation on 13 December 2023 when it was hoped that it would be possible to sign and publish the Financial Statements.

18 REGULARITY SELF-ASSESSMENT

The Committee received the Regularity Self-Assessment questionnaire which had been reviewed by Buzzacott and found to be in order for the purpose.

The Committee agreed to RECOMMEND to the Corporation on 13 December 2023 that, subject to a check of the points currently highlighted in yellow in the questionnaire, the Regularity Self-Assessment be approved for signing and forwarding to the ESFA.

A copy of the final version of the Regularity Self-Assessment would be circulated to Members of the Committee in advance of the publication of the Corporation Agenda for information and, if Members wished, further comment.

19 LETTER OF REPRESENTATION

The Committee received and discussed the Letter of Representation which it was appreciated was based on a national model.

There were no comments on the contents of the document to be made known to the Corporation when it was presented to the Corporation on 13 December 2023.

20 ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE - 2022/23

The Committee APPROVED the proposed approach to the preparation of the Annual Report of the Audit & Risk Committee for 2022/23.

It was recalled that the working draft of the Annual Report had been circulated to Members prior to the publication of the Agenda for comments.

The intention was to finalise the Annual Report as soon as the Auditors Report on the end of year review of the Financial Statements was available. It would then be circulated to

Members for a final review and approval so that the Chair of the Committee could present the Annual Report to the Corporation on 13 December 2023.

21 COMMON FINDINGS FROM FUNDING ASSURANCE WORK ON POST-16 EDUCATION PROVIDERS

The Committee received the recent report on Common Findings from Funding Assurance Work on Post-16 Education Providers.

Whilst there appeared, from an initial review of the document, to be no issues for the College, a summary of points would be prepared for the next meeting of the Committee.

22 DEVELOPMENT AND TRAINING OF MEMBERS OF THE AUDIT & RISK COMMITTEE

The Committee recalled that at the meeting on 24 November 2021 it had been agreed that the development and training of the Members of the Committee should be a standing item on the Agendas for future meetings of the Committee so as to track progress and planned actions.

The Chair reported that she continued to attend the AoC Network for the Chairs of Audit and Finance which she had found informative and worthwhile.

Members appreciated that the Head of Governance regularly circulated information from the SFCA, AoC and others on webinars and events.

A challenge for Members was that most of the events took place during their working hours although the fact that the SFCA provided recordings of webinars was helpful.

23 ANNUAL REVIEW OF PERFORMANCE OF THE AUDIT & RISK COMMITTEE – 2022/23

The Committee received and noted the summary of responses from Members relating to the annual review of the performance of the Committee in 2022/23.

It was pleasing for Members to see a number of positives from the last year as set out in the summary statement.

A negative which was hoped previously to be a positive was that it was a disappointment that the suitably qualified and experienced person had advised that, due to work pressures, he would not be to join the Committee as a Co-opted Member. Attempts would be made to try to identify someone who may be interested in joining the Audit & Risk Committee as a Co-opted Member. This would be followed up before the next meeting of the Committee.

24 CALENDAR OF MEETINGS – 2023/24

The Committee noted the dates for the planned meetings in 2023/24:

- Wednesday 6 March 2024
- Wednesday 26 June 2024

The start times of the meetings would be 5.45 pm

Members recognised that additional meetings of the Committee could be arranged if there was urgent business to consider which could not wait until the next scheduled meeting and a Written Resolution was not thought to be appropriate.

25 CONFIDENTIAL ITEMS OF BUSINESS

The Committee agreed that the following items would be discussed as confidential matters and, therefore, it was appropriate that the representatives of Buzzacott and Scrutton Bland withdrew from the meeting.

Whilst the discussion was designated as being confidential, the decisions / recommendations would be included in the public Minutes of the meeting of the Committee.

26 FINANCIAL STATEMENTS AUDITORS

The Head of Governance provided a brief overview of the responses provided by Members and the Interim Executive Director on the performance of the Financial Statements Auditors in 2022/23.

Members appreciated that the end of year audit review had not gone well and there was slippage from the timetable of events. Indeed, the final versions of the Auditors Report and the Financial Statements were not yet available. However, based on what had been heard earlier in the meeting, this was not the fault of Buzzacott.

The Committee agreed to RECOMMEND to the Corporation on 13 December 2023 that Buzzacott be reappointed for 2023/24 to act as the Financial Statements Auditors.

27 INTERNAL AUDITORS

Members discussed the performance of Scrutton Bland over the last three years and, specifically, in 2022/23.

The Committee agreed to RECOMMEND to the Corporation on 13 December 2023 that the current engagement of Scrutton Bland as Internal Auditors be continued in 2023/24.

28 TEMPLATE USED FOR EVALUATING THE PERFORMANCE OF THE AUDITORS

The Chair of the Committee raised with Members and others present if the 4 point scale should be reversed with 4 being the highest and 1 the lowest.

The Head of Governance explained that, when preparing the templates to be used by Members in the evaluation of the performance of the Auditors, he had adopted the Ofsted approach whereby:

- 1 = Outstanding
- 2 = Good
- 3 = Requires Improvement
- 4 = Inadequate

The Committee agreed, following a brief discussion, to retain the current approach for evaluating the performance of the Auditors with 1 highest and 4 lowest points.

29 GLA ADULT EDUCATION BUDGET – FUNDING ASSURANCE REVIEW

Immediately after the meeting of the Committee it was realised that there was an item that had been received after the Agenda had been prepared and warranted discussion as a matter of urgent business. This concerned the assurance review of the GLA adult education budget and the report prepared by the Auditors RSM had been circulated to Members prior to the meeting.

The outcome of the review was an “unsatisfactory opinion” on the basis that the College had not complied with all or some of the contractual requirements attached to the underlying data supporting the funding received from the GLA.

A number of recommendations were made by the Auditors and all have been accepted by the College Management with completion dates ranging from December 2023 to March 2024.

An update on the actions taken by the College in response the recommendations by the Auditors would be the subject of a report to the Committee in March 2024.

A statement on the outcome of the review of the adult education budget would be included in the Annual Report of the Audit & Risk Committee for 2022/23 to be presented to the Corporation on 13 December 2023.

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