**The Corporation of Newham Sixth Form College**

**Audit & Risk Committee**

**Minutes of the Meeting held on 23 November 2022**

**Members**

|  |  |  |
| --- | --- | --- |
| Kofo Ladele (Chair) | Independent Member | Present |
| Chris Folorunso | Independent Member | Present |
| Julianne Marriott | Independent Member | Present |
| Simon Mayfield | Co-opted Member | Apologies – Business commitments |
| Miklos Sarosi | Independent Member | Present |

**Non-Members invited to attend**

|  |  |  |
| --- | --- | --- |
| Michael Gainlall | Vice Principal Finance & Operations | Present |
| Mandeep Gill | Principal & Chief Executive | Present |
| Paul Goddard | Scrutton Bland | Present |
| Robin Jones | Clerk to the Corporation | Present |
| Matthew Hrycaiczuk | Buzzacott | Present |

**1 MEMBERSHIP OF THE AUDIT & RISK COMMITTEE**

The Committee noted that, at the meeting on 12 October 2022, the Corporation had approved the following membership of the Audit & Risk Committee for 2022/23:

* Kofo Ladele (Chair)
* Chris Folorunso
* Muriel Hayman
* Julianne Marriott
* Simon Mayfield (Co-opted Member)
* Miklos Sarosi

The Clerk explained that, as result of a new project allocated by her employer which would involve much travelling, Muriel Hayman had resigned from membership of the Corporation and, therefore, the Audit & Risk Committee.

The Committee noted that this was the last meeting to be attended by Julianne Marriott before her term of office as a Member of the Corporation ended.

Members, the Executive and the Clerk all acknowledged the contribution of Julianne to the Committee and indeed the Corporation over the last 4 years and wished her well for the future.

**2** **APOLOGIES FOR ABSENCE**

All Independent Members were present throughout the meeting although the new Co-opted Member, Simon Mayfield, submitted his apologies due to audit commitments at the Academy where he was now employed.

The meeting was quorate throughout.

**3 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 Scutton Bland acted as the Internal Auditors and Buzzacott the Financial Statements Auditors to the College where she is employed.

**4 MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 22 JUNE 2022**

The Minutes of the meeting of the Audit & Risk Committee held on 22 June 2022 were agreed to be a correct record.

**5 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 22 JUNE 2022**

The Committee agreed that there were no matters arising from the Minutes of the meeting held on 22 June 2022 which required attention at this time as items were covered by the published Agenda.

**6 APPOINTMENT OF VICE CHAIR OF THE AUDIT & RISK COMMITTEE – 2022/23**

Miklos Sarosi was appointed as the Vice Chair of the Audit & Risk Committee for 2022/23.

**7 AUDIT CODE OF PRACTICE**

The Committee received and noted the updated Audit Code of Practice (ACoP) published by the ESFA in September 2022.

The attention of Members was drawn to the section setting out what had changed in this edition of the ACoP. On this occasion the changes were largely clarifications of the regularity arrangements.

The Chair reminded the Committee of its role in matters concerning fraud or suspected fraud, theft, bribery, corruption, whistleblowing and cyber crime. These had been incorporated in the updated Terms of Reference of the Committee approved by the Corporation in July 2022 on the recommendation of the Committee.

The Clerk highlighted the clarification in the updated ACoP that College Corporations do not need to inform the ESFA in instances where there has been a routine change of auditors.

**8 RISK REGISTER**

The Committee received and discussed the report of the Vice Principal Finance & Operations and the updated Risk Register.

As noted at recent meetings, in the main the level of risks were reduced as a result of the mitigating actions.

The Committee AGREED following discussion:

1. To note the updated Risk Register
2. To look forward to receiving at future meetings the updated Risk Register which would include additional comments as and when there were significant changes in circumstances
3. To request that consideration be given to:
   1. the addition to the Risk Register of the impact of high inflation and the possibility of and the arrangements for the avoidance of fraud
   2. the basis for presenting the Risk Register – possibly sorting the risks by significance

**9 INTERNAL AUDIT ISSUES – IMPLEMENTATION OF ISSUES**

The Committee received the position statement presented by the Vice Principal Finance & Operations 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.

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.

**10 INTERNAL AUDIT REPORTS**

The Committee received the following Internal Audit Reports:

* Governance
* Risk Management

The outcome of the three Internal Audit reviews was noted to be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Review | Audit Opinion | Number of Medium Recommendations | Number of Low Recommendations |
| Governance | Significant | - | 3 |
| Risk Management | Advisory | - | 4 |

Note of explanation: Scrutton Bland use a 5 assurance level scale when determining the opinion

* Strong
* Significant
* Reasonable
* Limited
* None

The representative of the Internal Auditors highlighted the summary of the questionnaires completed by a number of Members as part of the review of governance and included in the final report.

The content of the reports was discussed by Members.

The issue of the publication of Agendas for Corporation and Committees was highlighted and, specifically, if the NewVIc approach of 7 days before a meeting was in line with others. It was confirmed that the majority of Corporations have stuck with the 7 days as provided for in the Instrument & Articles of Government. A small number were aiming for longer although did not always achieve publication in line with the stated policy. It was recognised that the danger of releasing reports too long before a meeting meant that factors had often changed which meant time being spent at meetings updating the content.

The Committee agreed following a wide ranging discussion:

1. To receive and note the Internal Audit reports as presented
2. To look forward to receiving updates on the range of issues where the Internal Auditors had made recommendations for action

**11 INTERNAL AUDIT - RISK AND ASSURANCE PROGRESS REPORT FOR 2022/23**

The Committee received and noted the Internal Audit Risk and Assurance Progress Report for 2022/23 as at November 2022.

The dates for the 4 reviews to be completed in 2022/23 were noted with 2 scheduled for presentation to the Committee in March 2023 and the remaining 2 should be available for the meeting in June 2023.

**12 INTERNAL AUDIT ANNUAL REPORT – 2021/22**

The Committee received and considered the Internal Audit Annual Report for 2021/22.

The representative of Scrutton Bland took Members through the document and, in doing so, explained the basis for the end of year opinion – NewVIc had for the year ended on 31 July 2022:

* 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 2021/22
2. to forward the Internal Audit Annual Report for 2021/22 to the Corporation for information on 14 December 2022

**13 FINANCIAL STATEMENTS AUDITORS REPORT – 2021/22**

The representative of Buzzacott presented the Post Audit Management Report prepared following the review of the Financial Statements for 2021/22.

The Committee was pleased to hear that the audit went well. Particular thanks were given to the Vice Principal Finance & Operations and the Finance Manager.

It was explained that one issue in particular required further attention – this concerned the LGPS position; a response from the Pension Authority was awaited.

Subject to the LGPS position and the normal formalities (receipt of the Letter of Representation and confirmation of no significant events taking place before the Financial Statements are approved by the Corporation for signing) the audit outcome was an unqualified opinion, the College being a going concern and the draft Financial Statements being a true and fair record.

The Committee agreed following discussion:

1. To note the Post Audit Management Report for 2021/22 prepared by Buzzacott
2. To note the draft Financial Statements prepared by the College and reviewed by Buzzacott as the basis of the recent audit
3. To note that the Financial Statements would be presented to the Finance & Resources Committee on 30 November 2022 for review
4. To advise the Corporation on 14 December 2022 that, based on the outcome of the audit completed by Buzzacott, there were no reasons not to approve and sign the Financial Statements for 2021/22 subject to the LGPS position being confirmed and the provision of the Letter of Representation as well as confirmation that there were no significant events before the signing of the Financial Statements.

**14 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 14 December 2022 that the Regularity Self-Assessment be approved for signing and forwarding to the ESFA.

**15 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 14 December 2022.

**16 ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE - 2021/22**

The Committee APPROVED the proposed approach to the preparation of the Annual Report of the Audit & Risk Committee for 2021/22.

The Clerk would provide a draft Annual Report reflecting the discussions at this meeting and the reports / information available - this would then be circulated to Members for comment and approval prior to presentation to the Corporation on 14 December 2022.

**17 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 had attended the recent AoC Network for the Chairs of Audit and Finance which she had found informative and worthwhile.

The Clerk confirmed Members would continue to receive information from the SFCA and others on webinars, online training opportunities etc so that they may register.

Finally the Committee noted that, prompted by an earlier discussion, the Corporation planned to have a briefing on risk and what was involved in risk management in the context of NewVIc. The representative of the Internal Auditors offered to provide such a presentation briefing to the Corporation or the Committee if this would be helpful.

**18 ANNUAL REVIEW OF PERFORMANCE OF THE AUDIT & RISK COMMITTEE – 2021/22**

The Committee received and noted the summary of responses from Members relating to the annual review of the performance of the Committee in 2021/22.

It was pleasing for Members to see a number of positives from the last year including the appointment of a suitably qualified and experienced person to join the Committee as a Co-opted Member.

One item was highlighted as warranting further attention – ways of improving on the approach adopted in terms of the conduct of business. Whilst there was general satisfaction on the conduct of business, there was a recognition that there was always opportunities to make meetings even more focussed so as to add value to the governance of the College whilst fulfilling the role and responsibilities set out in the Terms of Reference of the Committee approved by the Corporation with due regard to the Audit Code of Practice. This would. therefore, be an item of business on the Agenda for the next meeting of the Committee to provide Members with the opportunity to discuss with the benefit of contributions from the Auditors and the Executive.

**19 CALENDAR OF MEETINGS – 2022/23**

The Committee noted the dates for the meetings in 2022/23:

* Wednesday 15 March 2023
* Wednesday 21 June 2023 (to be reviewed to enable the Principal & Chief Executive to attend and contribute as appropriate as on 21 June he has a priority College commitment)

Members confirmed that the current online arrangements were working well and should continue.

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.

**20 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.

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

**21 FINANCIAL STATEMENTS AUDITORS**

The Committee recalled that Buzzacott were appointed in the Spring 2022 to act as the Financial Statements Auditors following a tender process for a period of 3 years subject to annual review.

Members discussed the performance of Buzzacott in terms of the preparation and presentation of the Management Report on the review of the Financial Statements for 2021/22.

The Committee agreed to RECOMMEND to the Corporation on 14 December 2022 that Buzzacott be reappointed for 2022/23 to act as the Financial Statements Auditors.

**22 INTERNAL AUDITORS**

The Committee recalled that Scrutton Bland were appointed to act as the Internal Auditors following a tender process for the period of just under 3 years to 31 July 2023.

Members discussed the performance of Scrutton Bland over the last two years and the pros and cons of going out to tender again at this time.

The Committee agreed to RECOMMEND to the Corporation on 14 December 2022 that the current engagement of Scrutton Bland as Internal Auditors be extended by 2 years to 31 July 2025 subject to annual review.

Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_