**The Corporation of Newham Sixth Form College**

**Audit & Risk Committee**

**Minutes of the Meeting held on 24 November 2021**

**Members**

|  |  |  |
| --- | --- | --- |
| Kofo Ladele (Chair) | Independent Member | Present |
| Sohidul Hoque | Independent Member | Apologies – family commitments |
| Julianne Marriott | Independent Member | Present |
| Miklos Sarosi | Independent Member | Present |

**Non-Members invited to attend**

|  |  |  |
| --- | --- | --- |
| Michael Gainlall | Vice Principal Finance & Operations | Present |
| Mandeep Gill | Principal & Chief Executive | Present |
| Matthew Hrycalczuk | Buzzacotts | Present |
| Robin Jones | Clerk to the Corporation | Present |
| Leisyen Keane | Scrutton Bland | Present |

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

The Committee noted the membership of the Audit & Risk Committee as approved by the Corporation on 6 October 2021:

* Kofo Ladele (Chair)
* Sohidul Hoque
* Julianne Marriott
* Miklos Sarosi

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

The Committee noted that Sohidul Hoque had submitted his apologies for absence due to a family commitment.

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 that Scutton Bland acted as the Internal Auditors of the College where she is employed.

**4 MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 23 JUNE 2021**

The Minutes of the meeting of the Audit & Risk Committee held on 23 June 2021 were agreed to be a correct record subject to amending the date in the Calendar of Meetings (item 15) from 23 to 22 June 2022 for the Summer Term meeting.

**5 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 23 JUNE 2021**

The Committee agreed that there were no matters arising from the Minutes of the last meeting which required attention at this time.

**6 VICE CHAIR OF THE AUDIT & RISK COMMITTEE – 2021/22**

Julianne Marriott was appointed as the Vice Chair of the Audit & Risk Committee for the year 2021/22.

**7 ESFA LETTER DATED 22 SEPTEMBER 2021**

The Committee received and noted the ESFA letter dated 22 September 2021 which had been circulated to all Members of the Corporation via email on 23 September 2021.

Members went through the ESFA letter and noted in particular the points made about Audit Committees, Governance Professionals (for NewVIc the Clerk to the Corporation) and changing auditors.

The effectiveness of appropriately constituted Audit Committees is key with, in the view of the ESFA, the most important quality of Members being to ask the right question at the right time and to press for clarification when the information provided seems partial or unclear.

The issues relating to the Clerk were addressed at the recent meeting of the Governance & Search Committee and it was noted that one of the points had already been progressed – to include in the Annual Financial Statements a note of the activities undertaken over the year to develop the Clerk.

The Executive and the Clerk were mindful of the periods of appointment of the Auditors and the Committee would receive an update later in the meeting.

**8 RISK REGISTER**

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

As with the recent versions provided over the last 18 months or so, the Risk Register was comprehensive and summarised the issues, the mitigating actions to reduce the risks, progress made and the calculated scores.

In the main the level of risks were reduced as a result of the mitigating actions.

It was stressed that no new risks had been added to the Register.

Members took the opportunity to seek clarification of the Risk Register as presented.

It was thought that the references to Brexit and the Covid-19 pandemic would benefit from review and updating given changed circumstances – the new normal as it was sometimes called.

For High Needs Funding although the arrangements with the London Borough of Newham had improved with the risk being reduced from 15 to 12 it was the view of the Executive that it still warranted a red risk category.

It was explained that the College was looking at the structure of the Inclusive Learning Team.

The Committee AGREED following discussion:

1. To receive and note the updated Risk Register
2. To look forward to receiving further updates when the points covered during the discussion of the current Risk Register would have been addressed
3. To make the point that the Risk Register as currently set out was difficult for Members and others to navigate particularly when using an iPad and to ask if the format could be reviewed.

**9 INTERNAL AUDIT REPORTS**

The Committee received the following reports prepared by the Internal Auditors:

|  |  |  |
| --- | --- | --- |
| Description | Year | Opinion |
| IT Infrastructure and Cyber Security | 2020/21 | Significant |
| Covid – 19 Risk Management and Business Continuity | 2020/21 | Strong |
| T Level Preparation | 2020/21 | Strong |
| Learner Recruitment | 2021/22 | Strong |
| Progress Report as at November 2021 | N/A | N/A |

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

* Strong
* Significant
* Reasonable
* Limited
* None

The representative of Scrutton Bland outlined the outcomes from the Internal Audits and highlighted the very small number of recommendations to be addressed by the College – in total 4 plus 2 Added Value points all of which relate to the IT Infrastructure and Cyber Security review

|  |  |
| --- | --- |
| High | 0 |
| Medium | 1 |
| Low | 3 |
| Value Added | 2 |

The view of the Internal Auditors was that the College demonstrated best practice for IT Infrastructure and Cyber Security which compared favourable with other clients.

The Members took the opportunity to comment on the outcome of the Internal Audits and to seek clarification. There was particular interest in the mystery shopper approach for the review of Learner Recruitment. This showed NewVIc in a positive light relative to other colleges contacted.

The Committee AGREED following discussion:

1. To note the Internal Audit reports presented including the opinions and recommendations
2. To acknowledge that cyber security presented the greatest or at least one of the greatest risks faced by any organisation today and it was reassuring to hear the position at NewVIc
3. To note the intention of the Principal & Chief Executive to arrange for mystery shopping activities to continue including at other colleges to see what can be learned from others
4. To note that, as part of the testing of the College’s IT security, there is an intention to circulate phishing emails to members of staff to see if they open or ignore - consideration will be given to the related ethical issues so that this is seen as a learning and development process for staff.

**10 INTERNAL AUDIT ANNUAL REPORT – 2020/21**

The Committee received and considered the Internal Audit Annual Report for 2020/21.

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 2021:

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

The report included audit benchmarking data which showed NewVIc in a favourable light with no opinions of reasonable, limited or none arising from the different reviews carried out in 2020/21.

The Committee AGREED:

1. to note the Internal Audit Annual Report for 2020/21
2. to forward the Internal Audit Annual Report for 2020/21 to the Corporation for information on 15 December 2021

**11 FINANCIAL STATEMENTS AUDITORS REPORT – 2019/20**

The representative of Buzzacott presented the Post Audit Management Report prepared following the review of the Financial Statements for 2020/21.

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

Subject to 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 2020/21 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 1 December 2021 for review
4. To advise the Corporation on 15 December 2021 that, based on the outcome of the audit completed by Buzzacott, there were no reasons not to approve and sign the Financial Statements for 2020/21 subject to the provision of the Letter of Representation and there being no significant events before the signing of the Financial Statements.

The Principal & Chief Executive asked the Committee if it was acceptable to share the outcome of the end of year audit with staff at the forthcoming session scheduled for 8 December 2021. Given the reported position and the low likelihood of any material changes before the Financial Statements were presented to the Corporation on 15 December 2021 Members were in agreement that the audit outcome could be made known to staff with appropriate caveats about the arrangements for final approval.

**12 REGULARITY SELF-ASSESSMENT**

The Committee received and reviewed 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 15 December 2021 that the Regularity Self-Assessment be approved for signing and forwarding to the ESFA.

**13 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 15 December 2021.

**14 ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE - 2019/20**

The Committee APPROVED the proposed approach to the preparation of the Annual Report of the Audit & Risk Committee for 2020/21.

The Clerk would provide a draft Annual Report reflecting this meeting and this would then be circulated to Members for comment and approval.

**15 TRAINING OF THE AUDIT & RISK COMMITTEE**

The Committee discussed the arrangements for the training of the Audit & Risk Committee - collectively and individually for Members .

Members recalled that the Clerk had previously provided a link to the ETF module for the Audit & Risk Committee.

The representative of Scrutton Bland confirmed that as the appointed Internal Auditors it was possible to provide briefing sessions as part of a scheduled meeting or on another occasion if that was preferred.

The Committee AGREED:

1. To acknowledge the importance of training so that the Committee could fulfil its regulatory role whilst adding vale to the Corporation
2. To welcome the suggestion of the Internal Auditors to provide training and briefings and this would be progressed in time for the next scheduled meeting
3. That the training of the Audit & Risk Committee should be a standing item on the Agendas for future meetings of the Committee so as to track progress and planned actions.

**16 CALENDAR OF MEETINGS**

The Committee noted the calendar of meetings for the remainder of 2021/22:

* Wednesday 23 March 2022
* Wednesday 22 June 2022

The start times of the meetings in March and June 1 would be confirmed nearer the time but if online would be at 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.

**17 AUDIT & RISK COMMITTEE – REVIEW OF PERFORMANCE – 2020/21**

The Committee agreed the approach to reviewing the performance of the Audit & Risk Committee in 2020/21.

Members would share their thoughts via a schedule provided by the Clerk so that a composite summary may be prepared and presented to the next meeting to identify any actions that needed to be taken.

**18 CONFIDENTIAL ITEMS**

The Committee considered certain items designated as being confidential at this time and, therefore, the representatives of Buzzacott and Scrutton Bland were invited to leave the meeting.

The Minutes are set out in separate documents which at this time are not available in the public domain.

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