


Chair	Pam Rowe
Corporation Member	Gurjit Kahlon
Co-opted Member	John Turnbull
In Attendance	Principal & CEO: Paul Stephen Chief Operating Officer (COO): Judith Abbott Deputy Principal: Jamie Purser Finance Director, Pieter Vermeulen RSM, External Audit Service: Sarah Mason Scrutton Bland, Internal Audit Service: Alice Walker
Item 11	Funding Audit and Compliance Manager: Simeon Gibbons
Clerk to the Corporation	Judith Nelson

Item No	Item of business
PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The Chair thanked and welcomed all in attendance.
2.	Apologies For Absence <ul style="list-style-type: none"> ▪ Paul Goddard, Scrutton Bland
3.	Declaration of Interests None.
4.	<p>a. Minutes of the Last Meeting Held on 21 June 2022 The minutes were approved as a true and accurate record.</p> <p>b. Matters Arising and Action Points from the Meeting The COO advised that the apprenticeship audit had been delayed due to a clash of audits and SG is working closely with the Director for Apprenticeships to reschedule a date for the audit.</p>
ITEMS FOR CHALLENGE, MONITORING & REVIEW	
5.	<p>Accounts & Audit Findings - Year Ended 31 July 2022</p> <p>a. Newham College Final Audit Findings for year ended 31 July 2022</p> <p>b. Newham College Draft Annual Report and Financial Statements for year ended 31 July 2022 The Committee noted the following pertinent points:</p> <ul style="list-style-type: none"> ▪ The audit identified no unadjusted audit misstatements and omissions but one disclosure misstatement concerning the SAQ review which will be corrected moving forward but has no impact on the year end results. ▪ Several recommendations on controls that the College has already addressed or will do during the course of the year ahead. ▪ In addition to those representations which RSM requests on all audit assignments they will be seeking specific representation from the Board on the following matters:

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	<ul style="list-style-type: none"> ○ The accrual included in the financial statements in relation to the claim made by a previous HE delivery partner in relation to the termination of a learning provision subcontracted between the College and the partner is the Board's best estimate of the costs to be incurred and the likelihood of the increased claim being successful is considered to be remote. ○ The Board confirm that the potential liability in relation to back dated holiday pay is considered to be immaterial. ○ RSM extended their thanks to PV and the Finance Team. Mostly is down to RSM. Summary paper covers the salient points. ○ ONS announcement yesterday (29/11/2022), Further Education Colleges are now being treated as public sector entities. RSM attending an ESFA forum for auditors on 02/12/2022 to fully understand the impact on the year end audit liaise with Pieter. There are restrictions on loan funding. Are there any break clauses, are covenants fine etc. There are borrowings in the college subsidiary, a minor amendment that will go in the accounts. <p>RESOLVED: The Draft Annual Report / Financial Statements for the year ended 31 July 2022 to be recommended for approval by the Corporation Board (13/12/2022).</p> <p>ACTION COO: To assist the committee, Chair requested for a traffic light report to help contextualise the status of recommendations of the audit findings.</p> <p>c. Emerging Issues – Autumn update  Item 5c Emerging Issues The Committee reviewed and noted the report.</p>
6.	<p>Annual Report of the Audit Committee 2021-2022 The Committee reviewed the annual report of the Audit Committee concluded to RESOLVE the Annual Report of the Audit Committee 2021-2022 to be recommended for approval by the Corporation Board.</p>
7.	<p>Annual Risk Management Report The Committee reviewed the report and was made aware the Risk Management Policy is reviewed and updated every three years or sooner if significant changes are required. The most recent version was scrutinised by Audit Committee in 2020/21 and is next due for update in November 2023.</p>
8.	<p>Risk Register Position Update The Committee noted the following pertinent points:</p> <ul style="list-style-type: none"> ▪ Most of the risks have carried forward in a similar form from last year, either because they are inherent to the nature of the sector's business model (e.g. recruitment of learners and delivery of funding streams) or because the actions to fully mitigate them have not been completed (e.g. estates regeneration, achieving Cyber Essentials Plus). ▪ There are two new risks this year – failure to comply with all aspects of GDPR; and failure to replace systems that are approaching end of life, specifically website and HR/payroll system. The previous risk of failure to deliver the HTQ grant to invest in digital skills has evolved to become failure to deliver the Strategic Development Fund grant for green skills, a similar scheme. ▪ Overall, there are two fewer risks than last year, with removal of four of last year's risks. Covid is no longer considered to be a major threat and stand-alone risk, and as a result, failure to deliver the main AEB contract is also not a major risk (as that was negatively impacted by Covid-related closure of community centres' last year). ▪ It is also judged that sufficient progress has been made on mitigating the risks of failure to adhere to college processes and procedures, and failure to comply with changing funding rules, for these to no longer be significant college-wide risks and these have been removed.

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	<ul style="list-style-type: none"> ▪ This document will be reviewed with the College Management Team, where they will have the opportunity to input to the risks, scores and mitigating actions. The register is subject to regular review and updating by Executive Board. <p>The committee asked about contingency plans for the change in payroll system and payroll manager leaving. A project plan will be set up to implement and migrate the data onto the new iTrent HR platform, building in payroll testing. The current payroll manager leaves in January 2023, the position has been advertised as a 1-year fixed term contract with project management.</p>
<p>9.</p>	<p>INTERNAL AUDIT:</p> <p>a. Annual Report Year ended 31 July 2022 Five assurance assignment reports completed during the 2021/2, resulting in one strong, two significant, and two reasonable assurance opinions. The reasonable assurances provided related to the area of Health and Safety, and Apprenticeship Recruitment, Progression and Employer Engagement.</p> <p>In total raising four medium and nine low risk recommendations during 2021/22 reviews</p> <p>b. Risk & Assurance Draft Report: Follow up on Previous Recommendations 2021-2022 Internal audit service conducted two internal audits, one last year and one this year, the follow up outcome was 'Reasonable Progress'.</p> <p>There are now 7 recommendations remaining as partially or not implemented, down from 14. Part of the reason for slow progress is that the original audits mostly took place before the current staff were in place, so it has been difficult to back-track. The remaining issues will all be addressed this academic year.</p> <p><i>ACTION: The Chair requested for a report on People, Systems and Culture for a future committee meeting.</i></p> <p>c. Risk & Assurance Reports</p> <ul style="list-style-type: none"> i. Estates Management 2021-23 Received a strong assurance which is a considerable improvement. The Committee noting this is a huge measure of positive progress since the last estates audit in 2018 was very poor. The College have taken this seriously and moved to such a strong position and commended the Estates management and team. ii. Income & Debtors 2022-23 The audit identified four Low priority findings, all of which will be fixed by March 2023. <p>d. Progress Report 2022-23 HR and Curriculum Planning findings will be presented to the February committee.</p>
<p>10.</p>	<p>Health & Safety Annual Report</p> <ul style="list-style-type: none"> ▪ The Committee noted the report summary of the key health and safety issues in the College during 2021/22, and progress made on various aspects of compliance, management and communication. ▪ Historically the College has experienced challenges evidencing statutory compliance due to poor record-keeping which have been addressed through the introduction this year of Smartlog as a central repository of inspection and maintenance records. ▪ Last year also saw good progress in embedding a stronger H&S culture within the College, with an improved level of incident and near-miss reporting.

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	<ul style="list-style-type: none"> ▪ It is easy to forget that Covid still dominated much H&S activity last year, and the College's exemplary approach to risk mitigation kept students and staff safe. The College's role in the borough vaccination programme has recognised and it is to receive a civic award for its contribution. ▪ Ian Hardwick, Health & Safety Manager, is representing the College as the recipient of a Civic award presented by the London Borough of Newham, in recognition of the College's response and supporting tackling the Borough Covid vaccination programme. 									
11.	<p>College Audit Compliance Progress Update The Committee received an updated on the below compliance audit reports:</p> <p>a. ILR Outcomes and Grades b. Conditions of Funding, High Needs and EHCP's</p> <ul style="list-style-type: none"> ▪ The audits have been extremely rigorous with the intention of ensuring that good practice is embedded throughout our processes and data recording; and they are a useful learning experience for the departmental managers. Hence there are a relatively large number of findings. ▪ This is the second consecutive year that these audits have been undertaken and it is very encouraging that there has been substantial year on year improvements with fewer errors because of measures put in place. This can be measured in the reduction in number and severity of recommendations: <table border="1" data-bbox="316 1003 1273 1191"> <thead> <tr> <th data-bbox="316 1003 635 1032">Audit</th> <th data-bbox="635 1003 954 1032">2021 Findings</th> <th data-bbox="954 1003 1273 1032">2022 Findings</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 1032 635 1126">Outcomes & Grades</td> <td data-bbox="635 1032 954 1126">5 Recommendations: 2 High, 2 Medium, 1 Low</td> <td data-bbox="954 1032 1273 1126">2 Recommendations: 1 High, 1 Low</td> </tr> <tr> <td data-bbox="316 1126 635 1191">Conditions of Funding</td> <td data-bbox="635 1126 954 1191">10 Recommendations 3 High, 3 Medium, 4 Low</td> <td data-bbox="954 1126 1273 1191">8 Recommendations: 1 High, 1 Medium, 6 Low</td> </tr> </tbody> </table> <p>The Committee commended Simeon Gibbons for undertaking the audits with extreme rigor.</p>	Audit	2021 Findings	2022 Findings	Outcomes & Grades	5 Recommendations: 2 High, 2 Medium, 1 Low	2 Recommendations: 1 High, 1 Low	Conditions of Funding	10 Recommendations 3 High, 3 Medium, 4 Low	8 Recommendations: 1 High, 1 Medium, 6 Low
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12.	<p>Safeguarding & Prevent Update</p> <p>The Committee were presented with the safeguarding activities and compliance measures that the College is currently undertaking to keep its learners and staff safe. The report covered analyses of safeguarding cases for the current and previous year, LADO referrals and changes to Government policy, cloud based safeguarding platforms, and compliance matters. The report also highlighted Ofsted feedback and recommendations of campus-based risk assessments.</p>									
13.	<p>Cyber Security/Threats Update Report Item 13 Cyber Threat Report The Committee received an updated on on cyber security and cyber threats.</p> <ul style="list-style-type: none"> ▪ The College has been subject to over 206 threats including around 20 attempted network attacks. ▪ Progress towards Cyber Essentials Plus continues slowly. The College is still awaiting delivery of new edge switches which were ordered many months ago (last year) but have not yet arrived due to global supply chain issues which are beyond the College's control. Without replacing existing obsolete edge switches, the College cannot achieve CE+. ▪ In addition to replacing the edge switches, the College will be conducting its own internal review of systems access to ensure all users have least-privileged access rights needed to perform their roles. ▪ JISC fieldwork has now been completed and the College is awaiting the report and recommendations from JISC, which will be communicated at a future committee meeting. 									

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	<i>ACTION: COO to provide the Committee with feedback / update report on ransomware, i.e. the lessons learnt from testing and workshops.</i>
14.	Any Other Business The Chair extended her appreciation to Gurjit Kahlon who has resigned from her role and a Corporation Governor.
15.	Schedule of Meetings 2022-2023 @ 6pm by Teams: <ul style="list-style-type: none"> • 28 February 2023 • 13 June 2023