

MINUTES

AUDIT AND RISK COMMITTEE

Date: Wednesday 12 June 2024

By Microsoft Teams

Time: 6:00pm

Chair	Pam Rowe
Corporation Member	Tom Flynn, Lalage Clay
Co-opted Member	John Turnbull
In Attendance	Principal & CEO: Paul Stephen Chief Operating Officer (COO): Judith Abbott Deputy CEO: Jamie Purser Finance Director, Pieter Vermeulen RSM, External Audit Service: Hannah Catchpool / Suzy Harper Scrutton Bland, Internal Audit Service: Paul Goddard / Ryan Pearce 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"> Suzy Harper, RSM
3.	Declaration of Interests None
4.	<p>a. Minutes of the Last Meeting Held on 28 February 2024 The minutes were approved as a true and accurate record.</p> <p>b. Matters Arising and Action Points from the Meeting Item 11b <i>The Committee requested for the presentation of the Safer Recruitment Policy to be carried forward from the 28 February meeting.</i></p>
ITEMS FOR CHALLENGE, MONITORING & REVIEW	
5.	<p>a. Draft External Audit Plan Year ending 31 July 2024 The Committee reviewed the draft plan noting the following:</p> <p>The scope and timing have been reviewed and agreed with the College at a planning meeting on 29 May. Audit fieldwork will take place as usual in September/ October, following interim testing of income in July/August, to support presentation of findings in November/December and signing off financial statements in December 2024.</p> <p>Scope of the audit will include, as last year, funding assurance testing and accounting for the IoT.</p> <p>RSM are proposing a fee increase of 2.6% overall (following last year's 10% increase together with a further £2,500 to revise their approach to risk assessments for ISA 325 revisions). RSM have advised that they have not charged anything additional in the proposed fee for the audit review of the post balance sheet note relating to the NewVIC</p>

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	<p>acquisition or anything on the review of Newham Foundation asset transfer work, unless there is a prior period adjustment for this asset transfer as this would need a technical review.</p> <p>The Committee RESOLVED to recommend the External Audit Plan for year ending 31 July 2024, for approval by the Corporation Board.</p> <p>b. ESFA Funding Assurance Reviews - common issues 2023 The Committee thanked RSM for sharing a very detailed report of common findings from ESFA funding reviews from last year.</p>
6.	<p>INTERNAL AUDIT RISK & ASSURANCE REPORTS</p> <p>a. Risk & Assurance Progress Report June 2024 The Committee reviewed and noted the progress report.</p> <p>b. Internal Audit Report</p> <p>i. GDPR Significant assurance opinion with five low risk recommendations which the College accepts, two of which have already been implemented.</p> <p>ii. Environmental Social and Governance This was an advisory audit and as such has not been assigned an assurance level. There were two recommendations, one medium and one low risk which the College accepts and is implementing.</p> <p>iii. Key Financial Controls Reasonable assurance opinion with two medium risk recommendations which the College accepts and is implementing.</p>
7.	<p>Draft Internal Audit Plan 2024-2025 The Committee reviewed Scrutton Bland's proposed schedule of internal audits for next year, as part of their three-year rolling cycle of audits, selected on a risk-assessed basis.</p> <p>The programme is based on 34 days of audits and contract management, which is broadly in line with scope of this year's audits, and is proposed to cover:</p> <ul style="list-style-type: none"> a) T Levels Implementation (4 days) b) Payroll and HR Metrics (5 days) c) Student Attendance (4 days) d) Anti-fraud, Anti-Bribery and Whistleblowing Framework (4 days) e) Marketing and Public Relations (4 days) f) Fixed Assets (4 days) g) Follow up on previous recommendations (3 days) <p>It was also noted the fees for this work have not yet been discussed.</p> <p>Paul Goddard to share the scoping document for the marketing and public relations audit with Lalage Clay.</p> <p>The Committee RESOLVED to recommend the Internal Audit Plan 2024-2025, for approval by the Corporation Board.</p>
8.	<p>Risk Register Update The Committee reviewed the risk register position update, noting the following:</p> <p>Since the mid-year report, two new risks have been added, "Failure to manage succession planning to a new CEO has an adverse impact on culture and/or performance", and "Merger with NewVIC has negative consequences for students, staff and stakeholders of Newham</p>

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	<p>Co Merger with NewVIC has negative consequences for students, staff and stakeholders of Newham College". The Committee were advised risks relating to the merger process were being tracked by the merger project managers and presented to the Merger Joint Steering Group and remains outside of the scope of this report.</p> <p>Of the 22 risks now identified, 11 are judged to have reduced in severity at this point in the year versus their risk score at the start of the year, while the risk score for the NewVIC merger has increased to reflect financial risks that will require DfE mitigation if the merger is to be successful.</p>
9.	<p>Cyber Security/Threats Update Report The Committee received an update on the following headlines:</p> <ul style="list-style-type: none"> ▪ Cyber threats ▪ Phishing Awareness Campaign ▪ Cyber Essentials Plus ▪ Frequency of Backups/Implementation of JISC lines ▪ Network Infrastructure Uptime ▪ The College is ascertaining quotes in order to place a data line between NewVIC and Newham.
10.	<p>Year End Audit Findings Status Update The Committee noted there are currently three items outstanding, with seven items relating to funding assurance having been reported as closed in February (some are subject to ongoing monitoring).</p> <p>Newham Foundation has been subject to two repeat findings over many years, and the Principal and Chief Executive is now personally reviewing all aspects of the Foundation to determine the optimum way forward for this entity, noting London Borough Newham have a 19.9% stake in the venture. It is hoped that a clear direction of travel will be established this academic year, since many aspects of the venture are currently unclear or undocumented.</p>
11.	<p>Safeguarding & Prevent Update The Committee reviewed the update on the safeguarding activities and compliance measures that the College is currently undertaking to ensure learners and staff are safe. The report covered analyses of safeguarding activity for the second term and comparison of case types and trends, vulnerable student data, student and staff training, safer recruitment and key developments for mental health support.</p>
12.	<p>Revised Financial Rules of Business The Committee noted a review of the College Financial Regulations will be undertaken in the context of the merger as this needs to remain fit for purpose post-merger.</p>
13.	<p>Newham College Audit Compliance Progress Update The Committee received a comprehensive update on the funding and compliance audits undertaken by the College's Funding Audit and Compliance Manager, and reviewed the following updates:</p> <ol style="list-style-type: none"> a. Awarding Body Registrations b. Adult Education Budget Funding c. Attendance
14.	<p>Any Other Business None discussed.</p>
15.	<p>Schedule of Meetings 2024-2025 by Teams @ 6pm:</p> <ul style="list-style-type: none"> • 04 December 2024 • 26 February 2025 • 18 June 2025