**The Corporation of Newham Sixth Form College**

**Audit & Risk Committee**

**Minutes of the Meeting held on 6 May 2020**

**Members**

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| --- | --- | --- |
| Jay Nair (Chair) | Independent Member | Present |
| Sohidul Hoque | Independent Member | Present |
| Julianne Marriott | Independent Member | Present |
| Martin Oakeshott | Independent Member | Present |

**Non-Members invited to attend**

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| --- | --- | --- |
| Graeme Clarke | Mazars | Present |
| Adrian Cottrell | Interim Director of Finance & Resources | Present |
| Mandeep Gill | Principal & Chief Executive | Present |
| Robin Jones | Clerk to the Corporation | Present |
| Silvan Koterba | Mazars | Present |

**1 INTRODUCTIONS**

As this meeting was taking place via video link all those participating introduced themselves which established that all could be heard.

**2 APOLOGIES FOR ABSENCE**

The Committee noted that all Members were present on this occasion.

**3 DECLARATION OF INTERESTS**

The Members and others present confirmed that there were no declarations of interest to be recorded on this occasion.

**4 CO-OPTED MEMBER OF THE AUDIT & RISK COMMITTEE**

The Committee noted that, some years ago, Daniela Jung had been co-opted to serve on the Committee (and its predecessors) as a person with relevant experience although this had continued for longer than originally anticipated.

Given the expectation that, under normal circumstances, individuals would not serve for longer than two periods of four years (eight years in total), Ms Jung would no longer be attending meetings.

The Committee AGREED:

1. To place on record the appreciation of Members for the contribution of Daniela Jung and to wish her well in the future
2. That efforts be made to identify a suitably qualified person to join the Committee as a co-opted Member.

**5 MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 26 FEBRUARY 2020**

The Minutes of the meeting of the Audit & Risk Committee held on 26 February 2020 were agreed to be a correct record.

Normally the Minutes would be signed by the Chair but this was not possible on this occasion as the meeting was taking place by video link.

**6 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE HELD ON 26 FEBRUARY 2020**

The Committee:

1. reviewed the actions agreed at the last meeting which had been progressed
2. agreed that there were no matters arising from the Minutes of the last meeting which required attention at this time.

**7 RISK**

The Committee received the report of the Interim Director of Finance and the updated Risk Register for 2019/20.

The particular attention of the Committee was drawn to the addition of Risk 14 which addressed the implications of the pandemic COVID – 19. It was recognised that this had national and local factors and the Principal & Chief Executive drew attention to a recent article by the Mayor of the London Borough of Newham and the fact that, at the time of writing, Newham had the highest COVID – 19 incident rate in London. This had been referenced by the local union officers and would no doubt be a factor when discussions take place on the reopening of NewVIc. It was a given that the safety of students and staff would be paramount in planning for the reopening whenever that became possible.

The Committee Chair asked about the assessed level of risks for the College in the light of the pandemic. It was explained that there was a degree of protection in financial terms notwithstanding the uncertainties as to the actual enrolment in September 2020. At present application numbers are looking encouraging and, of course, funding in 2020/21 would be based on numbers for the current year – the lagged funding approach. It was understood that the ESFA was looking at options including taking the best of the last three years in determining funding in 2021/22.

A Member asked about the campus development as covered in item 9 of the current Risk Register. In the event the proposed Campus Task & Finish Group had not been called but progress was being made in bringing together the approach for a new scheme having regard to the decision of the Local Authority to extend the current planning permission for one final time ending in September 2024. The Principal & Chief Executive referred to the current fluid situation and Members were advised that this would be covered via an update to the next meeting of the Corporation.

The Committee AGREED following discussion:

1. to note the updated Risk Register including the addition of the item relating to COVID – 19
2. to note that the Corporation would receive at the meeting scheduled for 20 May 2020 a verbal update on the campus development and this would be reflected in the future updates to the Risk Register
3. to note that the impact of student enrolment in September 2020 would be the subject of updates to the Corporation and, as and when appropriate, the Audit & Risk Committee via the Risk Register
4. to look forward to receiving the next update at the meeting scheduled for 10 June 2020 when the entries in items 1 and 12 would be amended so that they were complete and removed repetition

**8 GDPR HEALTH CHECK**

The Committee received the outcome from the GDPR Health Check.

The summary conclusion was that the College took data protection very seriously and had implemented sound practices in relation to the way personal data is processed.

The possible value of Corporation Members undertaking training in GDPR was identified during the health check for consideration although if was recognised that little personal data was made available to Members as this was seldom if ever required.

A Member asked about the College approach to remote working given the impact of the pandemic and it was explained that robust arrangements were already in place and continued to be developed in the light of experience.

The Committee AGREED:

1. to welcome the report of the GDPR Health Check and to thank all those involved in such a positive report
2. to note that it was planned to undertake a follow up health check in 2021 to ensure that data protection processes continued to be followed
3. to support the view of the Clerk that, rather than provide a full training session on GDPR, a set of bullet points be prepared – possibly for the meeting of the Corporation on 17 June 2020 – setting out the key issues from the perspective of a Corporation Member as distinct to a member of the staff of the College

**9 INTERNAL AUDIT - IMPLEMENTATION OF RECOMMENDATIONS**

The Committee AGREED to receive the updated summary of progress against the Internal Audit recommendations at the meeting scheduled for 10 June 2020.

**10 INTERNAL AUDIT – FINANCIAL PLANNING**

The Committee received the Internal Audit report prepared by Mazars following the review of Financial Planning.

The representative of Mazars highlighted the key issues including the “adequate” assurance level and the basis for the two Priority 2 recommendations.

Note: Priority 2 means “significant”

Both recommendations had been accepted by the College Executive and were being progressed.

Members took the opportunity to comment and to seek clarification of issues covered in the report including:

* ownership of budgets by budget holders and the opportunity to participate in the identification of savings
* training of budget holders including the importance of manging within allocations and not make ad hoc virements which, cumulatively, can skew the College wide position on expenditure
* access to budget information which was in real time although the planned training would highlight what was available and how it could be used

Finally, the Committee noted that the recently appointed Vice Principal Finance & Operations would be taking up the role on 8 June 2020 and he would be taking these and other issues forward following the planned handover from the current Interim Director of Finance.

The Committee AGREED following discussion:

1. to note the outcome of the Internal Audit review of Procurement including the “adequate” assurance and the two recommendations which were “significant”
2. to note the approach of the College Executive in progressing the recommendations in a timely fashion

**11 INTERNAL AUDIT – PROCUREMENT**

The Committee received the Internal Audit report prepared by Mazars following the review of Procurement.

The representative of Mazars highlighted the key issues including the “limited” assurance level and the basis for the six Priority 2 and one Priority 3 recommendations.

Note: Priority 2 means “significant” and Priority 3 means “housekeeping”

All recommendations had been accepted by the College Executive and were being progressed in readiness for 2020/21.

Members took the opportunity to comment and to seek clarification of issues covered in the report and recognised that the implementation would be tracked via the Internal Audit update to be presented to the Committee on 10 June 2020 and subsequently as appropriate. This included the updating of the Financial Regulations already scheduled for presentation to the Corporation on 1 July 2020 and the review of skills and experience within the College Finance Team.

The recommendations not completed by the current Interim Director of Finance will be passed to the new Vice Principal Finance & Operations when he joined the College on 8 June 2020.

The Committee AGREED following discussion:

1. to note the outcome of the Internal Audit review of Procurement including the “limited” assurance and the seven recommendations of which six were “significant”
2. to note the approach of the College Executive in progressing the recommendations in a timely fashion
3. to look forward to receiving at the next scheduled meeting a template document to be used when considering and awarding contracts for goods and services so as to ensure that there was an audit trail of the decision process.

**12 WHISTLEBLOWING POLICY**

The Committee received and reviewed the proposed updated version of the Whistleblowing Policy which reflected the comments made at the meeting on 26 February 2020.

The Principal & Chief Executive confirmed that the Whistleblowing Policy would now be made available to all new staff as an integral part of the induction programme. It was recalled that it had been explained at the last meeting that existing staff have access via the College intranet to all such policies and procedures and when any updates were made an alert was provided.

The Committee AGREED following discussion:

1. To RECOMMEND approval of the updated Whistleblowing Policy to the Corporation
2. That unless an urgent change was requited the Whistleblowing Policy should be reviewed in the summer of 2021 in readiness for 2021/22.

**13 INTERNAL AUDIT ARRANGEMENTS FOR THE REMAINDER OF 2019/20**

The Committee discussed the internal audit arrangements for the remainder of 2019/20 in the context of the decision of Mazars not to continue providing the service beyond 31 July 2020.

The Interim Director of Finance outlined the three suggested options available to the College at this time to make progress in this context:

* Mazars undertake no further work in the current year meaning there is no annual Internal Audit opinion in 2019/20
* Mazars undertake limited audit work possibly governance based on a desktop review and discussions with the Clerk and Interim Director of Finance – there would not be an annual internal audit opinion but the Committee and Corporation could call on further areas of external assurance
* Mazars undertakes governance and a follow up on earlier recommendations plus one other area – this would be enough to allow for an annual Internal Audit opinion.

The Committee was reminded that the Corporation was no longer required to engage an Internal Audit Service although it was necessary to have sufficient assurance on controls to include an opinion in the Annual Financial Statements. Of course even with an Internal Audit Service in place the College Executive and the Corporation should be looking at other means to support the opinion having regard to the risk appetite.

The Committee AGREED:

1. to note the intention of Mazars to end the relationship with NewVIc as Internal Auditors at the end of the current year ie 31 July 2020
2. to note the options available to the College to secure an audit opinion and the confirmation by the representatives of the Internal Auditors that these had been discussed with the Interim Director of Finance with option 3 having the most merit
3. to look forward to receiving from the Interim Director of Finance at the meeting on 10 June 2020 an Assurance Matrix which would inform the further discussion by the Committee on the preferred approach.

**14 CALENDAR OF MEETINGS – 2019/20**

The Committee noted that the next meeting was scheduled to take place on Wednesday 10 June 2020.

It was agreed to defer setting the start time until nearer the date given the uncertainty as to the availability of Members and others.

**15 WITHDRAWAL FROM THE MEETING OF THE REPRESENTATIVES OF MAZARS**

At this point the two representatives of Mazars left the meeting.

**16 CONFIDENTIAL DISCUSSION**

The Members of the Committee had a discussion which was regarded as being confidential at least for the time being.

The Minute setting out the outcome of the discussion would be available only to Members of the Corporation and designated Members of the Executive.

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