

Chair	Richard Smith Morgan
Corporation Members	
Co-opted Members	Thana Nathan
Auditors	Dakshita Takodra – Auditor (Internal Audit – TIAA) to item 8
Officers in attendance	Gerry McDonald: Group Principal & CEO Jamie Stroud: Group Director of Finance
Apologies	Stephen Critoph
Minutes	Elsa Wright – Director of Governance

Item No	Item of business
1	Welcome and Introductions The Chair welcomed everyone to the meeting.
2	Apologies for Absence Stephen Critoph had sent apologies which were accepted by the committee. The meeting was not quorate.
3	Declaration of Interests None received.
4	Minutes of the Last Meeting held on 2 July 2024 The minutes of the meeting were agreed as drafted. Governors asked about the supplier who had been paid twice. The company had come back with some counter arguments which the Director of Estates was investigating. They owed the college £60k. All purchase orders had been paid. The Group Director of Finance confirmed that the audit fee was reduced by the external auditor as discussed.
5	Matters Arising and Action Points from the Meeting The action points were reviewed.
ITEMS FOR DISCUSSION, DECISION OR ACTION	
6	Internal Audit Assignment reports There were three reports presented to the meeting for discussion. The progress report summarised the three audits.

Item No	Item of business
	<p>6.1 Procurement There was reasonable assurance with a number of recommendations where gaps had been identified and compliance testing was now completed with agreed actions in place. This would be followed up in the new year and reported back to the committee. A Smart action plan was not thought to be required. The committee questioned some of the findings but was assured that these had been remedied and that the new head of procurement was proactively following up.</p> <p>6.2 Subcontracting There was a discussion about the need for the subcontracting audit and further clarification had been sought.</p> <p>6.3 Apprenticeship Funding compliance The outcome of the audit was noted.</p>
7	<p>Annual Internal Audit report</p> <p>The Annual report summarised the work that had been done by TIAA across the year. The majority of recommendations should refer to compliance issues rather than in the governance framework itself. It was positive that this was the case at NCC. Actions were being cleared off promptly after each audit with level 1 and 2 recommendations signed off once complete.</p> <p>There was a discussion about procurement. There had been a gap in staffing with a number of interims and now there was a permanent head with two managers. There had been a lot of work to ensure compliance and now the policies, procedures and registers would be reviewed and updated. It was noted that Stephen Critoph had sent comments and suggested a follow up audit in 2025-26.</p> <p>The internal auditor explained that follow up work and assurance for procurement would be tested during the key financial audit in February. This would be reported to the committee in March 2025</p> <p>ACTION – Further discussion on procurement to take place in March 25 once outcome of testing was known</p>
8	<p>Risk Register</p> <p>The register had been updated with risks removed that had been fully mitigated. Scoring needed to be added and the arrows for movement. There was a discussion about adding a numeric to help to give a visual scale to the different risks.</p> <p>Governors asked if there was a capacity issue with the loss of the Deputy CEO. The CEO had been looking for an interim but this was proving difficult and expensive.</p> <p>There was a joint meeting of the Property and Finance committees to look at Capex as this could be critical with the development plans and no easy access to borrowing.</p>

Item No	Item of business
	<p>Apprenticeships were better with improved quality. Safeguarding was still an issue with no fall off in the numbers of cases which had remained high over the last couple of years.</p> <p>There was a discussion about the Teachers Pensions Grant. It was hard to see how that could be taken away as it would be a huge issue for the whole education sector.</p> <p>Management capacity was an issue in the junior to middle management tier. Work had been undertaken to develop and deliver new training programmes to support this. The vacancy rate similar to other colleges but it had improved from last year. The CEO explained that there would be a new Principal at BSix and changes to integrate the campus into NCC would be brought forward earlier.</p> <p>Enrolment was flat overall but spiky across the campuses. People were moving out so numbers in inner London had fallen and the result was that resources were sometimes in the wrong place. There were more establishment staff with less flexibility than at some other colleges but this did help with quality. Market supplements were paid where staff were difficult to recruit and retain.</p> <p>Cyber remained a high risk.</p> <p>The CEO and the Director of Governance would meet to look at the scoring. Governors discussed the threshold for the difference levels of risk. 25 was the highest risk and scoring would allow for some differentiation with quarterly movement added for context. The aim was for the register to be a valuable tool for the board and help to show the effectiveness of current and future mitigation. The Audit committee would revisit in December.</p> <p>ACTION – CEO and Director of Governance to score the risk register for further review at the December meeting.</p>
9	<p>Regularity Audit Self-Assessment Questionnaire</p> <p>The document was a requirement of the audit. It was updated before each external audit and there had been some additional questions this year around the MPM guidelines.</p> <p>ACTION – the committee recommended the questionnaire for approval by the Board to be signed by the Chair and CEO</p>
10	<p>Attempted Fraud</p> <p>The Committee noted that there had been no fraud attempts since the last report. There were no irregularities or improprieties to report.</p> <p>The Chair asked about the last fraud incident. 2016 was the last fraud which had been uncovered post merger and it had been reported by NCC to the ESFA. There were lots of checks and balances in place and systems were monitored and tested regularly.</p>

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11	<p>Whistleblowing Policy</p> <p>There had been no reported disclosures in 2023-24. There was no change to the policy.</p> <p>ACTION – the committee noted the report and agreed to recommend the policy to the Board for approval</p>
12	<p>Feedback from Committee self-assessment</p> <p>A new member had been identified and his appointment would be recommended to the Board in November. Indeed the Chair had an informal discussion and was satisfied that the candidate had the requisite skill set. The search for another member would continue, with a preference for a qualified accountant to compliment the skills of the existing members.</p> <p>The committee discussed the internal audit contract which was in the final year of a three year contract. The key was for the service to add value. The committee had previously discussed using specialists which reflected the maturity of the organisation. JISC should be used for IT and cyber audits. Safeguarding was very specialist and it was difficult to find good auditors for these types of activity.</p>
13	<p>Any Other Business</p> <p>The CEO gave an update to the committee about a DFE audit. The Chair of the Corporation and the Chairs for FGP and Audit had been notified previously. DFE had been audited by the Government Internal Audit service looking at ESF funds from EU. It was funded on a match basis and NCC had been chosen as one of the samples. Evidence had been rejected from digital systems and GIAA wanted paper copies going back to 2015 and would not accept information which other auditors including the ESFA would accept. Eight errors had been identified from a sample of 40. This was extrapolated to a potential clawback of £440k. After discussion with the DFE, the audit was reopened and original evidence was found for 6 of the 8. Two were about eligibility and the students couldn't be traced as they had studied 7 years ago. Clawback was now estimated at around £110k and the argument would be made about this being de minimis with only 2 from 40 records showing errors. It has been provided for in the accounts. The outcome should be known the following week.</p>
14	<p>Date of Next Meeting</p> <p>Tuesday 3 December 2024</p>

The meeting ended at 6.18pm