

**Tuesday 28<sup>th</sup> February 2023  
5.30pm  
Held remotely via ZOOM video conferencing**

## **MINUTES**

### **PRESENT:**

Mr S Ebele, Foundation Governor, Chair of Committee  
Mr D Navarro, Foundation Governor  
Mr C Uraih, Foundation Governor, joined at 5.44pm

### **IN ATTENDANCE:**

Mr G Thompson, Principal / Accounting Officer (at request of committee)  
Mrs M Searle, Director of Finance & Resources (at request of committee)  
Mrs E Lewis, Clerk to the Governors

**The meeting was opened by Mr Ebele at 5.30 pm. It was quorate throughout and all participants could see and / or hear one another.**

1. **Opening Prayer:** offered by Mr Thompson
2. **Apologies:** Mrs B Meier
3. **Declarations of Interest:** there were none.
4. **Committee time with Auditors if required – no auditors were present.**
5. **Minutes of meeting held on 15<sup>th</sup> November 2022:** Included in the papers for the meeting and previously circulated on 6<sup>th</sup> December 2022 had been reported to the full governing body meeting on 8<sup>th</sup> December 2022; were agreed to be a true and accurate record to be signed in due course.
6. **Action Points from previous meeting:** It was noted that:
  - 6.1. The annual report of the Audit Committee, 2021 - 2022 had been agreed, signed and presented to the full Governing Body on 8<sup>th</sup> December 2022; published on the website and filed on time with the ESFA.
  - 6.2. The refreshed letter of engagement with Buzzacott LLP (external auditors) had been duly signed and returned.
7. **Matters Arising, not covered by agenda items:** There were none.
8. **Internal Audit: Planning of Internal Audit risk-based priorities for 2022 – 2023 and 2023 – 2024:** Mrs Searle introduced the “Internal Audit Service Review” proposal for an audit of the Individual Learner Records (ILR) learner number system which had been included in the papers for the meeting. Mrs Searle outlined the process she had followed to invite interest and presented the offers received as set out in her paper.  
Mrs Searle explained the rationale for recommending that Scrutton Bland be engaged to undertake the single assignment including their experience in the sector, the number of days and cost. The next step would be to take up references.

**Following discussion, the committee accepted the recommendation that Scrutton Bland be engaged, subject to two references (sought from the two other London Catholic Sixth Form Colleges they work with), to audit the learner number system for 2022 - 2023 on the terms offered in their quote (remote audit & report, 6 days, £3,300 excl VAT). The engagement would be confirmed by the committee, by email, once the references had been received.**

Mr Ebele asked how the other internal audit assignments should be approached. Mrs Searle advised that the IAS Planning and Strategy schedule should be revisited to produce an audit cycle which responds to the current risk register and, in time, the impact of the ONS reclassification. It was suggested that this could be informed by gathering some feedback from other colleges on the scope of their audits. A budget had been retained for internal audit and would be included for 2023 – 2024.

**ACTION: Mrs Searle to propose a cycle of assignments in an IAS Planning and Strategy document for consideration at the next meeting in May.**

9. **Internal Audit: College Action Report:** Mrs Searle introduced the report which had been included in the papers for the meeting. It showed progress to date against the recommendations / actions arising from the Secure Remote Working, Information Security and Operational Resilience audit assignment in 2022. The action report noted that all but two of the agreed actions, both categorised as “medium”, had been implemented. Reflecting on the report, Mr Ebele noted that it was good to see that some recommendations had been implemented ahead of schedule. It was confirmed that there were no outstanding recommendations from the previous Learner Number Systems audit by RSM UK Risk Assurance Services LLP, in the spring term, 2022. Mr Ebele suggested refreshing the recommendations if it was likely that the new auditors would review the outcomes.

**The College Action Report was accepted.**

10. **FMCE<sup>1</sup> improvement plan:** Mr Thompson introduced the RAG-rated report tracking progress against improvements identified by the FMCE, November 2022. He confirmed that student recruitment was progressing well and applications compared favourably with previous years and had, since the papers were issued, passed 2000. There would be an Open Evening on Wednesday, 8th March from 4pm -6pm which had already attracted over 800 expressions of interest via online invitation – agreed to be a positive position. Mr Thompson advised that marketing of the expanding range of T Levels was being ramped up.

Mr Thompson reported an increase in income from lettings with a refreshed marketing campaign and strategy in process. A new partnership with Surrey County Cricket club to introduce a cricket academy into the college curriculum from September 2023, would also enhance the facilities available for hire. Mr Navarro asked whether this was the club’s ACE programme which he commended. Mr Thompson said that the scheme was only currently in two other schools, Lilian Baylis in Kennington and George Abbot school in Guildford. He explained that SCC would provide all cricket nets, equipment and professional coaching and the academy would also contribute to the skills agenda by providing various employment opportunities at the Oval. in various capacities. Coaching would be first thing in the morning or after college. Mr Ebele confirmed with Mr Thompson that those hours could count towards the 40 additional hours. Mr Thompson commented that as the initiative had come about quite late in the recruitment campaign and would feature in ongoing marketing, he was not expecting it to be full for the first year.

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<sup>1</sup> Financial Management Control Evaluation

Mr Thompson confirmed that the marketing team would be supporting lettings and that the proposed capital project to provide an outdoor covered area in the quad would also enhance the space available for lettings. Another potential area to boost income generation was expected to develop with the opening of the former Oliver House premises as a secondary school operated by “Dukes Education” who had indicated an interest in hiring some of the college facilities.

## 11. Risk Management:

11.1. The risk register and policy (spring term 2023) updated for the meeting had been included in the papers and was received. Mr Thompson explained a modification to the format and layout to incorporate a more objective, RAG<sup>2</sup> scoring method to rate the risks. The matrix employed was the same as used by the SFCA<sup>3</sup> to rate risk for the sector. Mr Thompson highlighted a change to the ranking of risks since the previous register which moved MIS / IT Infrastructure up two places on the register to acknowledge the cyber security risk which had infiltrated the education sector recently. The committee accepted the ranking of the ten risk areas.

11.2. Mr Thompson reviewed the key active internal controls (mitigations), risks & emerging risks, reporting against the risk register.

11.2.1. **Student Recruitment and Competition:** The mitigations in place calculated this to be medium risk. Mr Thompson highlighted the emerging risk and impact on student recruitment of the withdrawal of funding for Applied General Qualifications.

At the December 2022 meeting of the governing body, Mr Thompson had reported that a low rate of returning students (progressing into their second year) had been a significant factor in the under-recruitment of students to the 2022 – 2023 roll. The committee asked that this be added to the risk register. Mr Thompson reported the mitigating actions being pursued which include drilling down to course level to analyse which courses students had dropped out from. Via mid-year reviews with departments the reasons and patterns of warning signs were being identified so that students “at risk” of dropping out could be targeted for intervention and support.

**ACTION: To include on the current risk register. Mrs Lewis.**

11.2.2. **Funding and finance:** The mitigations in place calculated this to be medium risk. Mr Thompson noted the new emerging factors / risks and advised that the funding allocation had now been received for 2023 – 2024 which confirmed the impact of the under-recruitment of students in September 2022.

The significance of the continuation of protection of TPA (increase covered by the government) for a further three years was explained by Mrs Searle and had been confirmed in the funding allocation.

Mrs Searle explained the elements of the formula and how the proposed new methodology for financial health grading might derail financial planning for the college. She said that change was not now expected until the new financial handbook came into effect from August 2024. In summary, Mrs Searle explained that the college had been Outstanding last year but wouldn't be under the new method. Mr Ebele summarised that financial health was down to managing enrolment and balancing budget. Mrs Searle agreed, but also highlighted that staff salary costs exceeded 75% which was an issue whilst income was falling.

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<sup>2</sup> Red, Amber, Green

<sup>3</sup> Sixth Form Colleges Association

The importance of ensuring that under-recruitment was a one-year dip was emphasised. Cash generation would help the EBITDA ratio.

Mr Ebele suggested that key financial controls be included in the internal audit cycle. Mrs Searle said this was the other area that had previously been included regularly along with ILR – checking effective systems were in place and there were no financial irregularities. It had been taken out of annual review onto a two year rotation with learner number systems, as no actions had been recommended. It was agreed that the review of the internal audit cycle should restore a cyclical rhythm for that and confirmed that learner numbers would need to be annual.

- 11.2.3. **Quality:** The mitigations in place calculated this to be medium risk. Mr Thompson confirmed that references to covid had been removed as there was no longer a significant impact although it remained in the background. He explained why next year's data would return to normal and therefore more valid and that DfE performance tables would be back in place. Mr Thompson noted that the capacity development fund had ended which meant that relationship building with employers would no longer be funded.
- 11.2.4. **MIS / IT Infrastructure:** [moved up from ranking place 6] The mitigations in place calculated this to be medium risk. Mr Thompson recalled the 2022 audit assignment last year which was reported in November 2022 with some recommended actions. He announced that the college held the Cyber Essentials accreditation (April 2021 and 2022) and would be aiming to achieve the more challenging Cyber Essentials Plus standard which would require some actions which Mr Ali and his team were working towards for the re-accreditation process in April 2023.
- 11.2.5. **Reputation:** [moved down one place] The mitigations in place calculated this to be low risk. Mr Thompson noted that a new Health and Safety Compliance Officer was in post who was auditing current processes. He drew attention to the emergence of Martyn's Law (setting out regulations to cover terrorist threats in public places) with which the college would have to comply.
- 11.2.6. **Catholic Ethos:** [moved down one place] The mitigations in place calculated this to be medium risk. Mr Thompson reported a meeting earlier in the day regarding Academisation between the Catholic Education Service; each of the Dioceses with a Catholic Sixth Form College and the Chair and Principal of those Catholic Sixth Form Colleges. He said that the Southwark strategy was very clear in its determination that all schools would belong to one of five CATs (Catholic Academy Trusts) and was moving quite quickly towards that goal. The position of the Catholic Sixth Form Colleges (Christ the King and SFX) in that strategy was still to be decided but there had been discussion about whether the four London Catholic Sixth Form Colleges (SFX, CTK, St Charles and St Dominic's). Academisation was on the agenda for discussion at the governors' Focus Morning on Saturday 18<sup>th</sup> March.
- 11.2.7. **Estates and Health & Safety Compliance:** The mitigations in place calculated this to be medium risk. The review of the health and safety procedures across the college by the new H&S Compliance Officer was noted to be relevant to this aspect of risk as well as to the "Reputation" area. Inclusion of Health & Safety in the internal audit strategy was noted to be a control action for this risk. Mr Thompson explained that strategic commitment to sustainability would require some investment in the estate and, to kick start it, reliant on the outcome of a

bid to the CIF (Condition Improvement Fund) for repairs to the flat roofing around the site. The installation of solar panels would be dependent on that work being undertaken.

Mr Ebele asked whether the fire safety audit (most recently completed in 2021) would be revisited by the H&S Compliance Officer. Mr Thompson advised that that audit had been undertaken by Hettle and Andrews (college insurance broker). The outcome of the college H&S compliance Officer's audit might require an external review.

Mr Navarro recapped how many bids had been submitted so far to support the delivery of new T Levels. Mr Thompson confirmed that the latest bid (for refurbishment and specialist equipment to support the Media Broadcast and Production T Level from September 2024) would be the third. He said that the Government binary choice agenda remains a top priority so to safeguard the curriculum in the college it was imperative to chase T Levels and the funding attached to them.

**11.2.8. Safeguarding and Wellbeing:** The mitigations in place calculated this to be medium risk. Mr Thompson commended the work of Mr Graham (DSL<sup>4</sup>) and his team. He informed the committee that a letter had been received from the Metropolitan Police that day to share with parents alerting them to a shocking porn-related video which young people were spreading across London. The letter had been duly sent.

**11.2.9. HR: Staff Recruitment & Retention; Employer Relations:** The mitigations in place calculated this to be medium risk. Mr Thompson advised the committee that the (National Education Union (NEU) industrial action taking place was the key issue at present. He explained that because it was anticipated that about 35 members of staff would be on strike, SFX had taken the decision to move all lessons online for safety reasons and to remain open only for students with high support needs. Currently strikes were planned for Thursday 2<sup>nd</sup>, Wednesday 15<sup>th</sup> and Thursday 16<sup>th</sup> March if things didn't change. He said that dialogue with the unions at SFX was regular and open.

Mr Thompson reported that attracting a strong field and recruiting high quality candidates to some of the support areas was difficult. In this he included replacement of the Clerk to the Governors who would be retiring at the end of May 2023. One candidate for that post had been invited to interview the following week.

**11.2.10. Leadership and Governance:** The mitigations in place calculated this to be medium risk. Recruitment of a new Clerk was also flagged in this section. recruitment. The impact of the ONS decision to reclassify colleges as public sector bodies was emerging and, Mr Thompson said, the true test would be the publication of the financial handbook in 2024. He remarked that colleges planning to borrow money commercially would have already felt some immediate impact of the decision.

Revisions to the Risk Management Policy were noted.

The register, policy and Mr Thompson's report were accepted.

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<sup>4</sup> Designated Safeguarding Lead

12. **Board Assurance Framework:** It was accepted that the Board Assurance would be updated for the next meeting mapped against the revised format of the Risk Register.
13. **Routine Review of:**
  - 13.1. **Anti-Fraud, Corruption, Bribery, Malpractice Policy:** The policy was presented for review without any change and was agreed. **To be recommended for approval to the full Governing Body at its meeting on 21<sup>st</sup> March 2023 to be reviewed again in March 2025.**
  - 13.2. **Whistleblowing Policy:** The policy was presented for review without any change. Mr Uraih suggested that the policy was not explicit on how individuals raising an issue could be assured / reassured against reprisals. It was agreed that that further review of the policy was necessary outside of the meeting and that it would be appropriate to seek agreement via email.  
**ACTION: Mr Thompson / Mrs Lewis.**
14. **Auditors Performance Reviews:**
  - 14.1. **Review of the performance of Buzzacott, incumbent External Auditors:** The committee completed the review of year end 2022 work collaboratively with the management team present, using the performance indicators questionnaire in the papers. Complete satisfaction was confirmed.  
**ACTION: Recommendation of continued appointment to be made to the full Governing Body on 21<sup>st</sup> March 2023.**  
  
**Mrs Lewis to inform Mrs Biscoe, partner at Buzzacott, of the outcome following the GB meeting.**
15. **Any other business:** There was none.
16. **Review of effectiveness of meeting:** It was agreed that the meeting had been chaired well and had dealt with the agenda effectively.
17. **Date of next meeting:** Tuesday 16<sup>th</sup> May 2023

**The meeting closed at 6.58pm**

**SIGNED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_