

Minutes of the meeting of the South Bank Colleges Board

**held at 5.00pm on Tuesday, 23 November 2021
Meeting via Microsoft Teams**

Present

Ruth Farwell (Chair)
Andrew Owen (Vice-Chair)
Steve Balmont
Sue Dare
Nigel Duckers
Mee Ling Ng
David Phoenix

Apologies

Jacqui Dyer
Moriam Folawiyo
Shakira Martin

In attendance

Michael Broadway
Richard Flatman
Rachel McCafferty
Fiona Morey
Jacqueline Mutibwa
Fleur Nieboer, KPMG External Auditors
Jessica Spencer, KPMG External Auditors

1. Welcome and apologies

The Chair welcomed the trustees to the meeting. The above apologies were received.

2. Audit Committee Annual Report

At its meeting of 10 November 2021, the Audit Committee had discussed and approved its annual report subject to the completion of the KPMG external audit report.

The Board noted the annual report and the Audit Committee's opinion on the adequacy and effectiveness of the college's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets and that these arrangements are adequate and effective.

The Chair of Audit Committee would sign the report when the accounts were signed.

3. Year-end Reporting and Approvals 2020/21:

External audit findings

The Board noted the draft KPMG's audit findings report which had been updated since the meeting of the Audit Committee on 10 November 2021.

The Board noted that the audit of the accounts had not yet been completed and that there might be some minor changes which were not material. The Board was provided with an update on the outstanding matters.

The new significant audit risk in relation to Adult Education funding from the ESFA was noted.

The Board discussed recommendations raised last year. On the review of pension assumptions (priority rating 2), this had been progressed and a policy was in place. On management of fixed assets (priority 2), a robust process was in place to ensure that assets are capitalised on timely basis.

KPMG were expected to give an unqualified audit opinion. A final external audit report would be circulated to the Board.

External Audit Letter of Representation

The draft letter of representation to the external auditors had been reviewed by the Audit Committee at its meeting of 10 November 2021.

For the reporting year, three representations specific to SBC had been included.

The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.

The Board approved the letter of representation in its final form and authorised the Chair to sign the letter on behalf of the Board.

Going concern statement

The assurance report had been reviewed by the Audit Committee at its meeting of 10 November 2021.

The Board noted that the report was being finalised and that there were no material uncertainties to date.

The Board noted the assurance sources and approved the going concern basis for preparation of the accounts.

Annual report and accounts

The Board discussed the draft annual report and accounts for year ended 31 July 2021, which had been reviewed by the Audit Committee.

There would be final revisions to the accounts following KPMG review which were not expected to be material adjustments. The Board noted the amendments made to the accounts since the meeting of the Audit Committee on 10 November 2021.

The Board noted assurances from the Group Executive that the content of the report and accounts were accurate and could be approved by the Board, subject to any final revisions following KPMG review.

After careful consideration, the Board approved the SBC annual report and accounts for the year ended 31 July 2021, subject to any final revisions and authorised the Chair and the Accounting Officer to sign on behalf of the Board.

Re-appointment of auditors

The Board discussed the reappointment of KPMG external auditors for the financial year 2021/22.

There was discussion about the audit of the accounts and approval process which had not gone according to the plan agreed at the Audit Committee meeting on 8 July 2021. The Board requested that a review of the audit process was undertaken to analyse it and consider where improvements could be made. The Executive noted the difficulties which were outside the auditor's control in particular the LSBU IT outage had a significant impact on the audit work.

The Board:

- confirmed that KPMG UK LLP shall continue as auditor of SBC for the financial year 2021/22.
- requested that a review of the audit of the accounts and approval process is undertaken and a report is presented to the Audit Committee at its meeting in February 2022.
- requested that the sequencing of meetings in 2022 is reviewed to enable an efficient and effective decision-making process.

The Chair thanked trustees and staff for attending the special meeting, especially Steve Balmont and Mee Ling Ng for their work on the year end approvals.

**Date of next meeting
4.00 pm on Thursday, 24 February 2022**

Confirmed as a true record

(Chair)