



## BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

### MEETING OF THE AUDIT COMMITTEE HELD ON

THURSDAY 20<sup>th</sup> JUNE 2024 AT 6.00 P.M. ONLINE VIA M. TEAMS

Present: Guy Carr, Jo Davis (Chair), Daniel Osorio, Neil Perry

1. In Attendance: Jutta Knapp, Louise Pennington and Chris Rising (MacIntyre Hudson – Internal Auditors) for items 2.2 and 2.3

The meeting was quorate.

*NOTE: FOR EASE OF REFERENCE QUESTIONS AND COMMENTS FROM GOVERNORS HAVE BEEN INCLUDED IN BOLD ITALICS*

### SECTION 1: ROUTINE AND STANDING ITEMS

#### 1.1 Apologies and Welcomes

**Welcomes:** Guy Carr (new Governor)

Chris Rising (MacIntyre Hudson Internal Auditor)

**Apologies:** Sarah Bovill, William Baldwin and Rob Milton

The Meeting was quorate.

It was resolved to take items 2.2 and 2.3 at the start of the meeting, after which Chris Rising, who was present via Teams to present both items, would then leave the meeting.

#### 1.2 Minutes of the Meeting held on 14<sup>th</sup> March 2024

The minutes of the last meeting were agreed and signed as a correct record of the meeting. **ACTION: Chair/LEP**

#### 1.3 Matters Arising

##### a) Actions' Schedule

The contents of the actions' schedule were noted by the Committee, taking into account those items which had been completed and those which were being carried forward or due to be completed later in the year.

#### 1.4 Declarations of Interest – None

**It was resolved to take item 2.2 and 2.3 before item 1.5 and that Chris Rising meeting at the end of item 2.3**

#### 1.5 Principal's Update

In the absence of the Principal who was at the SFCA Annual Conference in Nottingham, Louise Pennington informed the Committee of the items reported at the other Committees to date – Q & C and Resources as recorded below and Jutta Knapp answered any questions arising from the Committee.

- **General Election:** unsure at this stage of the impact on education and potential curriculum changes, should Labour get into power, but indications are that initially there is likely to be minimal impact upon A Level delivery, with a greater focus upon taking forward pre-16 Education reforms. Clarification will be needed on BTEC reform and T levels though. Labour's pledge to increase the number of teachers only relates to Schools

as no specific mention of Colleges. General policy from labour is to remove barriers to education and to increase participation, which already ties in with BHASVIC's strategy.

- **Budget and premises report** – a brief update was given at Q & C with the Resources Committee received the papers (accessible to all Governors via the Resources Committee Team folder). At Q & C, the difficult financial situation for all Colleges was reiterated, plus the following key points: 24/25 draft budget operating surplus of £100K and capital outflow of approximately £2M for small projects – extending the canteen and adding an outdoor multipurpose pitch and new netball court – subject to planning approval. The additional temporary modular classrooms which are going to sit on the existing netball court was noted and planning to be agreed, so at risk until approved; the urgency for these to be in place for September to cater for the additional 250 Students recruited. There will also be a marquee in the Elms Building Courtyard to provide additional temporary social space next term, whilst works are underway.
- **Admissions** – based on comparisons with previous years' figures at this time, there may be an additional 100 Students due to enrol for next year (in addition to the planned growth of 250 more than this year). More will be known on Moving on Day and contingency plans will be in place to cater for the increase.
- **Eastbourne sixth form provision** – discussed at October Corporation strategy day 2023. The key findings are that school performance is below average thus fewer learners are progressing on to level 3 than would be expected. Only 15% of learners from Eastbourne doing A levels actually study in Eastbourne but the demographics aren't there to develop a viable new school sixth form. It seems like school improvement is the long-term action and improving travel arrangements is a key short-term action. Unlikely that there will be any actions for BHASVIC but the Principal will meet with the Director of Education for ESCC to discuss.
- **Quality Audit** – on agenda – refer Internal audit reports.
- **Exam Season** – overall the exam season has gone well with over 10,000 exam sittings in respect of A1 and A2 exams. A1 Students received their exam results last week via Cedar (Student Management System) and for the first time the College has introduced a new procedure whereby those A1 Students obtaining U grades, will have consideration given to their overall performance over the year in order to enable more Students to move into Year 2. The change in policy, may affect the College's value added and retention figures.
- **Inset** – 1 week - very useful AI training for staff, which received positive feedback.
- **GDST School site** – the College's case was presented to the DfE's Permanent Secretary of Education who agreed with the fact that College had no access to capital for purchasing the site which did not make sense and the consequential need to hire temporary modular classrooms to meet the increase in Student numbers, was not in fact the best use of public funds. A similar discussion was also held with the FE Capital Team who also recognised the issues.
- **Sussex University** talks have been held with BHASVIC, Varndean College and GB Met regarding the opening of pathways for PGCE Students for 16-19 (ECTs - Early Careers Teachers), confirming that this would be a welcome initiative. Broadly BHASVIC's teaching staff are mainly at the top of the teachers' pay scale reflecting their length of service, being 9 years or more service.

## SECTION 2: AUDIT AND INTERNAL ASSURANCE ITEMS

### 2.1 External Audit Planning Memorandum

#### Papers: Front Cover, a) Audit Plan, b) Confirmation Letter

Jutta Knapp introduced the Report and the following points were noted:

- Second year since Alliotts' appointment (replacing RSMUK).
- Last year's audit work went very well and similar terms are proposed for this year.
- The External Auditors will work on the Financial Statements Audit/Regularity Audit and the Teachers' Pension audit.
- Standard audit process with no particular areas to highlight.
- The fees are in line with those agreed during last year's tender process.
- Page 31 of the papers – confirmation in the body of the report, of the audit details and terms (last year this was issued as a separate letter).
- The Audit Team will remain the same in respect of the Audit Partner, Audit Manager and Senior Auditor, with a new Junior Auditor.
- In response to a question raised by the Chair on page 15, referring to the going concern statement/risk mitigation in connection with the College's existing loan arrangements with Lloyds bank, Jutta Knapp explained that of the two loans fixed and variable, the interest rate on the latter was due to be reviewed in May 2025 and the interest rate will change so the College needs to seek DfE approval in line with the new rules,

post ONS re-classification of Colleges; DfE agreement will have to be obtained before the financial statements are signed off. Jutta Knapp advised the Committee that she has contacted the ESFA twice to ask for details of the application process, but has had no response to date and that the next step will be for the Principal to send a letter. Alliot's Audit Partner, Chris Mantel, would also be able to prompt DfE for a response should Jutta Knapp not hear back soon. If this isn't resolved in time, there is a risk to the College that the accounts would be qualified, although it was thought that the risk was low in light of the situation Colleges have been placed owing to the reclassification. It was agreed to highlight the risk to Governors at Corporation on 4<sup>th</sup> July. **ACTION: Jo Davis/JHK**

- Page 28 of papers reference to common findings from ESFA Funding report post 16 providers – it was suggested that it may be useful to share the link to this document to interested Governors, which would enhance Governors' understanding. **ACTION: JHK**

Subject to the points raised above, the document was recommended to Corporation for approval, including page 31 of the papers (letter confirming the terms/fees). **ACTION: Jutta Knapp**

## 2.2 Internal Audit Plan

### Papers: Front Cover, a) Audit Strategy

The contents of the report were noted as presented by Chris Rising, MacIntyre Hudson, Internal Auditor, noting that the plan had been discussed with Jutta Knapp and the management team, supported by the Risk Register in terms of identifying the areas to focus upon for next year's internal audit.

The following points were noted:

- Assurance areas to cover for 2024/2025: learner numbers (annually audited – unless the College has had an external funding review), safeguarding (not yet reviewed by MacIntyre Hudson) and payroll (biggest area of expenditure). Regarding payroll, Jutta Knapp informed the Committee that the member of Staff leading in this area, was moving to part time but retaining her payroll responsibilities but would be working from home and visiting College approximately one day per month.
- Learner Numbers – MacIntyre Hudson has a team of funding specialists who will complete the funding audit work, and their expertise and high level of scrutiny will provide a thorough audit for the College, together with providing information regarding areas of good practice, seen elsewhere in the sector. If necessary, they are also able to offer additional training and guidance.
- Furthermore, an additional advisory audit to be considered in respect of examinations (processes and administration) - to be confirmed, once discussed further and then reflected in final scope. At this point Jutta Knapp confirmed that the College had regular visits from the JCQ (Joint Council for Qualifications) which provides some assurance on the College's compliance with the rules, but further internal audit assurance may also add to this particularly if there are recommendations which may assist Staff in managing the extensive workload in this area, with some improvements in processes.
- the internal audit details for 2022/2023 and 2023/2024 recorded within the plan were also noted.

Subject to the points made above, the Plan was recommended to Corporation for approval. **ACTION: Jutta Knapp**

## 2.3 Internal Audit Reports

Chris Rising reported on the clean suite of reports this year, with overall assurance recorded in respect of each area, but especially a) Quality Assurance where there were no recommendations and several aspects of good practice have been recorded in the report (development plan, self-assessment review and quality improvement programme, together with good internal controls). Congratulations were recorded to the Team for this and Jutta Knapp agreed to pass on the message. **ACTION: JHK**

The various reports were noted and the Chair agreed to highlight any key aspects at Corporation; the reports will be included in the Corporation meeting paper via links, for Governors' information and do not require approval. **ACTION: JHK/LEP**

### a) Quality Assurance

As noted above, this area gained substantial assurance, with no recommendations and several areas of good practice recorded.

### b) Procurement and Creditors

Substantial assurance also awarded for this area but with 1 recommendation

- The responsibility is on each budget holder to be able to demonstrate that the required number of quotations have been sought, when needed to comply with the College's financial regulations. However, having audited this area, at the moment there is no process for gaining assurance that this is taking place in all cases and how this is monitored or taken on trust. Chris Rising agreed that it would not be necessary to review every purchase which fell within the criteria, but that periodic review was recommended to gain assurance. It is suggested that when new guidance is issued to budget holder, this aspect of the rules, should be emphasised in terms of quotations sought and ensuring value for money.
- Jutta Knapp advised that there were very few areas where the spend would reach the level required for seeking more than one quotation (£2.5K spend/2 quotations) and the Finance Team, with their experience had an awareness of spend per department and whether further checks should be followed up. Furthermore, the main departmental areas where spend is about the 2.5K threshold, was IT and estates (summer works) and she agreed that the Finance Team would pick up the recommendation accordingly. **ACTION: JHK**
- In response to a question from the Committee, Jutta Knapp confirmed that benchmarking reviews regularly take place in respect of certain key areas such as catering costs and utilities.

### c) Estates Management

Substantial assurance has been given to this area following the internal audit, with 2 recommendations in addition to the Estates' expenditure point raised above, re seeking sufficient quotations in respect of any expenses over the £2.5K threshold as per the financial regulations.

- Estates Strategy master plan, which was last updated in 2016 – good opportunity now to forward forecast as to what the strategy should look like in say the next 10 years, together with identifying goals which tie in with the College's curriculum plans.
- Conditions' surveys – clarification should be applied to the various numbered grades applied, with a defined rating system provided in more detail for purposes of clarity and consistency in respect of future estates' work.

At this point thanks were recorded to Chris Rising and his team, after which he left the meeting.

## 2.4 Update on Audit Recommendations

The contents of the document were noted by the Committee and the following points recorded:

- Governance recommendation – it was noted that this had now been adopted – refer committees' self-assessment annual questionnaire, which has 2 additional questions added.
- Cyber security – reporting on progress in this area is made by the Assistant Principal/Digital Director to the Resources Committee and details are also recorded in the CDP (College Development Plan).

## 2.5 Reappointment and Remuneration – Internal Auditors and External Auditors

In accordance with the details recorded in the agreement and based on a good relationships and work done to date, the Committee recommended the reappointment and remuneration to the Corporation for approval. **ACTION: JHK**

## 2.6 Risk Register and Risk Assurance Map

In the absence of William Baldwin, the contents of the paper presented by Jutta Knapp, were reviewed by the Committee including the adequacy of assurances given and the following points highlighted:

- Page 95 – noted that 2 of risks had decreased and 1 had increased, noting impact of unexpected budgetary pressures.
- Cyber – closely monitored and reviewed by SLT, plus recent cyber security internal audit noted etc
- page 102 assurance map.
- In response to a question from the Committee regarding Risk S1, Jutta Knapp agreed to add this in to the final document going to Corporation. **ACTION: JHK**
- Site security – Jutta Knapp referenced various College policies relating to this risk and updated the Committee on the proposal to further develop the CCTV operations around the College’s open site, to provide greater protection for Students and Staff and reduce risk; report provided to the Resources Committee earlier this week; this would aim at adding CCTV in other areas and linking CCTV to the College’s database of Staff and Student photos, with alerts being sent directly to Estates Department to investigate asap. The existing CCTV was noted ie cameras at all entrances, along with some internal and high density areas. It was reported that the current main problem appears to be non-BHASVIC Students (ie those from nearby local institutions) who come onto site to meet their friends etc and that there were very few instances of strangers coming on to the site. The Staff and Students have also received training in various site security scenarios such as a stranger on site or threat to safety etc.
- Business interruption – Jutta Knapp provided assurance to the Committee and confirmed details of relevant policies in place, together with the recovery plan etc.

The final version would be presented to Corporation for approval, noting that the Committee had been assured by the arrangements and progress underway. **ACTION: William Baldwin**

### **SECTION 3: CONSENT AGENDA**

#### **Policies and Other Documents**

##### **3.1**

##### **a) Anti-Bribery Policy**

##### **b) Freedom of Information**

Noting the front sheet papers and recommendations, the documents were recommended to Corporation for approval. **ACTION: JHK**

### **SECTION 4: OTHER MATTERS**

#### **4.1 FRAUD REPORT**

Jutta Knapp reported that there was nothing to report and reminded the Committee that regular fraud updates were received from Lloyds Bank and the College’s auditors, which are circulated to the Finance Team.

#### **4.2 ANY OTHER BUSINESS**

##### **a) Committee Annual Self-Assessment - updated form – 2 new questions**

The Chair referred the Committee members to the schedule of questions, including the 2 new ones added this year, reflecting the recommendations made from the last Governance Internal Audit. Committee members were invited to comment or ask questions – details recorded below:

- Committee membership and skills/experience will be enhanced from the next academic year, by a new co-opted Committee member, subject to Corporation approval
- There were no specific training needs identified by the Committee and should individual Governors identify specific training needs, these can be picked up in the annual individual governor self-assessment forms, due in the Autumn Term.
- The Committee were satisfied with the comprehensive papers and guidance on requirements

- Improvements – the Committee recognised that the pack of papers was still quite large (112 pages for today’s meeting), but attention had been given to reducing documents where possible, or including links to reference documents, rather than including them within the body of the pack.
- New questions 8 and 9 (outcomes achieved over year and priorities for the future year/s): regarding outcomes achieved, the Committee agreed that information and explanations in the required audit and risk areas, had been gained in order for the Committee to provide the necessary assurances to Corporation. Regarding future priorities, it was acknowledged that the meetings were working efficiently and effectively, but the Committee discussed the need for the number of internal audits. In conclusion it was agreed that it was value for money and useful to have the assurance received from the internal audit plan and the Committee appreciated the flexibility each year in identifying key areas to audit, rather than having a fixed number of audit days to utilise annually.

**2 b) Review of Committee Terms of Reference**

The Committee reviewed the terms of reference and agreed to recommend these to Corporation. **ACTION: LEP**

**4.3 Date of Next Meeting – MONDAY 25<sup>TH</sup> NOVEMBER 2024 AT 6.00 P.M. in the Principal’s Office, Room 22 To be confirmed.**

**SECTION 5: CONFIDENTIAL BUSINESS**

**5.1 Confidential Minutes from the Last Meeting – 14<sup>th</sup> March 2024 - approved**

**5.2 Matters Arising – not applicable**

**5.3 Any Other Business (confidential) – None.**

The meeting closed at 6.55 p.m.

Louise Pennington

Clerk to the Corporation

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**Chair of Audit Committee**

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**Dated**