



BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

MEETING OF THE AUDIT COMMITTEE HELD ON

THURSDAY 13TH MARCH 2025 AT 6.00 P.M. ONLINE VIA TEAMS

Present: Guy Carr, Jo Davis (Chair), Jack Fosberry, Eve Liu and Nachi Subramanian

1. In Attendance: William Baldwin, Jutta Knapp, Louise Pennington, Chris Rising (MacIntyre Hudson – Internal Auditors)

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:

Eve Liu and Nachi Subramanian – Parent Governors, Chris Rising (MacIntyre Hudson Internal Auditor) via Teams

Apologies: Rob Milton

1.2 Minutes of the Meeting held on 25th November 2024

The minutes of the last meeting were agreed and the Chair approved to sign these. **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.

Reference was made to page 9 of the papers regarding the bank loan matter and Jutta Knapp confirmed that the work was underway with the college's solicitor and the new DfE draft facility agreement, which was due to be finalised by 23rd May. It was confirmed that a paper had been presented to Resources Committee and the new documentation will be going to Corporation for approval, noting that this would be an unsecured loan with the DfE.

Regarding the other outstanding or "in progress" items, the Capita action has been completed, risk assurance is on the agenda and the Disaster Recovery Plan is due to be brought to the Committee in the Summer Term.

Regarding item 4.1 Fraud Report and the issues with the College's bank Lloyds' virtual payment cards, the bank has confirmed that unexplained transactions reported at the last meeting, were in fact caused by a banking error and not BHASVIC, so there was no further action to be taken, with no further transactions recorded.

1.4 Declarations of Interest – None

1.5 Principal's Update – Quality and Curriculum and Resources Matters

William Baldwin gave the following presentation to the Committee:

Staff Pay Negotiations and Industrial Action:

Following a settlement reached by the SFCA, Teachers' industrial action ended after 8 strike days, with 5 dates having been returned to Students for Teaching owing to deferment of Inset days and a Student Conference in order to minimise the impact on Students' learning. The pay offer agreed was 3.5% from 1st September 2024 to 31st March 2025, increasing to 5.5% from 1st April 2025 until the end of the academic year. (Schools/Academised SFCs were awarded 5.5% from September 2024, so some inequity remains, but the DfE was unable to offer more than 3.5% to SFCs.

Budget:

For next year Colleges' financial position will remain tight and there is also uncertainty still regarding the rebate to be paid to Colleges in respect of the increased National Insurance contributions, although it was initially said by the DfE that Colleges would receive funding to cover this.

The base funding rate for Colleges will increase by 3.78% for next year, which means that the College hopes to be able to pay next year's pay rise although this is still under negotiation between the SFCA and the Unions.

Adverse news has been received for Colleges regarding in year growth funding, but very late notices has been received from the DfE saying that owing to there being more 18 year olds in the system than expected (despite demographic data being available), only 67% of the existing in year growth formula will be allocated to Colleges, noting also that Colleges do not receive funding for the first 100 extra students anyway, so the funding would be in respect of additional Students enrolled from 101 Students onwards. At this stage in the process, Colleges will be required to find the difference in expected funding via other savings in their budgets.

Estate Planning:

Planning for a significant new build to replace the temporary mobile classrooms and Student Services has been approved by the Council, although there is no capital funding available at present. The College should however, be in a strong position, should capital funding become available as planning has been agreed – but the College would require funding in the region of £12M and it was noted that the CIF (College Improvement Fund) allocations were only based on a £4M grant offer.

The Piazza Café Extension works will be finished by the end of March, being on time and within budget and it was noted that the Chairs of Governors had agreed that the Corporation Meeting should be held in the new extension.

The new CCTV has been installed on the College's estates and the identification smart features will be switched on once the College's privacy notices and policies have been updated, along with the new signage.

Vice Principal Appointment

The Committee was reminded that Alison Cousens (VP – Student Services) has submitted her resignation to step down from the VP role and a Senior Postholder Appointment Panel had been appointed by the Corporation via a written resolution, which agreed the recruitment process and following the various interviews etc the Governor Appointment panel has resolved to recommend to Corporation for approval, that Jess Jung (currently Head of Faculty here) be appointed Vice Principal (Student Services). Thanks were also recorded to Nachi Subramanian for attending the candidates' presentations and lunch on day 1 of the interview process.

New Ofsted Framework

Ofsted have launched their proposed new framework and 'report card' approach with a consultation this week. Inspections of colleges propose to look at: Leadership, Inclusion, Curriculum, Developing teaching and learning, Achievement, Participation and development. These will be judged on a five-point scale: Exemplary, Strong, Secure, Attention Needed, Causing Concern. Two additional judgements for Safeguarding, and Contribution to meeting skills needs will be judged as Met/Not Met. SLT will be reviewing the new proposals at its forthcoming Strategy Day.

Review of BTECs

Upon entering office, the government conducted a rapid review of the BTEC curriculum. Broadly speaking, the cliff edge of defunding has been averted, but there are still uncertainties longer term. The proposed rules of combination have been scrapped – meaning that students will be able to do more than one BTEC as part of a L3 study programme. Three courses will be migrating to Applied Academic Qualifications (Computing, Health and Social Care and I.T.) These look to be more contemporary and relevant qualifications.

LSIF Projects

The college has acquired a range of 'immersive' learning technologies, such as virtual reality head-sets, video conferencing equipment, a vast LED screen, large touchscreens and other smart camera technology (circa £130k worth). The technology provides opportunities for enhancing learning across curriculum and student experience currently being showcased via FE Sussex 'Festival of Careers' where Will Bailey, Fatboy Slim, Gio Prince and others speak at one college but are beamed into other colleges who can interact with them. Tomorrow the College will be hosting Chris Hogg (playwright, artist and poet) in the College's drama studio with the event being shared live, with other Colleges

Tutorial Transformation

We plan to implement new A1 tutorial programme, ready for Sept 2025, to align with college's strategic values of Belonging, Skills, Wellbeing, Sustainability, Social Justice... Pilot going well. Aim is to have less time in front of PowerPoint and more group work/choice of super curricular courses.

Thanks were recorded to William Baldwin for his report.

Questions from the Committee:

- Regarding the funding issues, including that relating to the estates development, it was noted that although it was expected that capital pots should become available there were no guarantees.
- Academisation option – as the Government has provided assurance that regarding the future Staff pay awards, non-academised SFCs, will receive the same funding allocation as other Six forms and Schools, so there is no funding driver to consider moving to an academy status at present.

SECTION 2: AUDIT AND INTERNAL ASSURANCE ITEMS

2.1 Internal Audit Reports

Chris Rising presented his 2 Reports (Safeguarding and Payroll) and the following points were noted:

a) Safeguarding Internal Audit Report

- Outcome of audit concluded that adequate assurance was provided.
- Some opportunities for enhancements to the control framework were identified.
- Medium priority recommendation regarding DBS checks, although no weaknesses in the process was identified when staff were first employed, but it was noted that 30% of Staff DBS checks were over 5 years old, with no recommended review period provided. In light of current good practice, it was recommended that although not a specific requirement, it would be worth considering carrying out repeat Staff DBS every few years.
- Low priority recommendations also identified from the audit regarding Staff training and in particular guidance for guidance counsellors, together with a recommendation regarding safeguarding information report, which although was shown to be adequate, there was an opportunity to include some more detailed analysis (via age, gender etc).
- All recommendations are due to be completed by the end of this academic year.
- In response to a question from the Committee it was confirmed that all Staff (and Governors) were required to complete an enhanced DBS registration on commencement of employment/appointment at College, and Chris Rising confirmed that within the range of audit sample testing, all Staff had a DBS registration.
- The positive assurance overall was noted.

b) Payroll Internal Audit Report

a) Payroll

- The audit concluded that “substantial assurance” was awarded to the College, with only 1 low priority recommendation regarding the suggested enhancement of the process for managing expenses; at the moment much of this is process manually and it was noted that the College was in the process of upgrading its HR system which once completed, would look to automate this process – probably later this year.
- At this point the committee queried whether the DBS checking component would be included within the HR system update too and Jutta Knapp explained that this could be requested by the College but there was an additional cost element to take into account, so had not been taken forward. The College does have the Single Central Record though which provides details of all DBS registrations. It was also noted that the intention would be to move all Staff (and Governors) to the DBS update service, and the aim would be to roll this out over the next 2-3 years.

Chris Rising was thanked for his presentation and he agreed to remain for the next sector audit sub-item regarding bursary and free school meals audit, after which he'd leave the meeting.

c) BHSSFC Report (16-19 Financial Support) External Firms – bursary and free school meals audit

- Not a full funding audit – focus upon bursary and free school meals which is there to remove barriers to education for applicable Students and initiated by the DfE which is investigating potential fraud in this area.
- The Committee was informed that Colleges were finding the guidelines difficult to cater for particular needs of some vulnerable Students, bearing in mind that some Students are relying on the money allocated to enable them to purchase a meal for the day etc, and there were instances of Colleges not complying fully with the inflexible guidelines eg the daily allocation for vulnerable Students who meet the legislation criteria, of £2.41 which is subsidised by the College to £5 (as the allocation is insufficient) which is paid to the canteen when a meal is purchased. However during Ramadan, when Students aren't allowed to eat during the day, the College has used its discretion to provide the Student with the funding allocation, transferring this into their bank account, so that they can purchase food once the sun has gone down.
- Other issues experienced by the College relate to the fact that Students have to be means tested and for some ESOL Students, supported by a social worker, the relevant forms, once completed have not been signed off – in the audit sample in this example, 3 of the 15 cases, had forms which were not signed. There have been improvements at College with free school meals automatically recorded on the College's MIS system.
- The College received a clean audit report by the auditor Wylie & Bissett, overall.
- There were no cases of fraud identified within Sixth Form Colleges, by the auditors.

The Committee noted the outcomes of the 3 audits recorded above and noted that all recommendations had been agreed.

At this point, the Committee thanked Chris Rising and his team for their audit work, after which he left the meeting.

2.2 Update on Audit Recommendations

The contents of the paper were noted and Jutta Knapp provided a summary of the various recommendations and progress made to date, which were noted by the Committee.

2.3 Auditors' Performance Indicators

- a) Internal Auditors**
- b) External Auditors**

The Committee considered the auditors' performance indicators for year to July 2024 and the following points were noted:

Internal Auditors

- Overall good outcome with clear audit plan which also linked to the risk register and any areas of concern were clearly identified.
- The Audit worked well during the year with few recommendations, reflecting the College's efficient operations and comprehensive knowledge and experience of audit requirements, demonstrating a well-run College with effective operations and processes in place; audit recommendations have always been shown to be implemented promptly and in line with the recommendations made.
- In response to a question from the Committee, it was agreed that the comparison information provided by the auditors, was useful endorsement of the College's work.

- The Committee discussed the various reports provided by the auditors and terminology used.
- The Committee was also reminded that there were very few audit firms providing internal audit services owing to the limited profitability of this business and noting that several colleges in the southeast had appointed Wylie & Bisset, which was an audit firm based in Glasgow, meaning that much of their audit work was carried out remotely.

External Auditors

- Jutta Knapp confirmed that the finance team were very happy with the auditors and Chris Mantel, the Audit Partner, who knew the College very well, including several years with his previous audit firm RSM and his knowledge of the sector was also significant. The Auditors were on site for their audit work rather than working remotely which worked effectively.
- The additional input was highlighted regarding the audit requirements in respect of the bank loan transfer from Lloyds Bank to the DfE.

The Committee approved the performance indicators for both internal and external auditors and recommended these to Corporation for approval. **ACTION: Jutta Knapp**

2.4 Risk Register

The Report was introduced by William Baldwin the contents of which were noted and the following points recorded:

- It was noted that the latest Risk Assurance Map had not been included in the papers and William Baldwin agreed to circulate this to the Chair after the meeting, with the final version going to Corporation. **ACTION: William Baldwin**
- Front sheet – the Committee noted that the Risk Register had been updated since the last meeting, to reflect discussions held by SLT this term and the various Corporation Committees (iro relevant risks per Committee) in order to provide assurance to the Audit Committee.
- Of the key strategic risks areas de-risked include BTEC qualifications following updates provided on curriculum from the DfE, since the last meeting, whilst 2 strategic risks have increased – failure to achieve planned student numbers and failure to maintain or improve teaching quality.
- Operational and Inherent risks remain unchanged and noting that during the Summer Term, a new risk will be added relating to the VP Student Services succession.
- The Committee considered the residual column in the risk register, noting in particular, any risks scoring about 10 and determining whether there was sufficient oversight, assurance etc from SLT, the respective Corporation Committees depending upon each risk and any external oversight; the details of which informs the risk assurance map for any risk scoring above 10.
- At the point the Committee raised the issue relating to the funding changes in respect of in year growth and noting the impact upon risk, but noted that this was a sector wide funding issue, not just affecting BHASVIC which the College was managing.
- The Committee's attention was drawn to the Risk Assurance Map admissions risk entry which had been increased to 12, based on SLT's assessment of likely conversion of category 3 Students (outer catchment area, the details of which were explained to the Committee), and noting the tight management of this by SLT and the admissions team.
- Risk S1 adverse government funding/reducing financial health – this risk rests with the Resources Committee and assurance from the Committee was noted, regarding adequacy of controls and mitigating aspects.
- Reduction in number of SFCs generating increased vulnerability for this element of SF provision and noting input from SFCA and AoC in respect of recent Government funding issue regarding Staff pay. The sector regional director has provided assurance that there are no plans to make any further changes in the SFC and noting the good results and provision provided by non-academised SFCs.
- Risk - BTECs – as reported earlier, the latest provision was noted.
- Risk - IT/digital – the Resources Committee had received a report on cyber security matters, noting the internal audit held a few years ago, with various recommendations made which had been taken forward and the associated action plan is monitored/reported via Resources Committee.
- Risk: operation no. 4 unbudgeted increase in cost base leading to overspend: - also monitored via the Resources Committee, noting that the budget outturn paper provides information and assurance to that Committee on a termly basis.

- Risks on strategic operations and inherent risks – Resources and S & G committees review the risks, the latter focusing on Government policy/legislation, including academisation risk.
- Risk – site security – this risk will be de-risked once the CCTV has been fully implemented, which will reduce the College's overall risk.
- In response to a question from the Committee about business incident/disruptions and scenario testing and in particular IT/cyber risks, it was noted that the College had learnt from the Blatchington Mill School fire, following which SLT focused on scenario planning relating to this risk, particularly during examinations. Furthermore it was noted that the Joint Council of Qualifications (JCQ) required colleges to have disaster recovery plans/policy relating to the examination periods.

The risk register was approved, subject to the points made above and noting also that the final version of the Risk Assurance Map would be presented to Corporation for approval (with copy going to the Chair beforehand to endorse on behalf of the Committee), noting that the Committee had been assured by the arrangements and progress underway. **ACTION: William Baldwin/Jo Davis**

SECTION 3: CONSENT AGENDA

Policies and Other Documents

None

SECTION 4: OTHER MATTERS

4.1 FRAUD REPORT

Nothing further to report – noting that the issues regarding the payment cards, had been covered under Matters Arising.

Regular updates Lloyds and circulate any known instances amongst relevant teams etc

Jutta Knapp confirmed that the College continued to receive updates and general information regarding fraud from Lloyds Bank which were circulated to relevant teams.

4.2 ANY OTHER BUSINESS

a) **Agree Details to include in Front Sheets for Papers going to Corporation** – Jo David agreed to review the front sheets where needed in respect of the papers going to Corporation. **ACTION: Jo Davis**

b) **Chair to invite input from Committee members regarding pack size and front sheets/paper content** – reasonable pack size.

There was no other business.

4.3 Date of Next Meeting – THURSDAY 19th JUNE 2025 AT 6.00 P.M. in the Principal's Office, Room 22

The Committee was informed that the Audit Meeting was scheduled for the same date as the Students' Private View, so were welcomed to visit the exhibition after the meeting.

SECTION 5: CONFIDENTIAL BUSINESS

5.1 Confidential Minutes from the Last Meeting - None

5.2 Matters Arising – not applicable

5.3 Any Other Business (confidential) – None.

The meeting closed at 7.15 p.m.

Louise Pennington

Governance Director/Clerk to the Corporation

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Chair of Audit Committee

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Dated