



## BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

### MEETING OF THE AUDIT COMMITTEE HELD ON

**THURSDAY 19<sup>th</sup> JUNE 2025 AT 6.00 P.M. IN ROOM 22, PRINCIPAL'S OFFICE**

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

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

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:** Chris Rising (MacIntyre Hudson Internal Auditor) via Teams It was resolved that the internal audit items 2.2 and 2.3 would be taken after the Strategy item, after which Chris Rising could then leave the meeting.

**Apologies:** Eve Liu, Rob Milton

#### 1.2 Minutes of the Meeting held on 13<sup>th</sup> March 2025

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 were due to be completed later in the year.

It was recorded that the Disaster Recovery Plan which needs to be re-written and updated, and would be brought to the next Meeting in the Autumn Term. **ACTION: Jutta Knapp**

#### 1.4 Declarations of Interest – None

#### 1.5 Principal's Update – (Quality and Curriculum and Resources Matters) including new Strategic Plan

William Baldwin gave the following presentation to the Committee:

##### a) Update

- Government Spending Review – details announced last week with mixed indicators for FE Colleges, with a reasonable funding rate of 5.3%, which would enable SFCs to meet the 4% pay rise (subject to the outcome of the Unions/SFCA national negotiations). This has meant that the College's pay rise funding would now match that awarded and agreed for School Teachers, and will also remove the driver for giving consideration to seeking academisation status. So a good settlement next year, but the two years after that look sparse.
- The new Ofsted framework is due to be issued, later than expected (probably September), possibly with significant changes. Ofsted has optimistically indicated that formal inspections to commence in November. It's thought in the sector that January 2026 may be a more realistic implementation date.

However, the Principal reported that Ofsted had called last week to see whether the College would be interested in participating in a pilot inspection and in response SLT has confirmed that they would be interested, so long as this wasn't in September. Involvement in a pilot inspection would be beneficial as a learning experience, and insight into the new Framework, but without a published report.

## **b) Strategic Plan**

The Principal presented the new Plan to the Committee, via the on screen powerpoint document, noting that all Committees would be reviewing this, together with input sought from stakeholders including Staff, Students, Parents and other community stakeholders, prior to the final draft going to Corporation for endorsement.

The following points were recorded:

- Same four key criteria
- Progress against previous strategic plan
- Digital matters – updated to Cyber security and AI
- Sustainability - Net Zero target for 2030 is an aim, but is unlikely to be achieved.
- Wellbeing has seen good progress for both Students and Staff but remains a key area for future development.

At this point Nachi Subramanian joined meeting

- Accommodation – no capital funding available this year to enable the Student Services Building to be built, but details have been included in the new Plan.
- Reference to SMART targets have been included in the new Plan, via references to documents which record progress/updates etc in particular areas, noting that this was recommended in the External Board Review (EBR).
- Following discussions at other Committee meetings to date (Q & C and Resources), there will be other additions to the final Plan, including the introduction of a "context" box at the start of the document explaining the intentions of the College for progress to 2030, combined with issues such as fiscal pressures, new Ofsted framework etc.

Questions/Comments from the Committee:

- Overall good structure
- Discussed how the strategic plan feeds into the College development plan and the KPI targets
- Strategic objectives, KPIs and SMART targets were discussed and it was confirmed that KPIs are included in the College Development Plan (CDP) (equivalent to a 1 year operating plan) with evidence/SMART targets referenced in the Strategic Plan, with a column in the CDP linked to the relevant parts of the Strategic Plan (the column being a new addition following the first Committee meeting – Q & C).
- The Committee queried whether the Plan was sufficiently ambitious in light of BHASVIC already being a top performing College and it was noted that to maintain standards and continue to achieve excellent over the 5 year period of the Plan, would be challenging and hard work in itself and there was no desire to dominate the educational landscape in the city by forming a MAT.
- The Committee also discussed the impact of AI including the impact on future career options for Students and it was noted that it would be difficult to capture and reflect all changes arising from AI, but the focus would be upon utilising technology for personalised learning in order to maintain the College's consistency in standards and outcomes. The Principal, agreed to add some additional text covering this aspect (to section 1.2b). **ACTION: William Baldwin**

Taking into account to the points made above, it was noted that the final version would be presented to Corporation on 3<sup>rd</sup> July 2025. **ACTION: William Baldwin**

## **SECTION 2: AUDIT AND INTERNAL ASSURANCE ITEMS**

### **2.1 External Audit Planning Memorandum**

## Front sheet: a) Audit Plan

Reference was made to the EA Audit Plan in respect of the financial statements' audit and the Committee reviewed the proposals and timing therein, including the section of the plan covering emerging issues and the good governance recommendations following the Weston College Intervention Summary Report, recently published. The Committee also noted that with regard to the section on sub-contractors, this did not apply to the College as there were no sub-contracted arrangements.

The EA Planning Memorandum/Audit Plan was recommended to Corporation for approval. **ACTION: Jutta Knapp**

## 2.2 Internal Audit Plan for 2025/2026

### Front Sheet. a) Audit Strategy

The Internal Auditor, Chris Rising presented the Internal Audit Plan for 2025/2026 to the Committee, which proposed 3 areas of coverage, namely Learner Numbers, Recruitment and Retention including succession planning and Staff development and the annual assurance on the key areas of financial control, which it's intended will involve reviewing systems changes, assurance and processes.

- Previous years' areas of audit work and assurance provided, were noted.
- In response to a question regarding the Learner numbers audits in 2022/2023 and then 2024/2025, it was queried why Learner numbers had been audited by the Internal Audit Team in 2023/2024, it was confirmed that Learner numbers were always included each year in the internal audit plan, but that for 2023/2024, the DfE had completed an external audit on Learner numbers, so the College's own Internal auditors had not needed to duplicate this work.
- Referring to page 5 of the document (page 65 of the papers), it was recorded that the Internal Audit Plan did reflect the College's priorities.
- The 5 year strategic plan was discussed noting that the internal audit work was based on an assessment of the College's risk register and audits included finance processes and systems, HR and Learner numbers. The Committee queried what would comprise an audit of stakeholder/community engagement and it was suggested that this would involve reviewing the Skills Act requirements and possibly focusing upon specific Skills Act duties, notwithstanding that the auditors focus upon process rather than outcomes, which would guide the internal audit areas selected.
- The Committee endorsed the number of days audit work and the terms of the internal audit charter.

The Committee recommended the Internal Audit Plan for 2025/2026 to the Corporation for approval. **ACTION: Jutta Knapp**

At this point Chris Rising referring to the company ownership and the division of the business into 2 areas – insurance business and advisory/assurance. Hence, confirmed that a new engagement letter would be required, which the Audit Committee agreed should be approved and signed at the next Corporation Meeting on 3<sup>rd</sup> July. **ACTION: Jutta Knapp**

## 2.3 Internal Audit Reports

### Papers: a) Learner Numbers, b) Exams

Chris Rising presented his 2 Reports (a) Learner Numbers and b) Examinations and the following points were noted:

#### a) Learner Numbers

- Limited assurance outcome, the reasons being that there were 2 high level findings and recommendations in the report – testing ID of Year 2 students, with some coming close to falling short of the funding band. The College has taken action to address this, noting the explanations included within the management comments' section. The second high level matter relating to evidence of residency in respect of year 1 Student and associated funding requirements. Again, management responses demonstrated that quick action had been taken to resolve the issues identified immediately or by September 2025.
- In response to a question from the Committee, it was confirmed that there would be no impact on the College's funding as this had been identified via the Internal Audit and rectified by Management, with all Students enrolled on a full programme, 3 A Levels or equivalent and in the circumstances of there being a DfE audit, this would almost certainly result in an advisory response rather than any financial implications such as funding clawback.

- It was noted that one of MacIntyre Hudson's experienced funding auditors, had completed this work and had acknowledged the College's prompt action.
- Overall and notwithstanding the 2 issues identified above, the College was compliant with the funding requirement – overall "good".

## **b) Examinations**

Referring to page 94 of the combined papers, Chris Rising confirmed that the overall process function was adequate with opportunities for formalising some of the process eg some areas would benefit from a more formal process, with documents produced including guidelines and exam resilience plan, to demonstrate that contingency plans were in place for any issues.

There were no material weaknesses identified but areas which could be enhanced were identified and suggestions included in the report and discussed with the exams team. Chris Rising said that the Information Manager had been very responsive in dealing with implementing actions on Learner numbers.

At this point the Principal gave an update on changes implementing following a review of managing the exam season, in order to enable sufficient onsite space to be available for all examination requirement and the audit recommendations helped with this, with SLT, the Exams team and other Staff being involved where needed; SLT were able to trouble shoot to avoid problems developing and overall this revised thinking and implementation, has been reflected in the fact that there was only 1 complaint received, compared to several in previous years.

The Committee noted the outcomes of the 2 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.

## **2.4 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, including actions completed and others which were in progress.

## **2.5 Auditors' Reappointment and Remuneration – oral report**

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

In summary it was agreed that by approving the audit plans, which included the fee details, which Jutta Knapp confirmed were in line with the original contracts, the reappointment and remuneration of both the Internal Auditors and External Auditors were recommended to Corporation for approval. **ACTION: Jutta Knapp/Chair**

The Committee recommended the reappointment and remuneration for both internal and external auditors to Corporation for approval. **ACTION: Jutta Knapp**

## **2.6 Risk Register and Risk Assurance Map**

### **Papers:**

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

- As usual each Corporation Committee has reviewed risks relating to their area of business and have provided assurance that the information presented to the Committees was satisfactory.
- 580 learning hours has been added to the Risk Register – refer page 114 of papers.
- Page 117 risk assurance map incorporated risks scoring 10 or above (8 risks in total) to ensure that the right level of assurance is in place for these high level risks. The respective Committees have confirmed as recorded in their minutes, that the evidence provided for all of the risks listed, was sufficient for assurance purposes.
- At this point the Committee queried whether the CCTV was in operation yet on site and the Principal confirmed that the intention would be to have this in place for the end of term – in effect being a trial period before September and the new academic year; the CCTV will be placed at all the entrances

together with key internal areas. The Data Protection Policy and the various privacy notices (Staff, Students, Adult Ed and Governors) had also been updated and will be going to Corporation for approval.

The risk register and risk assurance map were recommended to Corporation for approval: **ACTION: William Baldwin**

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

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

- a) **Anti-Fraud and Irregularity Policy – approved**
- b) **Disaster Recovery Plan – deferred to autumn term. ACTION: Jutta Knapp (November 2025)**

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

#### **4.1 FRAUD REPORT**

Jutta Knapp confirmed that there had been no instances of fraud reported since the last meeting but she did report that there had been another incident with Lloyds bank BPC cards – details reported at the last Audit Committee meeting. Again, the College has done nothing to cause the issue, but Lloyds have not been able to identify the issues arising from their systems where some transactions were receiving authorisation for payments.

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

##### **a) Committee Annual Self-Assessment**

The Committee considered the various questions and points on the annual committee self-assessment and the following input was recorded:

- Number of committee members remain appropriate, noting that Rob Milton had retired as a co-opted Member and that the option to seek another co-opted Member would be kept under review by the Search and Governance Committee.
- The mix of Committee members remained balanced.
- There were no group training needs identified.
- Information provided via the Meeting papers were good and also the items progressing to Corporation meetings, were also considered to be adequate and informative to enable Governors to reach decisions.
- 3 Meetings per year remained sufficient, but noting that where necessary, the Committee was satisfied that a Teams meeting was acceptable (as carried out in the Spring Term).
- The main outcomes from the Committee meetings were deemed to be satisfactory, with informed recommendations being presented to Corporation.
- Evidence for the effectiveness of the Committee meetings was recorded via the minutes.
- It was noted that the risks in the risk register remained stable, noting that the College's Student numbers remained static owing to the accommodation being fully utilised and no additional funding available for estates development.
- In Summary and taking into account the Committee terms of reference, the Committee agreed that it had met its duties and responsibilities over the last year.

##### **c) Review of Committee Terms of Reference**

The Committee terms of reference were reviewed with no further changes required, subject to ensuring that any necessary updates arising from the latest DfE audit guidance and framework, had been incorporated. **ACTION: JHK/LEP**

##### **c) Other**

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

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

It was noted that Rob Milton's term of office as a co-opted Audit Committee would cease at the end of this academic year and the Committee recorded its thanks to Rob for his service to the College over the last 4 years.

There was no other business.

#### **4.3 Date of Next Meeting – TBC 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 welcome 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

Documents included for reference purposes were noted.

- 1) Accounts Direction 2024/2025
- 2) Framework for Auditors and reporting accountants of Colleges (noting Joint Audit Code of Practice is now incorporated into this Framework)

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**