



**AUDIT COMMITTEE  
PART I**

Minutes of the ninety-seventh meeting of the Brockenhurst Audit Committee meeting, held on Thursday, 18 November 2021 via Zoom.

<b>Present:</b>	<b>Governors</b>		<b>Meetings attended</b>
	Mr I Fry	Chair	(1 out of 1)
	Mrs D Hawkins		(1 out of 1)
<b>In attendance:</b>	Ms S Perkins	Principal	
	Mr L Feingold	Vice Principal	
	Mrs J Munro	Assistant Principal, Learning and Quality	
	Mr C Mantel	External Auditor - Alliotts	
	Mrs L Payne	Clerk to Corporation	(1 out of 1)

**Meeting commenced at 5.30pm**

		<b>ACTION</b>
67.1	<p><b>WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST</b> The Chair welcomed everyone to the meeting. Apologies had been received from Sarah Murray and Gary Cooper.</p> <p>No Member declared any conflict of interest with the agenda.</p>	
67.1.1	<p><b>Election of Chair and Vice Chair 2021-2022</b> The Clerk invited members to elect a Chair and Vice Chair of the committee for this academic year. It was agreed that Mr I Fry be elected Chair of the Committee and he confirmed he was happy to take on this role.</p> <p>With regard to the Vice Chair office, this would be on the agenda at the next meeting. <b>All Members were agreed.</b></p>	<b>Clerk</b>
67.2	<p><b>COMMITTEE BUSINESS</b></p>	
67.2.1	<p><b>Minutes of previous meeting held on 8 June 2021</b> The minutes of the meeting held on 8, June 2021, having been previously circulated to members, were approved as a true record and would be signed electronically by the Chair. <b>All Members were agreed.</b></p>	
67.2.2	<p><b>Matters arising from the meeting held on 8 June 2021</b> It was noted that all Matters arising had been actioned.</p>	
67.3	<p><b>EXTERNAL AUDIT</b></p>	
67.3.1	<p><b>Report on the 2020/2021 Annual Financial Statements</b> This item was presented by the Vice Principal, Finance who was pleased to announce that the Financial Results for 2020/2021 were significantly better than has been originally forecast. The bank covenants had been achieved and that the College would be in the ESFA financial health rating of 'good', driven by EBITDA being over 10% of adjusted income. The Vice Principal advised members the solid results had supported an improvement in the College's cash reserves thereby strengthening the College's financial resilience in the short to medium term. He confirmed the External Audit of the Financial Statements was undertaken by Alliotts in October/November 2021. The work had now been finalised and no material adjustments had been proposed. The Vice Principal summarised all the key areas in his report.</p>	

	<p>Members noted the draft 2020/2021 Annual Report and Financial Statements, the draft Regularity Self-Assessment questionnaire and the draft Regularity annexes a and b. Members were asked to recommend to the Board for approval the 2020/2021 Annual Report and Financial Statements and the Regularity Self-Assessment questionnaire. The only change to the accounts would be if the Adult Education Budget monies in the sum of £484,000 was not clawed back. The College had made a business case to retain these monies.</p> <p><b>Members unanimously agreed to recommend the reports to the Board for approval.</b></p>	<b>Refer to Corporation</b>
67.3.2	<p><b>External Auditors (Alliotts) Management Letter on Financial Statements and Regularity Review</b></p> <p>The External Auditor, Chris Mantel presented his report. He confirmed that the Vice Principal, Finance had summarised all the key points and Alliotts would be providing a clean Audit opinion. There were no questions from members and it was agreed to recommend the External Auditors' Management Letter on the Financial Statements and Regularity Review to the Board for approval.</p> <p><b>All Members were agreed</b></p>	<b>Refer to Corporation</b>
67.3.3	<p><b>External Auditors letter of Representation 2021</b></p> <p>The Vice Principal, Finance reminded members that Letters of Representation were provided by the College to its independent Auditors in connection with the External Audit of the College's Annual Report and Financial Statements for the year ended 31, July 2021. Members agreed to recommend the External Auditors' Letter of Representation 2021 to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<b>Refer to Corporation</b>
67.4	<b>INTERNAL AUDIT</b>	
67.4.1	<p><b>Internal audit plan for the year 2021-2022 and Internal Audit Charter</b></p> <p>Members noted the Internal Audit Plan that set out the reviews that would be carried out throughout the academic year and indicated the planned time and scope of each review. It was noted that in 2021/2022 an audit in the area of Key Financial Controls was proposed, but that Learner Numbers would be audited as part of the External Audit assurance work. Members discussed the issues relating to Cyber Security and it was felt this should be a much higher risk on all College Risk Registers.</p> <p>The Chair of the Committee asked for an update on where the College was with Cyber Security for the next meeting and asked for the report to be sent out to members well before the next meeting.</p> <p>Members agreed to recommend the Internal audit plan for the year 2021-2022 to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<p><b>VP-Finance Agenda item- Clerk</b></p> <p><b>Refer to Corporation</b></p>
67.4.2	<p><b>Internal audit reports</b></p> <p>This item was presented by the Vice Principal. Members noted the College's Internal Auditors TIAA had carried out two compliance reviews during 2021-2022 covering Key Financial Controls and Learner Numbers. With regard to the discussion in the earlier agenda item on Cyber Security it was agreed to re-consider the Internal Audit Plan for 2021-2022 and set aside some time for Cyber Security to be considered. Learner Numbers may be taken out and replaced by Cyber Security.</p> <p>The Vice Principal was asked to assess the Internal Auditors ability to undertake internal audit work on cyber security controls and to source another Internal Auditor for this work if necessary.</p> <p>Members noted TIAA's report on Key Financial Controls 2020-2021 which had resulted in a 'substantial assurance' and Compliance Review of Learner numbers 2020-2021 which had also received 'Substantial Assurance'</p> <p><b>The report was noted.</b></p>	<b>VP-Finance</b>
67.4.3	<p><b>Internal Audit Recommendations Register – Full report</b></p> <p>Members noted the report on the Internal Audit Recommendations Register.</p> <p><b>The report was noted.</b></p>	
67.4.4	<p><b>Internal Audit Charter</b></p> <p>Members agreed to recommend the Internal Audit Charter contained in the report in item 4.1, to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<b>Refer to Corporation</b>

	<p>There was a discussion with the External Auditor on WESS and the fact that Bournemouth and Poole College were withdrawing from the arrangement but that WESS itself would be continuing. The Chair asked whether there would be any weaknesses arising from the loss of WESS staff and whether there should be a review of that area over the next 12 months.</p> <p>Members noted the resources available for internal audits but agreed that at the start of the next academic year provision should be made for an Audit of the withdrawal of Bournemouth and Poole College from WESS.</p> <p>The Vice Principal, Finance explained how the staff would be split and mitigations currently in place in relation to staff. He spoke about the current vacancies and the open and collaborative ongoing process to fill them.</p> <p>Members asked when all the structures would be finalised for the change at the end of July 2022 and were advised that the detailed time line and information would be referred to in the Part II agenda.</p> <p><b>The report was noted</b></p>	<b>VP-Finance</b>
67.5	<b>RISK MANAGEMENT</b>	
67.5.1	<p><b>Risk Management Register for review and Action plan 2020-2021 update</b></p> <p>The Vice Principal reminded members that a comprehensive Risk Register was a key part of the College's Risk Management toolkit and was updated on a regular basis to reflect the changing risk environment of the College. He highlighted the College's current key risks and these were noted.</p> <p>Members agreed to recommend the Risk Management Register and Action Plan 2020-2021 to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<b>Refer to Corporation</b>
	<p>The Chair of the Committee asked for an update on the Post-16 Capacity Fund bid update that had been raised at the Board meeting two days previously. The Vice Principal advised the Chair that the ESFA had been asked if they would consider an extension of seven months, in the timeline of the bid, and legal advice had been sought on the terms and conditions. The Chair of the committee asked whether there would be a risk on the Risk Register relating to the Post-16 Capacity Fund Bid and the Principal advised him that there would, but that there would also be a Risk Register attached to that project.</p> <p><b>This was noted.</b></p>	
67.5.2	<p><b>Risk management policy</b></p> <p>Members considered and noted the Risk Management Policy and agreed to recommend it to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<b>Refer to Corporation</b>
67.5.3	<p><b>Log of outstanding recommendations from Internal and External Audit reports</b></p> <p>The Vice Principal, Finance, stated that there were no outstanding recommendations from the External Audit reports, and only a routine recommendation from the Internal Audit reports on standardised staff utilisation reporting which was being addressed.</p>	
67.6	<b>GOVERNANCE</b>	
67.6.1	<p><b>Audit Committees Annual Report to Corporation 2020-2021</b></p> <p>Members considered the Annual Report to the Corporation and agreed to recommend it to the Board for approval.</p> <p><b>All Members were agreed.</b></p>	<b>Refer to Corporation</b>
67.6.2	<p><b>Annual review of hospitality register</b></p> <p>Members noted the Annual Review of the Hospitality register.</p> <p><b>The report was noted.</b></p>	
67.6.3	<p><b>Report on Freedom of Information Requests</b></p> <p>The Vice Principal, Finance highlighted the information in his report on Freedom of Information Requests.</p> <p><b>The report was noted.</b></p>	
67.6.4	<p><b>WESS Governance</b></p> <p>Members noted the report from the Vice Principal, Finance relating to WESS Governance. The matter would be discussed further in the Part II meeting.</p>	

67.6.5	<p><b>Office for Students – Compliance monitoring and intervention</b></p> <p>The Assistant Principal, Learning and Quality reported on the Compliance and Monitoring action plan 2022 and the 2020/2021 ILR Higher Education Data. Members were advised that the OfS Data Assurance carried out a remote visit to the College in July 2021. No issues were identified and the OfS had now gained the necessary assurances over the amended 2019-2020 ILR Data so the previous review was closed.</p> <p><b>Members were pleased to note the report.</b></p>	
67.7	<p><b>MEMBERS' AUDITOR BUSINESS</b></p>	
67.7.1	<p><b>Annual review of effectiveness of Internal &amp; External Auditor</b></p> <p>The Vice Principal, Finance, detailed his findings which were excellent in relation to both the Internal and External Auditor.</p> <p><b>The report was noted.</b></p>	
67.8	<p><b>Evaluation of Meeting</b></p> <p>This had been a long interactive meeting with appropriate challenge from Members and much added value. All the items of business were explored thoroughly and it was felt that papers were sufficient to inform members decision making.</p>	
67.9	<p><b>AOB (to be notified to Clerk in advance of meeting)</b></p> <p><b>NO other business was raised.</b></p>	
67.10	<p><b>Date of next meeting</b></p> <p><b>Thursday, 8 February 2022 at 5.00pm</b></p>	

**Meeting ended at 6.55pm**