



**AUDIT COMMITTEE
MINUTES - PART I**

Minutes of the one hundred and seventh meeting of the Brockenhurst Audit Committee meeting, held on Thursday, 28 November 2024 via MS Teams.

Present:	Governors		Meetings attended
	Mr S Williams	Chair	(1 out of 1)
	Mr J Ede		(1 out of 1)
	Mrs V Essex		(1 out of 1)
In attendance:	Ms H Odhams	Principal and CEO	
	Mr L Feingold	Vice Principal, Finance (VPF)	
	Mrs L Payne	Clerk to Corporation	(1 out of 1)
	Mr C Mantel	External Auditor – Alliotts	

Meeting commenced at: 5pm

Minute No.	Paper title	Action
107.1	WELCOME AND APOLOGIES The Chair welcomed members to the meeting. Apologies had been received from Mr G Cooper.	
107.1.1	ANY CONFLICT OF INTEREST The Chair had a conflict of interest in relation to item 1.2, the election of the Chair and Vice Chair of the committee and would not take part in that item of business.	
107.1.2	Election of Chair and Vice Chair 2024-2025 Members elected Mr Shaun Williams as Chair of the Committee for the next academic year. Members were agreed. Mr Williams was pleased to confirm he was happy to take on the role. Members elected Mr Gary Cooper as Vice Chair of the Committee for the next academic year. Members were agreed. Mr Cooper had prior to the meeting agreed to stand as Vice Chair.	
107.2	COMMITTEE BUSINESS	
107.2.1	Minutes of previous meeting held on 16, May 2024 The minutes of the meeting held on 16 May 2024, having been previously circulated to members, were agreed as a true record and would be signed by the chair. All Members were agreed.	
107.2.2	Matters arising from the meeting held on 16, May 2024 It was noted that all matters arising had been actioned or would be considered within the agenda.	

107.3	EXTERNAL AUDIT	
107.3.1	<p>Report on the 2023-2024 Annual Financial Statements</p> <p>Members were asked to consider and recommend for approval to the Board, the College Annual Financial Statements and Self-Assessment Regularity Questionnaire for 2023/24.</p> <p>The VPF reminded members that as a condition of funding from the College's main funding agency, the ESFA, and the Office for Students, the Corporation was required to submit audited accounts for each financial year no later than five months after the year end at 31, July. The submission needed to include the Self-Assessment Regularity Questionnaire providing evidence to the independent auditor that the College had complied with its terms and conditions of funding and was able to identify any material or any improper use of funds. The VPF informed members that the work of Alliotts, the College Auditors was substantially complete and final, subject to some adjustments. There had been provision in the draft accounts for the onerous Lease at Marchwood, but what the College proposed had not been in line with accounting standards so reversed.</p> <p>The VPF confirmed the accounts presented had been agreed by the auditors and the College, and subject to finalisation of their procedures the auditors were expected to issue an unqualified audit report. The VPF informed members he did not expect the figures to move between now and the completion of Alliotts' work.</p> <p>Chris Mantel from Alliotts confirmed this had been a clean audit. There were now no issues with the numbers. There was a discussion about the onerous Lease provisions, but it had been accepted this was not an area for adjustment at this time.</p> <p>The Chair thanked the VPF and his team and Alliotts for their clear report. Members agreed to recommend the Annual Financial Statements and Self-Assessment Regularity Questionnaire to the Board for approval.</p> <p>All Members were agreed.</p>	Refer to Board
107.3.2	<p>External Auditors (Alliotts) Management Letter on Financial Statements and Regularity Review</p> <p>This item was presented by the VPF. Alliotts had already confirmed they agreed the Financial Statements and Self-Assessment Regularity Questionnaire.</p> <p>Alliotts' Management Letter on the College's Annual Report and Self-Assessment Regularity Review were considered.</p> <p>Members agreed the management letter and to recommend it to the Board for approval.</p>	Refer to Board
107.3.3	<p>External Auditors letter of Representation 2024</p> <p>Members considered the External Auditor's letter of Representation for 2023/2024. These were agreed and referred to the Board for approval.</p> <p>All Members were agreed.</p>	Refer to Board
107.3.4	<p>External Auditors Letter of Engagement 2023-2024</p> <p>Members had received and considered the External Auditor's letter of Engagement for 2023-2024. Members agreed to delegate the signing of the letter of Engagement to the Vice Principal, Finance so that it could be signed online using a digital signature, once approved by the Board.</p> <p>Members agreed to recommend the letter of Engagement to the Board for approval.</p>	Refer to Board

107.4	INTERNAL AUDIT	
107.4.1	<p>Internal audit plan for the year 2024-2025 and Internal Audit Charter</p> <p>This item was presented by the VPF. Members were asked to consider and approve the Internal Audit Plan for 2024-2025. Members considered the proposals that included an Internal Audit in year on Cyber Security/Information Technology Health Check, a Health & Safety Review, and a Safeguarding Review. The Chair of the Committee also discussed some internal audit areas that would be helpful to the Principal and useful for the strategic plan. The Principal confirmed she may want to add in Human Resources as an area for review in 2025/26 and it was agreed to consider the plan for 2025/ 26 at the next meeting.</p> <p>Members agreed the Plan for 2024-25 and to recommend it to the Board for approval.</p>	<p>Action agenda</p> <p>Refer to Board</p>
107.4.2	<p>Internal Audit Recommendations Register – Full report.</p> <p>Members noted the Internal Audit Recommendations Register was complete and there were no outstanding actions.</p> <p>The report was noted.</p>	
107.5	RISK MANAGEMENT	
107.5.1	<p>Risk Management Register for review and Action plan 2024-2025 update.</p> <p>Members were asked to consider and recommended for approval the College's Risk Register and Action Plan. The VPF reminded members the Risk Register highlighted and prioritised the College's current strategic risks. It aimed to provide a user-friendly summary of areas of heightened risk and sought to focus risk management discussions. Members noted the College's key strategic risks and the VPF provided commentary around them all.</p> <p>Members considered the highest risk which was the defunding of vocational qualifications as a result of the current pause of review exercise being undertaken by the DfE.. The outcome was expected by mid-December 2024.</p> <p>Mrs Jenkin considered this an excellent risk register although some impact and likelihood scores looked harsh, and she questioned the likelihood. The Principal agreed but it was noted some related to recruitment of staff and therefore the risk was of greater likelihood and impact.</p> <p>Mrs Essex spoke about the timing of when assessments were being done as there was not much change in the documents. Mr Ede commented on the impact scores, and it was agreed these would be re-considered before the final report went to the Board. The Chair asked how to ensure the Full Board were regularly engaged with this matter as every governor had a responsibility for risk. The Principal reminded members there was a strategy day on the 10, December, the same day as the Board Meeting and discussions on the risks could be built into that day</p> <p>Members agreed to recommend the College's Risk Register and Action Plan to the Board for approval.</p>	<p>Refer to Board</p>
107.5.2	<p>Risk Management Policy</p> <p>Members noted the College's Risk Management Policy and associated report. It was agreed to recommend this to the Board for approval.</p> <p>All Members were agreed.</p>	<p>Refer to Board</p>

107.5.3	<p>Log of outstanding recommendations from Internal and External Audit reports</p> <p>The VPF was pleased to report there were no outstanding recommendations to consider.</p> <p>The report was noted.</p>	
107.5.4	<p>Cyber Security Update</p> <p>Members were asked to note the progress being made by the College in establishing a sound cybersecurity environment. The VPF informed members that the IT systems extended to all areas of the College operations. It was therefore crucial to ensure that the IT systems were protected, and their data integrity maintained. Failure to secure the College IT environment could potentially result in major operational, safeguarding, reputational and financial issues.</p> <p>Members were advised that in 2014 the UK government introduced a scheme to help organisations, whatever their size, to protect themselves against a range of the most common cyber-attacks, these were Cyber Essentials and Cyber Essentials Plus. Achieving Cyber Essentials was an important part of a strategic programme of cyber security measures, but with the ongoing rapid development of the IT landscape and associated risks it was a challenging target to achieve. The ESFA had recognised the challenge and had stipulated that as a condition of funding all Colleges must be working towards Cyber Essentials during the 2023/24 academic year and have obtained the certification by the end of 2024/25.</p> <p>The VPF confirmed the College was on course to achieve the cyber essentials accreditation by the end of the academic year. He confirmed there had been significant progress since the last update in May to improve the College’s cybersecurity position and in addition to Cyber Essentials accreditation a number of key projects had been completed or were currently underway.</p> <p>The College IT hardware/software was being upgraded from Microsoft Windows 10 to Microsoft Windows 11 to ensure that the latest systems security patches were in place. There was an installation of an additional firewall protection to increase resilience in the case of failure. There were system security improvements including restrictions on administrator access and configuration updates, to ensure that software updates were implemented within the target 14-day time frame.</p> <p>Finally, the VPF confirmed the College had commissioned an IT health check audit, during which a third-party specialist would carry out controlled vulnerability scans and security control checks designed to identify exposed areas and address security vulnerabilities in the College’s IT systems both internal and external. This audit would mimic real world attacks on an application system or network to identify vulnerabilities that could be exploited.</p> <p>It was noted the findings were reassuring and no major issues had been identified which had not been immediately rectified.</p> <p>The report was noted.</p>	
107.6	GOVERNANCE	
107.6.1	Audit Committees Annual Report to Corporation 2023-2024	

	<p>Members considered the Audit Committees Annual Report to the Corporation, which was comprehensive. It was agreed recommend this to the Board for approval.</p> <p>All Members were agreed.</p>	Refer to Board
107.6.2	<p>Annual review of hospitality register Members noted the Annual review of hospitality register.</p>	
107.6.3	<p>Report on Freedom of Information Requests The VPF asked members to consider and note the report on the number of Freedom of Information requests received by the College in 2023-2024. The College had received 15 Freedom of Information requests during that period, and all had been responded to within the required deadline.</p> <p>The report was noted.</p>	
107.6.4	<p>WESS Governance The VPF presented his report on the 2023/2024 Financial Accounts, External Auditor's Letter of Representation and Letter of Comfort for Wessex Educational Shared Services (WESS) Ltd. Members were reminded that WESS Ltd was a private company, limited by guarantee. It was required to prepare annual financial statements in accordance with the provisions of the Financial Reporting Standards' Section 1A 'Small Entities' and the Companies Act 2006.</p> <p>The Directors of WESS Ltd were noted as Limor Feingold and Helen Odhams and would be signatures to the Financial Accounts, Letter of Representation, Letter of Comfort, and all relevant Companies House submissions.</p> <p>Members agreed to recommend to the Board the Financial Accounts and external auditors Letter of Representation and Letter of Comfort for WESS Education Shared Services.</p>	Refer to Board
107.7	MEMBERS' AUDITOR BUSINESS	
107.7.1	<p>Annual review of effectiveness of Internal & External Auditor Members were asked to note the effectiveness of Alliotts as the College's external auditors and TIAA as the College's internal auditors, for 2023/24. The VPF informed members, that Alliotts had been the College's external auditors since 2019/20. Alliotts continued to demonstrate a good knowledge of the FE sector and had shown a pragmatic approach to auditing the Colleges financial statements. Based on the College evaluation of the external auditor's performance it was concluded that they were providing an extremely effective service to the College.</p> <p>Regarding the internal auditors, it was noted no internal audit work was undertaken in 2023/24 but that the College would be undertaking more targeted thematic reviews in the future for example in relation to cybersecurity for which it would use specialist organisations.</p> <p>The report was noted.</p>	
107.8.	<p>Evaluation of Meeting Governors considered they added much 'added value' in their discussions on The Risk Register and in particular Cyber Essentials Plus. Papers were considered sufficient to inform discussions and make recommendations to the board.</p>	
107.9.	<p>AOB (to be notified to Clerk in advance of meeting) No other business was raised.</p>	
107.10.	<p>Date of next meeting Tuesday, 4 February 2025 at 5.00pm.</p>	

Meeting ended 6.40pm