



**AUDIT COMMITTEE
PART I**

Minutes of the one hundred and third meeting of the Brockenhurst Audit Committee meeting, held on Thursday, 18 May 2023 via Zoom.

Present:	Governors Mr I Fry Mr S Williams Mrs D Hawkins Mrs C Cooke	Chair	Meetings attended (3 out of 4) (4 out of 4) (3 out of 4) (3 out of 4)
In attendance:	Mr L Feingold Mr S Lovegrove Mr G Francis Mrs L Payne Mr C Mantel	Interim CEO Interim Principal Assistant Principal, A-Levels Clerk to Corporation External Auditors – Alliotts	(3 out of 4)

Meeting commenced at 5.30pm

Minute No:		Action
103.1	WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST The Chair welcomed everyone to the meeting. Apologies had been received from Mr G Cooper. No member declared any conflict of interest with the agenda.	
103.2	COMMITTEE BUSINESS	
103.2.1	Minutes of previous meeting held on 7, February 2023 The minutes of the meeting held on 7, February 2023 having been previously circulated to members were agreed as a true record and would be signed electronically by the Chair. All Members were agreed.	
103.2.2	Matters arising from the meeting held on 7, February 2023 Matters arising had been actioned or would be covered within the agenda.	
103.2.3	Effectiveness of Committee and performance of the Chair Members considered the effectiveness of the committee and performance of the Chair, for this academic year. Members thanked the Chair for his excellent work throughout the year and thanked Shaun Williams who had chaired a meeting at the start of the year. It was noted this would be the current Chair's (IF) last meeting of the Audit committee, as it was proposed he move to the Finance committee, in all likelihood as Chair, in the next academic year. The effectiveness report was completed.	

103.2.4	<p>Terms of Reference – Audit Committee Members had received the slightly updated Audit Committee Terms of Reference to include provision for an External Chair of the Audit committee, who was not a member of the Corporation. The Terms of Reference were agreed and it was agreed to recommend them to the Board for approval. All Members were agreed.</p> <p>Members were reminded that at the last Board meeting it had been agreed that the current Chair of the Board, whose term of office as a Governor would end in July 2023, would become the new External Chair of the Audit Committee as a co-opted member.</p>	Refer to Corporation
103.2.5	<p>New Chair of Committee 2023/2024 The Clerk reminded members that the Board had approved the appointment of Graham Beards as Chair of the Audit Committee for the academic year 2023-2024. Graham would no longer be a member of the Board but an external Chair of the Audit Committee.</p>	
103.3	<p>EXTERNAL AUDIT</p>	
103.3.1	<p>External Audit Plan for the Audit of the College's Accounts and Benchmarking report This item was presented by the VP-Finance. The VP-F outlined the key points of the External Audit Plan 2022/2023 which set out the External auditor's approach and proposed fees for the verification work to be performed on the College's 2022/2023 annual report. It was noted the proposed Audit fees were £37,050 including VAT. This would include the Financial Statements and Regularity Audit, the Audit of Student Records, the Group Audit work relating to WESS. It would also include the report on Teachers Pension Scheme Contribution and the Audit of WESS, currently undertaken by Schofields. With regard to the Schofields Audit the VP-F confirmed they would carry out the Audit on WESS again this year and then the next Audit would be carried out by Alliotts. Members were advised that the Financial Regulations would need updating to be in line with the new requirement of the Managing Public Money (MPM) framework following the reclassification of colleges as public sector by the Office for National Statistics (ONS) and be fully compliant on what the College can now do. The External Auditor, Chris Mantel, went through the Alliotts External Audit Plan, in detail, for the year ended 31, July. Members agreed to recommend the External Audit Plan and Benchmarking report to the Board for approval. All Members were agreed.</p>	Refer to Corporation
103.4	<p>INTERNAL AUDIT</p>	
103.4.1	<p>Internal Audit Report – Spring Term visits 2022/2023 The VP-F advised members that there were no Internal Audit reports to review at this time. The Annual Internal Audit Plan comprised 1 compliance review for 2022/2023 on the College's Key Financial Controls which would be undertaken later in the month and there would be a report at the next meeting of the committee. Members were advised that the review of Learner Number Data was now undertaken by the External Auditors as part of their funding assurance work during the year end external audit. Members noted the report.</p>	
103.4.2	<p>Internal Audit Recommendations Register The VP-Finance reminded members that the College's Internal Auditors TIAA provided an online Internal Audit register which could be accessed and updated</p>	

	<p>by the College. Members of the Audit committee last reviewed the information in February and the tracked update information was provided.</p> <p>The Chair noted the deadline for the amended Financial Regulations to be compliant with the ONS requirements was 20, May 2023. The VP-Finance confirmed he would be altering the current Financial Regulations for the S&F meeting in June but is expecting further guidance in the form of a colleges' Financial Handbook to be issued next March which may require further change to the Financial Regulations.</p> <p>The report was noted.</p>	
103.4.3	<p>Internal Audit Strategic Plan and Annual Plan 2023-2024</p> <p>It was noted that the proposal was that the level of Audit assurance work remained unaltered from this year and covered the 2 most fundamental areas namely Key Financial Controls and Learner Numbers. Members agreed the proposals and recommended the Annual Plan and Internal Audit Strategic Plan to the Board for approval.</p> <p>All Members were agreed.</p>	Refer to Corporation
103.5	<p>RISK MANAGEMENT</p>	
103.5.1	<p>Risk Management Register and Action Plan 2022-2023 Update</p> <p>The VP-Finance went through all the risks in the Risk Register, highlighting the high risks and risks that had changed.</p> <p>The Chair of the Committee reminded members that the risks that had been taken off the agenda in the last 12 months would go to the new Principal when she starts in office in June so she is apprised of the former risks.</p> <p>The VP-Finance informed members the key risks remained unchanged. He referred in particular to the risk around staff pay and recruitment and the salary awards that had been made and that were proposed for the future. There was a discussion on the risk of Ofsted inspecting the College shortly as the College had not had a Principal for 15 months with interim cover.</p> <p>The Chair thanked the VP-Finance for the comprehensive Risk Register and it was agreed to recommend it to the Board for approval.</p> <p>All Members were agreed.</p>	<p>VP-F</p> <p>Refer to Corporation</p>
103.5.2	<p>Log of outstanding recommendations from Internal and External Audit reports</p> <p>The VP-Finance confirmed there were no outstanding recommendations from the Internal or External Audit reports.</p>	
103.5.3	<p>Cyber Security Update</p> <p>Members had received a report providing an update of the progress being made by the College in establishing a sound Cyber Security environment. It was noted much work had been done since the appointment of the new IT Director and Cyber Security at the College had been comprehensively updated.</p> <p>The VP-Finance informed members that they were not at the 'Cyber essentials' stage yet but were hoping to get there within the 12 months. It was noted achieving 'Cyber essentials' was an important part of a strategic programme of Cyber Security measures, but noted with the ongoing and rapid development of the IT landscape and associated risks it was always a challenging target to achieve.</p> <p>There was also a discussion and some concern raised relating the "working towards" approach, in the light of increasing instances of cyber incidents. The Chair asked for a more urgent timescale in respect of Cyber Essentials but also perhaps a greater sense of urgency/clarity around prevention (including training), relating to the handling of an incident (including scenario planning for loss of all/some and recovery).</p> <p>The VP-Finance informed members that the ESFA had recognised the challenge and whereas previously it was proposed that all Colleges must obtain 'Cyber</p>	

	<p>essentials' as a condition of funding, the requirement had been softened to be 'working towards' 'Cyber essentials' during the 2022/2023 academic year. Shaun Williams spoke about instances universities had been experiencing on Cyber-attacks and that a number of elements were needed to completely protect the College. He offered his support and knowledge to the Executive in this area.</p> <p>The VP-F was asked to report back at next meeting with an update and a clear target completion date for Cyber Essentials.</p> <p>One of the concerns expressed by the VP-Curriculum was students having access to the network and working from various offsite devices.</p> <p>Members felt the risk relating to Cyber security might need to be heightened on risk and impact.</p> <p>The Chair thanked members for the good discussion. The report was noted.</p>	VP – Finance
103.6	<p>Evaluation of Meeting Members were happy that the papers were in order and sufficient to inform their decisions and had been dispatched on time. Added value and appropriate challenge were made in the reports on Cyber security and the Risk Management Register.</p>	
103.7	<p>AOB (to be notified to Clerk in advance of meeting) Members thanked the Chair of the Audit Committee for his work over the last few years as he had been an excellent Chair of the Committee.</p>	
103.8	<p>Date of next meeting Thursday, 16 November 2023 at 5.30pm</p>	

Meeting ended at 6.30pm