

**MEETING OF AUDIT & RISK COMMITTEE
OF THE SOUTH HAMPSHIRE COLLEGE GROUP**
Via Teams on
Thursday 12 June 2025 at 17.00

AUDIT & RISK COMMITTEE M I N U T E S

Present:	Nick Cheaney Andrew Kaye (CEO)	Ian Harris Hollie Swift (Chair)
In attendance:	Shachi Blakemore Georgina Flood James Godsmark Mark Hannibal Danielle Jiranek Pete Joddrell Michael Johnson	Buzzacott (External Auditor) Director of Governance Validera (Internal Auditor) Group Lead – Health and Safety Compliance Deputy CEO - People & Facilities Deputy CEO/Group Principal Chief Financial Officer

21/24 Item 1: Deep Dive – Weston College Intervention

The Committee received a 'deep dive' session on Weston College Intervention by the DG. This presentation will be circulated after the meeting.

A member queried how comfortable the Cttee might feel in relation to the independent oversight of contracts and how we test VFM – is this something we could develop further? DG noted that VFM factors were likely already integral to SHCG procurement process and noted the standard reporting cover sheet specifically request details of VFM and significant budgetary change.

In response to request for clarification DG confirmed that the appraisal of the Chair was completed by the Vice Chair and that SPH expenses were signed off by the CEO for the majority of SPH direct reports and then the Chair for expenses relating to the CEO and DG.

A member sought assurance that there were no key changes or lessons learnt for SHCG as a result of the Weston example. DG confirmed many of the failings were basic/fundamental and as such they are confident this is not replicated at SHCG – Governors were reminded of the introduction of a new overarching scheme of delegation that will complement existing control measures as the sole response.

22/24 Item 2: Welcome and Apologies for absence

No apologies for absence were noted.

As agreed via email consent on 29 April 2025, all Summer 2025 Committee's will be recorded for use by our External Board reviewers NCVO. These recordings will be deleted after use.

23/24 Item 3: Declarations of Interest

Members were asked to declare any interests relevant to the agenda. The DG noted that now the Chair has moved to HS, there should be a new standing DOI noting IH position as Vice Chair of the Corporation recognizing the potential for conflict. It was also noted that the Deputy CEO/Group Principal would be attending on an ongoing basis for their personal CPD. Members were reminded as per the CEO, that attendance from officers is entirely by invitation and that the Committee may ask them to leave at any stage.

24/24 Item 4: Minutes of previous meetings

Minutes from the previous meeting of the Audit & Risk Committee held on 19 March 2025 was reviewed for accuracy. Members agreed they were an accurate reflection of the meeting held.

DECISION: Minutes for the meeting held on the 19 March 2025 were approved as an accurate record.

25/24 Item 5: Actions & Matters Arising

Members reviewed an outcome report from the previous meeting, noting that all actions were complete. Chair asked for more feedback on the Whistleblowing action in respect of wider communications to staff. The CEO confirmed the DP email address is up and running with oversight from EA and DG. There has been an intranet post explaining what whistleblowing is, advertising of the policy and dedicated email address. Moving into the new academic year, there will be a requirement for active confirmation of policy review as part of induction as well as further, more specific training for the managers.

26/24 Item 6: Exception Reporting: Matters of Fraud/Whistleblowing/Data Protection – taken at the end of the meeting before AOB.

The Deputy CEO – People & Facilities introduced this item giving an overview of both cases noting that one has now progressed to a preliminary hearing to assess its classification as a protected disclosure.

Members discussed the fact that the classification of 'whistleblowing' in both instances seemed untypical and considered what could or should have been done to ensure that staff are declaring issues or raising concerns in the correct (and most effective) way. The Cttee were reminded of the cross-college 'awareness' work completed since the setting up of the dedicated email address by news posts on the intranet and the signposting of the policy. Deputy CEO People & Facilities agreed that more specific training for managers would be of benefit to help identify and signpost at the earliest stages – they have undertaken to research some specific management training via e.g., Eversheds.

ACTION: Deputy CEO People & Facilities to research potential whistleblowing training for employees

Item 13: External Audit – Introduction from Buzzacott & overview of preparations for accounts

SB from Buzzacott introduced this item noting a verbal report would be given at this meeting but that in future years there would be an expectation that a formal report is supplied. Members were reminded that this was a new contract for SHCG and as such there will be additional visits in the summer to get to know systems and process and people as well as speaking to RSM to get professional clearance.

Items identified by Buzzacotts in relation to the audit included

- Reviewing the work of the internal auditor - ILR data but also wider assurance work
- Recognition post- merger there is still some systems alignment working through.
- Income 'completeness' – notably the potential for clawback of merger funding.
- Capital funding and its correct 'treatment' as an impact on EBIDTA
- Regularity - good governance, redundancies, and adherence to MPM rules
- Interested parties – not quantum but disclosure

The Cttee agreed that the strategy document was key and that they would welcome the opportunity to reviews this at Buzzacotts earliest convenience. It was also suggested NC in the initial meeting with SB to discuss the audit.

ACTION: CFO to contact SB. SB from Buzzacotts to share audit strategy as soon as possible with the Audit Cttee.

ACTION: DG to ensure NC is included in the audit briefing meeting with SB from Buzzacotts.

27/24 Item 7: Validera Progress report inc recommendations review

Validera introduced this item providing a general update and noting good progress to plan. A member queried the number of recommendations due for completion by 31 July – is this realistic? CFO confirmed that suggested deadline for mgmt recommendation is always in the remit of those responsible for delivering them so we should take confidence they feel this is achievable. It was noted that 31 July is likely chosen to ensure any actions are completed before the end of this academic year.

The Chair queried what if anything Validera felt could be improved for this audit year, or hat if anything they think may be at risk for the rest of this audit year? JG confirmed the feedback from those involved in audits hadn't been forthcoming which is something they feel they'd like to improve. In terms of delivery there is confidence in the remaining plan and the movements created by Ofsted have been accommodated well.

The Corporation received this report and noted the assurance provided.

28/24 Item 8: Internal Audit: MIS Learner Numbers

Validera introduced this item noting that there was adequate assurance with 3 recommendations based around the consistency of process for enrolment across campuses, a non-gvt approved method was accepted as ID, and the suggestion a template proforma could be developed for additional or high needs learners.

Members discussed the non-gvt approved ID noting this was a standard drop down option on a widely used piece of FE software. Alternative ID has since been sourced and a data check for any other possible uses identified. Members went onto discuss the proportion of students without a support plan at 70% expressing concern this had been allowed to happen. CFO confirmed this work was under the project mgmt. team (which has since been disbanded) work in this area has been re-started and standard processes being developed. In expressing concern about this lapse, the Cttee were reminded that audit had been directed to areas of the business we anticipated potential issues. The CEO confirmed the risk is potentially only unclaimed ALS funding which we will seek to review agreeing using the ALS benchmarking information will help to seek get consistency in line with peers.

The Corporation received this report and noted the assurance provided.

29/24 Item 9: Internal Audit: Business Continuity

Validera introduced this item with 'limited' assurance noting five recommendations with the top three including:

- Requirement for a Business Impact Analysis (BIA) to assess the potential impact of losing key systems, services, and resources.
- The Group should review, update, approve, and implement the Emergency Response Plans
- Once in place, simulations tests/exercises should be completed annually.

The Cttee expressed concern in the BIA recommendation noting this was a significant piece of work to undertake. Members went onto discuss the relationship between emergency response, disaster recovery and emergency planning. Deputy CEO People & Facilities confirmed that notable work has been completed in respect of standardizing a group wide (with college specific) emergency response plans and a multi-site 'testing' event has been scheduled during July.

The Corporation received this report and noted the assurance provided.

30/24 Item 10: Internal Audit: Cyber Security

Validera introduced this item noting substantial assurance with a couple of items of note around the differing rules for firewalls between different campuses and the suggestion to promote mandatory training compliance (which are generally lower than other key courses).

A member queried the recentness and frequency of the penetration testing and if this was covered by this if this audit? Validera confirmed this wasn't within the remit, but that routine testing occurs independently via JISC. CEO confirmed penetration testing is scheduled for Sept – Nov suggesting this testing is scheduled to enable the Cttee to review the results.

ACTION: NmQ to consider scheduling the penetration testing to enable Audit Cttee to review results at its November meeting.

A member queried if super user access is monitored? Validera confirmed this was not considered.

ACTION: Validera to confirm via SHCG if 'super user' access is monitored

The Corporation received this report and noted the assurance provided.

31/24 Item 11: Management Progress against Recommendations (3rd Party)

The CFO introduced this item noting the 3rd Party Audit Recommendation tracker. The report aims to update members of the committee on our progress with carrying out recommendations from audits carried out other than by our internal auditors (Validera). The recommendations made in the reports from these 3rd party agencies, are added to the tracker we monitor our progress towards implementing them. No additional comments were made.

The Corporation received this report and noted the assurance provided.

32/24 Item 12: Draft Strategic Internal Audit Plan for 2025-26 – Discussion

Validera introduced this item, the Cttee were walked through the suggested plan for 2025-26 noting suggested audits were based on a combination of the strategic risk register and the current plan.

Members discussed and suggested the following audits for inclusion in the 2025-26 plan if possible;

- IT Disaster Recovery

- Resources utilisation (staff utilisation specifically)
- Emergency planning – re-review due to low score?

In discussion if the number of current audit days could accommodate the suggested additions, members identified audits they felt could most be delayed and or removed. These included;

- Budgetary control
- Governance review (due to external Board review)
- Data protection (due to new provider and gap analysis project for 25-26)

DG confirmed that the IA Strategy for 25-26 was required for Corporation sign off at its next meeting on 2 July. Validera agreed to review suggested changes and supply a revised strategy for approval.

DECISION: The Cttee recommend subject to the suggested inclusion of IT Disaster Recovery, Resources utilisation (staff utilisation specifically) and Emergency Planning and removal of Budgetary Control, Governance Review (due to External Board Review) and Data Protection (due to new provider and gap analysis project for 25-26) the Corporation should approve the IA Strategy.

The Chair queried if Validera use a risk ‘universe’ in order to ensure we are fully considering those areas which are ‘out of view’? JG agreed to share the methodology behind the current approach to agreeing the current risk strategy.

ACTION: CFO to contact Validera to share current methodology for risk strategy and risk universe (if this is used)

34/24 Item 14: Key Performance Indicators – Committee Review

Members agreed to discuss this item within Item 16 H&S report.

The Corporation received this report and noted the assurance provided.

35/24 Item 15: Strategic Risk Register – Full Review Summer Term & Risk Register

The CFO introduced this item noting the report of the Strategic Risk Register as well as a suggested review of Risk Appetite for 2025-26. Risk appetite was considered to remain in line with strategy and as such members agreed with the suggestion to let it run until the end of the strategy. It was agreed it would be important to ensure that the full risk appetite is re-reviewed before the next full strategy review in May 2026.

The CFO reminded members that a risk workshop (2 hrs session with ELT) to review the strategic register as a ‘blank piece of paper’ has been scheduled with ELT and the Chair of Audit & Risk. The Chair suggested the entire Cttee should be invited. All agreed.

ACTION: Audit Cttee to be added to the invitation to the Risk Workshop.

POST MEETING NOTE: Invitation issued via email w/c 23 June for 8 July.

The Corporation received this report and noted the assurance provided.

36/24 Item 16: Health and Safety Update for Summer Term

The Deputy CEO – People & Facilities introduced this item noting that it covers progress made against the H&S Strategy from February – May 2025. A member welcomed for the next report some additional contextual information e.g., between campuses, number of students etc to make wider comparisons.

ACTION: Future reports to include more contextual information to help interpretation and wider comparison.

A member noted the near miss reporting references another item relating to a contractor responsibility querying the confidence in our contractor risk assessment. The CFO provided assurance that processes are more robust and that the culture of reporting via the intentional raising of awareness is positive. A member asked for more information in relation to mandatory training completion rates seeking the time to complete and how deadlines are provided. Deputy CEO People & Facilities confirmed there is a 4-week window, with a follow up (which also provides an additional 4 weeks). It was confirmed that analysis of response rates per campus/department and or area is possible to help identify trends.

The Corporation received this report and noted the assurance provided.

37/24 Item 17: Data Protection (DP) Update

The DG introduced this report which provided an update on the newly outsourced DPO provision. Members were informed a 'gap analysis' or Data Protection Compliance Review will take place during the next 2-3 weeks. A full report and presentation will be brought to the A&R Committee in the Autumn Term. Members agreed to share the scope of the review with Validera and ensure DP is retained within the audit strategy for the next 3 years.

ACTION: DG to share the scope of the data protection compliance review with the Validera ASAP

Post meeting note – shared via email 17 June 25

The Corporation received this report and noted the assurance provided.

38/24 Item 18: Governance -ToR/ACB

The DG introduced this report noting that the Committee is asked to review its performance and delivery against its ToR and ACB for this year. Suggested changes and/or additions will be fed back to the Summer Corporation Meeting in order to make changes in advance of the next academic year. A member suggested that we could add to the section on relevant skills and experience that we 'will look' to appoint a financially qualified accountant within this skill mix i.e., so this is a recommendation but not a requirement.

ACTION: DG to amend the ToR to reflect the intention to include a qualified accountant within the skill mix of the Committee.

39/24 Item 19: Annual Election of Cttee Chair & Vice-Chair

The DG introduced this item and gave a verbal report reminding members that recommendations for the role of Chair and Vice Chair of the Cttee for the next academic year 2025-6 will be set for approval at the Summer Term Corporation on 2nd July.

DECISION: The Committee recommended that the Corporation approve the positions of Hollie Swift as Chair and Nick Cheaney as Vice Chair (on a temporary basis to give NC the opportunity to assess the workload against his other commitments) of the Audit & Risk Committee for 2025-26.

40/24 Item 20: Any Other Business

The next meeting of the Audit & Risk Committee is scheduled to take place on Wednesday 3 December 2025 from 5-7 pm at Fareham College.

412/24 Item 21: Meeting reflection/impact assessment

Members were invited to participate in a short SLIDO poll to assess engagement and impact. The meeting ended at 18.42.