

**MEETING OF AUDIT & RISK COMMITTEE
OF THE SOUTH HAMPSHIRE COLLEGE GROUP**

Via Teams on
Wednesday 19 March 2025 at 17.00

AUDIT & RISK COMMITTEE M I N U T E S

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| Present: | Kerrie Clark | Nick Cheaney |
| | Ian Harris (Chair) | Andrew Kaye (CEO) |
| | Hollie Swift | |
| In attendance: | Georgina Flood | Director of Governance |
| | Lee Glover | Validera (Internal Auditor) |
| | James Godsmark | Validera (Internal Auditor) |
| | Mark Hannibal | Group Lead Health & Safety Compliance (Item 9 only) |
| | Danielle Jiranek | Chief People Officer (Item 9 only) |
| | Michael Johnson | Chief Operating Officer |

4/24 Item 1: Item 1: Deep Dive – Data Integrity

The Committee received a ‘deep dive’ session on Data Integrity by the COO. This presentation was made available via the Governor’s portal.

A member queried how many of the 166 pieces of data per record is generated by systems, and how much rely on human intervention, additionally how can we keep a check on ‘need to’ rather than ‘nice to’ data to avoid creep. The COO confirmed the huge majority of data was system driven. Additionally of the 166 elements recorded, 96 are stipulated by ESFA with another 23 referring to OFS requirements. Those additional records we choose to retain are largely around internal controls e.g., Safeguarding but that regular review of data requirements is in place.

5/24 Item 2: Welcome and Apologies for absence

The Committee noted the resignation of Kerrie Clark as of 31 July 2025 and as a result of advance apologies for the June meeting, this would be her last meeting. The Committee extended thanks to Kerrie for her contribution to the Audit Committee.

6/24 Item 3: Declarations of Interest

Members were asked to declare any interests relevant to the agenda. None were made.

Item 9 was taken at this point in the agenda due to availability of officers.

7/24 Item 4: Minutes of previous meetings

Minutes from the previous meetings of the Audit & Risk/Corporation Joint Meeting held on 4 December 2024 and the Audit & Risk Committee held on 15 January 2025 were reviewed for accuracy. Members agreed they were an accurate reflection of the meeting held.

DECISION: Minutes for the meeting held on the 4 December 2024 and 15 January 2025 were approved as an accurate record.

8/24 Item 5: Actions & Matters Arising

Members reviewed an outcome report from the previous meeting, noting that all actions from both Audit & Risk/Corporation Joint Meeting held on 4 December 2024 and the Audit & Risk Committee held on 15 January 2025 were complete. There were no items of note.

The Committee received this report and noted the assurance provided.

The Audit Committee received a verbal update in respect of a whistleblowing case at the Corporation meeting in December. This Cttee have received a final written report outlining the findings of that investigation, along with the actions taken. No additional comments were made.

The Committee noted the report.

A member sought assurance that after the incident wider staff members within the CETC campus had been provided with safeguarding training (beyond those involved in the case).

The CEO confirmed all staff had been on repeat/refresher training and as a result of CETC having only 4 members of permanent staff, all have had quite direct contact with this. The Cttee discussed the potential for satellite campuses or areas to develop pockets of their own style/culture and the CEO provided assurance that this was being closely monitored.

9/24 Item 6: Key Performance Indicators – Committee Review

The CEO introduced this item noting that the single item under review by the Audit Committee was adequately covered by the H&S Framework report previously reviewed at Item 9 of this agenda.

Despite the red rag rating (due to its potential impact) Members were provided assurance by the CEO that SHCG is making solid progress with strategic H&S - the role of the compliance lead has had clear impact and the thoroughness of the 3rd party audit with Sean Cusack has provided a valuable gap analysis. There is continued work to do in respect of culture and reporting – whilst figures are low and the pyramid is inverse, reporting has increased across the group. Wider work in respect mental health awareness and first aid/mental health first aid training is also in place.

The Committee noted the report.

10/24 Item 7: Strategic Risk Register – Full Review

The COO introduced this item noting the report of the Strategic Risk Register which aims to update members of the committee on the latest version of the Board Assurance Framework and assure members that we are managing risks facing the Group and to assure members of the committee that SHCG has in place a rigorous Risk Management process.

A member queried if there are any strategic risks that we agreed to ‘get comfortable’ with in either the yellow or amber category or have we always aimed to get all risks to ‘green’? The CEO agreed an aspirational score linked to our risk appetite was ideally the next development of the current BAF.

The Cttee went on to discuss the scoring matrix behind the impact and likelihood noting they would like to re-review the scoring matrix, particularly what might need to happen in respect of controls or assurances to reduce any impact score. It was agreed that any change to impact scoring should be

recorded within the register.

ACTION: COO to bring the scoring matrix and rationale for changing scores to the next Audit Cttee meeting

The COO confirmed that an improved version of 4risk has just been released with new features including a system led algorithm that scores and averages the assurance or controls that then is able to interpret how 'successful' those controls are. There is also improved reporting functionality to include risk appetite and aspirational inherent scores.

A member queried if any of the risks are given end dates or estimated reduction timeframes i.e., do we retain any time bound targets to reduce risk and the associated actions in which to do this? COO confirmed no, not at this time especially since the strategic risk register is currently working at a very high level. It was agreed this could be a worthwhile development moving forward.

ACTION: COO to consider the use of predicted risk end dates and associated actions to reduce risks in future iterations of the risk register.

11/24 Item 8: 3rd Party Audit Plan and Action Tracker

The COO introduced this item noting the 3rd Party Audit Plan and action 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 below and we monitor our progress towards implementing them.

The Cttee asked for (and received) assurance from the COO there was confidence that the actions due for the end of April 2025 (of which were a significant number) were on track.

The Cttee noted the report

12/24 Item 9: Health & Safety Framework – Health & Safety termly update. TAKEN AT ITEM 4

The CPO/Group Lead for Health and Safety Compliance (Mark Hannibal) introduced this report noting that it provides an update and assurance that H&S within the group is well managed. Members were informed a new SHCG Health and Safety Framework was developed in December 2024 and this will be basis up on which all future reporting is aligned.

A member queried how the data is used to identify a primary root cause rather than the myriad of possible causes? GLH&SC confirmed a root cause analysis is undertaken for all hazards and incidents with CAD/CAM's so we can review and amend our practices going forward. These will be combined and reviewed as the data becomes available.

A member noted that due to the reporting levels it looks like we are learning from minor accidents and injuries rather than near misses. Which suggests either hazards and near misses are not being recorded or we are not learning from our mistakes. GLH&SC confirmed hazard reporting has been subject to concerted comms including the use of QR codes etc. It should be noted the reporting system itself is relatively new and there is definitely some education in respect of user error in respect of mis reporting e.g., an accident as a hazard. GLH&SC has been attending team meetings to help raise awareness.

The Cttee were informed this report also refers to the period Sept 24 to Jan 25 (i.e., the start of term) where we have an influx of new learners reporting minor accidents such as nicks/cuts in hospitality and workshops etc. which tends to go down over time.

The Cttee discussed how long it might take to get confident with base level reporting we are able to identify a 'spike' such as this? GLH&SC suggested as reporting runs in quarters, a full year of reporting will really enable us to anticipate what we can expect/predict and plan e.g., extra time with students in the early sessions in workshops to reduce accidents.

The DG asked the Cttee for their feedback on the first framework based report and any future additions and or improvements to include. Comments included;

- Good news stories to be added highlighted in future reports.
- Data sets to be compared to each other – a single table of hazards/near misses/ accidents.
- Data to have some additional context for comparison e.g., 20 staff from possible 800 etc.
- Some interpretation of what ELT are interpreting from the data – it was agreed this could be included in an exec summary section

The Cttee noted the report.

13/24 Item 10: Data Protection (DP) Annual Report.

The DG introduced this report on behalf of the Data Protection Officer (DPO) members were asked to note the DSAR/FOI requests received and actioned throughout 2024 in addition to the number of data breaches reported. The Cttee were informed the DPO had recently resigned and as such future provision was being reviewed.

The Cttee noted that reported numbers were generally low, and were assured that of the breaches logged they were all fairly low level. The DG noted reporting in FC was likely higher due to the DPO being based here and depending on the choice of provision moving forward, it was likely numbers would increase at other campuses in the first instance. DG agreed the low-level nature of breaches were positive but equally avoidable and as such would be looking to focus on raising awareness and increasing training to bring this down. The CEO noted the likely intention to outsource this provision and the inclusion of an initial gap analysis and the offer of ongoing training and support.

The Cttee's views were sought on ongoing reporting. Members agreed that 'spot' reporting or raising high level matters (perhaps based on 1/2/3 rag rating of importance) should be raised with the Cttee required, but that outside of this reporting could be retained on an annual basis. A member suggested that future annual reporting could be aligned to the principles of DP and our ongoing compliance. All agreed. A member suggested a development to the agenda with a standing agenda item for matters of importance to bring to the attention of the Committee which could include any fraud, whistleblowing, or data breach. All agreed.

ACTION: DG to add a standing agenda item of 'Matters of Importance for Cttee awareness'

ACTION: Annual DPO reporting

The Cttee noted the report.

14/24 Item 11: Validera Progress Report

Validera introduced this report noting they feel they've made good progress since the contract started in January 2025. The Cttee were informed that Carl Bentley - a well-known funding expert in the sector has joined Validera as a resource.

The Cttee noted the report.

15/24 Item 12: Internal Audit Report: Safeguarding

Validera introduced this report noting the score for this was 'adequate' with 2 recommendations and 1 good practice point. The Cttee discussed the whistleblowing good practice suggestion and the resulting action to include this within the regular HR induction suggesting this could go further by including a wider awareness campaign for all staff.

ACTION: DG to work with P&C around a potential awareness campaign related to the Whistleblowing policy.

The Cttee noted the report.

16/24 Item 13: Internal Audit Report: Financial Regulations

Validera introduced this report noting the score for this was 'adequate' with 3 recommendations, 1 good practice point. There were no additional comments of note.

The Cttee noted the report.

17/24 Item 14: Internal Audit Report: Grant Funding

Validera introduced this report noting the score for this was 'adequate' with 3 recommendations. There were no additional comments of note.

The Cttee noted the report.

18/24 Item 15: Tender and Appointment of External Auditors

The COO introduced this item noting the report is requiring a decision on the appointment of External Auditors. The COO would like to seek a recommendation from the Audit & Risk Committee for the Corporation to approve the appointment of Buzzacotts as the Group's external auditors.

Members of the Committee are being asked to make a recommendation that the Corporation approve the appointment of a new firm of external auditors for the group after a recent competitive tender process in line with the post-16 Audit Code of Practice.

DECISION: The Cttee agreed to recommend the appointment of Buzzacotts as the Group's external auditors to the Corporation for approval.

19/24 Item 16: Any Other Business

The next meeting of the Audit & Risk Committee is scheduled to take place on Thursday 12 June 2025 from 5-7 pm online via TEAMS. It was noted HS take the role of Chair from the next Audit Cttee. Thanks were extended to IH for all his Chairship to date and welcomed him to the role of VC of the Corporation.

20/24 Item 17: 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.