

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

Via Teams on
Wednesday 15 January 2025 at 17.00

AUDIT & RISK COMMITTEE M I N U T E S

Present:	Nick Cheaney	Kerrie Clark
	Ian Harris (Chair)	Hollie Swift
In attendance:	Georgina Flood	Director of Governance
	Lee Glover	Validera (Internal Auditor)
	Michael Johnson	Chief Operating Officer
	Andrew Kaye	CEO

1/24 Item 1: Welcome and Apologies for absence

There were no apologies for absence.

2/24 Item 2: Declarations of Interest

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

3/24 Item 3: Internal Audit Strategy

Lee Glover from Validera introduced himself and his company and provided the Committee with an overview of the suggested draft Audit Strategy for 2024-25. He provided members with reassurance on the timescales for delivery and noted that he felt he was unconcerned about the delay in starting the programme until January and as such felt confident delivery was realistic.

The Cttee were informed that the plan had been compiled using a desktop review of key documents, key findings from meeting with ELT, as well as of course the risk register. Areas for audit were focussed on those areas where the organisation places a higher degree of reliance on the controls, this recognises that these are those areas most 'within' the control of the organisation.

The Chair sought feedback on the previous IA programmes at legacy colleges and the fact that the previous Auditor TIAA had not identified any particular gaps or areas for follow up. LG confirmed that legacy audit plans had been reviewed and no specific feedback from TIAA had been given – it was noted feedback from previous audits is limited since they refer to campuses rather than the revised Group approach.

A member queried how the Cttee can remain confident this is the right plan? What levers will help us know we need to change things. LG noted that developing a good and constructive relationship with management is key. A progress report will be provided at each Cttee meeting, this will not only be what has been delivered, but offers an opportunity to review in-year. Members were assured of Validera's openness to flex the plan during the year to ensure SHCG get the best use of the audit time and investment.

Members views were sought on the suggested audits for the 2024-25 year at a total of 47 days. A member queried how specific areas within key financial control audits are selected. LG confirmed Mgmt. and or Audit Cttee views will be sought, EA reports will also be reviewed to see if they've flagged anything. Sometimes a cue may be taken from elsewhere in the sector e.g.; this year forecasting and budgetary control seems to be a common theme amongst other clients in FE.

Members discussed the fact H&S had not been identified for review and queried the rationale. LG confirmed management agreed that waiting for the results of the external 3rd party audit via Cusack would be prudent – a number of actions and improvements have been identified and mgmt. would like opportunity to address these before allocating additional audit time.

Members discussed the Cyber Security risk querying how audits will not just identify and audit existing controls but also identify best practice and areas to watch. LG confirmed audits are based on an established 'best practice' cyber security framework which most organisations aren't operating to, which enables best practice recommendations to be made. A member queried if allocated days for Cyber should be spread across multiple year, rather than in one (if it's a continual high residual risk). LG confirmed after the first review we may want to revisit an additional year, or even keep it on the list every year. The Cttee generally accepted that cyber will remain high and under scrutiny for significant time.

The CEO reminded members of other sources of assurance delivered beyond the IA plan e.g., JISC audits and how these can complement and 'add' to the IA plan. A report structured along the risk register, provides details of the assurance measures in place, e.g., regulatory audits, 3rd party audits, deep dive sessions and peer review. Members endorsed the approach of seeking assurance beyond the IA Strategy.

A member queried how much cross -referencing and in -year reviewing takes place. E.g., if the student records audit identified an issue, could we bring forward the information governance audit from 2026-27. LG agreed outcome of reviews will often have an eye and watch for the overlap and cross cutting nature of many reviews. As discussed earlier, the IA strategy is very much a live document, the importance of being able to change or move audits to best meet business need is key.

A member sought assurance that Validera have the confidence to deliver these audits with individuals with requisite skills? LG yes, feel confident we have a number of individuals that have really niche and specific skills that will meet those particular needs of FE e.g., Capital, Safeguarding and MIS.

The CEO queried if there was similar confidence in the timescales noting that 47 days to deliver before the end of the summer term is a challenge asking if suggested dates for audits and resulting audit committee review dates be added to the plan asap. LG confirmed as soon as sign off of the plan is received from the Board, the team are set to get mobilised asap. A member queried what would happen if we need to move and or postpone audits due to e.g., Ofsted? LG confirmed that movement and slippage is inevitable in those circumstances and Validera aim to work closely with clients to best meet the organisation's needs.

A member queried the merit in reviewing a draft plan for the year ahead during the summer term, this gives an opportunity to think about the academic year ahead, but also sense check it in the autumn term, LG agreed this could be done but cautioned sometimes things can change significantly over the summer break and Validera feel leaving it a bit longer (i.e., the autumn term) provides a better chance of getting it right first time.

DECISION: The Committee recommended the Corporation approve the Internal Audit Strategy for 2024-25 at their meeting on the 29 Jan 2025.