

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

Boardroom, Fareham College
Wednesday 4 December 2024 at 17.30

AUDIT & RISK COMMITTEE M I N U T E S

Present:	Nick Cheaney Ian Harris (Chair)	Kerrie Clark Bernie Topham
Corporation Members: In attendance	Jennese Alozie Sarah Harder-Collins Collins Ntim Caroline Perrett (Staff Gov) Andy Wannell	Fran Butler Greg Kitchin (Staff Gov) Colin O'Donoghue Sandra Prail Phillip Wright
In attendance:	Georgina Flood Lesley Heasman Michael Johnson Andrew Kaye Frances Millar	Director of Governance TIAA Ltd (Internal Auditor) via Teams Chief Operating Officer CEO RSM Ltd (External Auditor)

48/24 Rationale for a Joint Audit & Risk and Corporation Meeting

The Chair of the Corporation provided an overview of the rationale for a joint Audit & Risk and Corporation meeting explaining how this is intended to reinforce the collective responsibility of the entire Corporation for the financial sustainability and responsible use of college or group resources. It was noted that Corporation members were in attendance as observers to the Audit & Risk Meeting and then a Corporation meeting would take place to finalise and approve those earlier recommendations.

The Chair welcomed and said thank you to Bernie Topham, who is attending for one last time as an Audit Member.

49/24 Item 2: Welcome and Apologies for absence

Apologies for absence were received from Hollie Swift and Emily Morey.

50/24 Item 3: Declarations of Interest

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

51/24 Item 4: Minutes of previous meeting

Minutes from the previous meeting held on 19 June 2024 were reviewed for accuracy. Members agreed the minutes were an accurate reflection of the meetings held.

DECISION: Minutes for the meeting held on the 19 June 2024 were approved as an accurate record.

52/24 Item 5: Actions & Matters Arising

Members reviewed an outcome report from the previous meeting, noting that all actions were complete. There were no items of note.

The Corporation received this report and noted the assurance provided.

53/24 Item 6: Ratification of Between-meeting decisions - NONE

54/24 Item 7: SICA Report

Lesley Heasman from TIAA introduced the SICA report explaining that it provides the Audit Cttee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of TIAA's work within SHCG. It also provided an overview of the remaining three audits undertaken by TIAA namely Risk management, Curriculum Planning and Subcontracting noting this closes the plan for TIAA. It was noted that Governors were unable to see a table within the SICA report uploaded to DT.

Action: Gov Team to re-publish the SICA report to Decision Time.

TIAA went on to present an overview of the Risk Management, Subcontracting and Curriculum Planning audits. Discussions were held on minor aspects of detail and scope, but not further material comments were made

The Corporation received this report and noted the assurance provided.

55/24 Item 8: Review of Internal Audit Tracker

TIAA introduced this item noting it had been updated to include suggested actions from the latest audits. It was noted that these will be shared with Validera (the new IA) ensure any outstanding actions are carried forward. TIAA confirmed this has moved on significantly since 14 of the previous 21 actions have been implemented. It was noted that three actions remained for completion shortly, with a further four for the new year.

A member queried if the Cttee are comfortable with suggested extensions bearing in mind these recommendations have originated from a report that only provided limited assurance? The CEO confirmed that a desktop 'real' time exercise today where the scenario testing is already underway. COO agreed extended actions were mainly focused on the emergency response plans (ERP's) which have since been reviewed.

A member raised concern with a historical action relating to switches querying if an alternative plan is in place if we are deferring upgrade. COO to confirm with Group Director of IT.

ACTION: COO to confirm with Group Director of IT the situation in respect of the outstanding action relating to switches and feedback to the Audit & Risk Committee.

56/24 Item 9: TIAA Annual Internal Audit Report

TIAA introduced this report noting that this is the 2023/24 Annual Report by TIAA on the internal control environment at South Hampshire College Group. The internal audit annual report summarises the outcomes of the reviews carried out on the organisation's framework of governance, risk management and control. It confirms that as IA they feel that there are sufficient internal controls in place.

The Cttee recommend that the Corporation approve the Annual Internal Audit report.

The Chair noting this was the last meeting where TIAA will be attending as Internal Auditor and offered his

thanks to both TIAA and Lesley Heasman specifically, for their work to date.

17.59 Lesley Heasman left the meeting.

57/24 Item 10: Risk Management - Annual review & Current BAF

The COO introduced this report noting that this is the annual report on Risk Management for 2023/24, it reviews the risk management framework for the year 2023/24 in order to assure members of Audit & Risk Committee and the Corporation on the adequacy of arrangements for risk management. Members were reminded as discussed at Item 7 a Risk Management review was given *substantial* assurance (the highest grade possible). It was noted that much of the A&R review focus for 2023-24 was on cyber security and the report reflects this focus.

The Cttee noted the report and the assurance provided.

58/24 Item 11: Group Plan 3rd Party Assurance Audit Tracker (Non-TIAA)

The COO introduced this item noting that this report provides an update of the '3rd party' assurances that we are receiving in respects of our key strategic risks. The approach of using multiple sources of assurance (in addition to that of the internal audit provider) was intended to ensure specific expertise was sourced and directed as required. The COO highlighted two gaps in respect of external review - for risk 6, Apprenticeships a report from 3rd party SDN is being finalised and will be ready for review at the next Committee. The other is risk 7 in respect of Safeguarding where a previously agreed peer review with HSDC hasn't been forthcoming. The COO suggested that Safeguarding is prioritized for the 2024-25 IA plan with Validera.

Of note were the findings from the HE ILR data audit completed by the ESFA and stage 2 of the Cusack H&S Audit review. A tracker for the arising actions from these audits is under development and will be brought to the next cttee meeting.

Members reviewed Appendix A relating to the Cusack report querying how actions are tracked and monitored. A member echoed concerns that some specific actions relating to hazards and fire safety ought to have been resolved ASAP. The COO confirmed that many of these actions have already been reviewed and some resolved with internal tracking in place.

A member raised concern with a reference to the organisations approach to mental health at point 7.4 of the report. It was suggested the comment felt overly generic and that greater understanding of this would be welcomed. COO agreed to liaise with CPO and revert to the Committee.

ACTION: CPO to confirm validity of the statement and outline actions for improvement and assurance to report back to the Audit & Risk Committee

Appendix B – A member queried that the ILR Audit suggest there are issues with data quality, are Governors able to have sense of the size and scale of the issues and assurance there is a plan to review? The Chair continued that RSM had also flagged minor issues with data in respect of apprenticeship figures - can the Committee receive assurance that there aren't any systemic issues with MIS?

The COO confirmed many of the ILR actions are underway, post ILR 14 (the last submission date for the year) it is not possible to make changes or complete data cleansing. ILR audits are often retrospective (as this one) which does mean any changes in process or practice can be made for the year ahead. Governors were reminded in respect of materiality; HE is not a significant area of provision however potential for reputational damage is high.

The Chair requested that feedback on the actions from the ILR audit is provided to Committee including assigned staff responsibility and timescales. COO confirmed that a revised tracker for all non-TIAA audits that will be provided to next Committee.

ACTION: COO to ensure the tracker for 3rd party audits including the actions from the Cusack Part 1 and 2 audit and the ILR Audit with assigned responsible parties and deadlines, is provided to the next Audit & Risk Committee.

The Cttee noted the report and the assurance provided.

59/24 Item 12: Strategic Plan KPI's

The CEO introduced this item noting there were no additional comments. The Chair queried if that rag rating of green was correct taking into account the generic statement on mental health included in the Cusack findings report. It was agreed this would be re-reviewed by ELT at the next risk meeting.

ACTION: CPO to review the RAG rating of strategic risk 9 at the next suitable opportunity in light of the Cusack findings.

The Cttee noted the report and the assurance provided.

60/24 Item 13: Health and Safety Annual Review

The COO introduced this item to the Committee explaining that this report provides an annual review of Health & Safety matters across the Group and intends to provide assurance Health and Safety is pro-actively managed cross the Group. Noted that this is lacking data, and comparison for previous year, much of this due to merger and as such this will be reviewed in future years.

The Chair queried from personal involvement, if the learning from a fire drill earlier in the year had been applied across the group. CEO confirmed much learning has since taken place and been shared cross group; The desktop exercise completed today has been worthwhile in improving our approach.

A member queried how transparent are we in respect of key metrics for H&S? Where is it monitored? There would be an expectation that we are provided assurance on a quarterly basis. The COO confirmed there are termly campus H&S meetings leading by Principals, which feed into then group H&S, then reporting to Audit. H&S. Governors were informed that H&S is also on all ELT/SLT agendas and included in all staff briefings.

The Chair of Corporation noted that at section 5.6 of the H&S policy provided the intended format of the annual report. As the report presented doesn't reflect this, could it be re-reviewed alongside the suggested actions from the Cusack audit findings (in terms of scope of work for 2024-25) and returned to the Cttee in due course? All agreed.

ACTION: COO to re-draft the annual H&S report in line with the policy requirements.

61/24 Item 14: Health and Safety Policy

The COO introduced this item informing Governors this was the top-level policy for H&S which is supported by two key procedural documents of H&S arrangements and H&S responsibilities.

The Audit & Risk Committee recommended the Corporation approve the Health & Safety policy.

62/24 Item 15: Data Protection (DP) Policy Pack

The COO introduced this item noting that review was required due to a change in internal processes. A governor noted this was comprehensive but that they couldn't see the process to effectively 'delete' someone and or the equivalent for destroying of physical destruction of disks and hard copy information. Assurance this is covered (even if an alternative process) would be welcome.

ACTION: COO to check that the data retentions policy and or procedure include practical steps to 'delete' someone as well as the process to destroy physical records.

A member welcomed the policy and queried how we track and or monitor subject access requests, volume, type and frequency noting that patterns and response rates would be good area for Governor assurance. DG suggest we provide a regular report to Audit & Risk in respect of DP, COO suggested termly in the first instance. All agreed.

ACTION: COO to produce a termly DP report to the Audit & Risk Committee from this point forward.
The Audit & Risk Committee recommended the Corporation approve the Data Protection Policy pack.

63/24 Item 16: Statutory Accounts - Self-Assessment of Compliance with Regulatory & Propriety Requirements (RSAQ) for 2023-24

DG introduced this item noting that the RSAQ requires FE institutions to self-assess their compliance with principles of regularity, propriety and accountability. This is a legal requirement of the ESFA and supports the external auditors in their regularity assurance engagement.

The Committee are asked to review and recommend the Corporation approve the attached RSAQ for SHCG for 2023-24.

The Cttee recommend that the Corporation approve the RSAQ for 2023-24.

64/24 Item 17: Annual report of the Audit Committee to the Corporation 2023-24

The Chair introduced this report noting that its intention is to provide assurance from the Audit & Risk Committee to the Corporation of the systems and mechanisms of internal control used within SHCG for the year 2023-24. It provides assurance to the Corporation on the work of the external auditors (EA) RSM Ltd in respect of statements made on behalf of the Corporation (notably the statement of corporate governance & internal controls and the responsibilities of members)

A member suggested the reference to a whistleblowing case outside of the financial year being referred to, is removed. All agreed

ACTION: DG to remove the reference to a whistleblowing case outside of the financial year from the Annual report of the Audit & Risk Committee.

The Cttee recommend that the Corporation approve (subject to the above changes) the Annual Internal Audit report for 2023-24.

65/24 Item 18: Any other business

The Chair noted that this is the close of the Audit & Risk section of the meeting and confirmed that the next meeting of the Audit & Risk Committee is scheduled to take place on Wednesday 15 January 2025 online via TEAMS.

The meeting ended at 18.42

MEMBERS OF THE AUDIT & RISK COMMITTEE LEFT THE ROOM TO CONVENE A PRIVATE SESSION WITH EXTERNAL AUDITOR (RSM)

IMPACT

- Governors followed best practice by holding a joint Audit & Corporation meeting which provides good governance in respect of the emphasis on collective responsibility
- Governors used constructive challenge to request additional tracking information of wider 3rd party audits to increase assurance and scrutiny.
- Governors used constructive challenge to triangulate findings of a 3rd party audit with risk register scoring and requested additional review
- Governors used their skills and experience to ensure that practical elements of data protections had been considered as part of their policy approval process
- Governors approved key policies
- Governors used delegated authority to provide assurance of the systems of internal control and regularity as discharged to them by the Corporation
- Governors improved scrutiny by requesting additional regular reporting in the area of data protection
- Governors followed best practice in line with the Audit Code of Practice and held a private session with external auditors