

FAREHAM COLLEGE

AUDIT COMMITTEE

18 March 2020

MINUTES

Present: Mr A Spires
Dr C Thomas
Ms K Thomas

In attendance: Mrs G Flood (Head of Governance)
Mr Nick MacBeath (TIAA)
Mr Richard Bryant (Deputy Principal Finance & Resources)

It was noted that due to the COVID-19 pandemic this meeting was being held via conference call (as permitted within our Instrument & Articles at Section 13.2)

01/20 Item 1: Declaration of Interests

Members were reminded of the need to declare any personal or financial interest in any item of business to be considered at the meeting. No interests were declared.

02/20 Item 2: Apologies for absence

Apologies for absence were received from Tony Rudd and Andrew Kaye.

It was noted that shortly before the commencement of the meeting the Government had notified their intention to close all school and colleges in the UK from Friday 20th March for an indefinite period of time.

03/20 Item 3: Minutes of the meeting held on the 27 November 2019

The minutes of the meeting held on the 27 November 2019 were agreed as a true and accurate record and signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

04/20 Item 4: Correspondence (none)

The Committee noted the late circulation of 2 reports in advance of the meeting; Pandemic planning and the Pandemic Flu checklist. The Chair thanked the HoG for forwarding on all correspondence issued by the Principal to staff and students, noting he felt it was reassuring that the College was communicating pro-actively and appropriately. DP F&R noted that the College was currently in stage 3 'activation' and that this stage would continue for some time.

05/20 Item 5: Termly Report on Risk Management

The DP F&R provided an overview to the register which had been circulated in advance. Members noted that work had been completed to strip out duplicated/operational risk and reduce the total number of risks from 37 to 13. DP F&R went on to note that risk scoring had largely remained static and that (aside obviously from the current COVID-19 pandemic) rate of pay and attracting quality staff

remains the highest risk with mitigating actions suggesting risks around Mental Health and Wellbeing are likely to reduce.

06/20 Item 6i) Internal Audit Report: Risk Management

Members of the Committee received and noted the Internal Audit (IA) Report from TIAA for the Risk Management review which had taken place in February 2020. The Committee were informed one 'priority 2' (important) recommendation was made relating to the current format of the Risk Register suggesting it is reviewed with a view to reducing the number of risks and separating out Strategic and Operational Risk Registers. TIAA noted that much of this work was already complete.

TIAA noted five additional 'priority 3' (housekeeping) recommendations made as follows;

- a documented Risk Appetite Statement to be included within the Risk Management Policy
- the arrangements be clarified for calculating/arriving at the mitigating factor percentage reduction to be added to the Risk Management Policy
- the register be expanded to include any actions required by the College/Risk Owner to further mitigate the risk, with an implementation target and lead assigned
- The completeness and appropriateness of the recorded mitigating factors be reviewed
- That an update report or tracked changes are include in risk management report to ensure Governors are fully sighted on any amendments to the risks, their scores or the mitigation actions.

The Committee commended the fact that recommendations had significantly moved on since the IA report had been issued.

Members reviewed and noted the contents of the Internal Audit Report on Risk Management, the recommendations which had been made and the actions in train to address the issued identified as part of the review.

06/20 Item 06ii) Internal Audit Plan 2019-20

Members of the Committee reviewed the Internal Audit plan for 2019-20 which had been subject to minor review as a result of the appointment of the Deputy Principal Finance & Resources (who takes overall responsibility for the delivery of audit within the College). Main changes were noted as bringing forward the Risk Management review and delaying the Health and Safety review to later in the year. Acknowledging unprecedented times in respect of the COVID-19 pandemic, the Committee noted TIAA's reassurance that they would remain flexible in respect of future audit delivery.

The Committee reviewed and noted the revised Audit Plan 2019-20

07/20 Item 06iii Management review of Audit Recommendations – February 2020 update

Members of the Committee received a paper which outlined outstanding audit recommendations for review by the Committee. TIAA noted the report was drawn from the online tracking portal which is updated in real time with shared access between the College and TIAA. Members noted 2 items had been implemented and were waiting for final evidence before sign off. In respect of the remaining two recommendations relating to firewalls and end point firewalls, DP F&R informed the Committee that he would prefer to ask for these to be removed rather than actioned. It was noted both refer to changes within IT that are cost prohibitive and provide little improvement from current practice. The Chair agreed he was comfortable that priority 1 actions had been completed and that the two outstanding recommendations in question are considered closed. TIAA confirmed that they would

update the tracker accordingly.

ACTION: TIAA to close audit recommendations 236870 and 236872 from the audit tracker

Members reviewed and noted the contents of the paper and noted the progress to date of the internal audit recommendations.

TIAA Audit Manager Nick McBeath left the conference call at 17.40.

08/20 Item 07i) Review of performance of internal audit service for the year 2018-19 and review contractual position for 2019-20

Members of the Committee discussed the audit provision from TIAA for the previous year noting that they were generally pleased with performance and work to date. DP F&R and HoG both noted slight delay in receiving information and the need to chase. Members agreed that they were entirely happy to continue to engage their services for the 2nd of a 3-year contract due to expire in December 2022.

The Committee reviewed the IA performance and confirmed appointment for a 2nd of the 3-year contract due to expire 31 December 2022

09/20 Item 07i) Review of performance of external audit service for the year 2018-19 and review contractual position for 2019-20

Members of the Committee discussed the audit provision from RSM Tenon for the previous year noting that the experience was generally positive. Chair noted that some feedback in respect of duplication of information requests and the lack of a senior member of audit staff to the summer term audit meeting had already been provided to RSM. Members agreed that they were content to engage RSM services for the 2nd of a 3-year contract due to expire 31 July 2021.

The Committee reviewed the EA performance and confirmed appointment for a 2nd of the 3-year contract due to expire 31 July 2021.

10/20 Item 08) Business Continuity Plan (NOT INCLUDED IN PAPERS)

HoG confirmed that this report had not been made available as part of the papers circulated in advance. Deputy Principal F&R confirmed that this piece of work is well underway and has been separated into two separate more user-friendly documents in respect of an 'incident response plan' and a 'business continuity plan'. It was agreed this would be reviewed by the Committee in due course.

Members of the Audit Committee agreed to receive and review the Business Continuity Plan in due course.

11/20 Date of next meeting

It was noted that the next meeting was scheduled to take place on **17 June 2020 at 5.30 pm**
The conference call ended at 17.59



SIGNED:

DATE: 8.12.20