

FAREHAM COLLEGE  
**AUDIT & RISK COMMITTEE**  
17 March 2021

**DUE TO THE COVID PANDEMIC THIS MEETING WAS HELD VIA MICROSOFT TEAMS**  
**M I N U T E S**

Present: Kerrie Clark  
Ian Harris  
Tony Rudd  
Adam Spires (Chair)  
Chris Thomas

In attendance: Richard Bryant (Deputy Principal Finance & Resources)  
Georgina Flood (Clerk to the Corporation)  
Andrew Kaye (Principal and CEO)  
Lee Rhodes (TIAA)

**01/21 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.

**02/21 Item 2: Apologies for absence**

There were no apologies for absence.

**03/21 Item 3: Minutes of the meeting held on the 25 November 2020**  
**Item 4: Correspondence: NONE**

The minutes of the meeting held on the 25 November 2020 (aside from minor typos as notified) were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

The Chair noted that at previous meetings the Committee have chosen an individual risk to focus on for a deep dive at the top of the agenda. It was agreed the Committee would work to identify a risk for 'deep dive' for the next meeting.

**04/21 Item 5: Termly report on Risk Management**

The Deputy Principal F&R provided an overview to this report (circulated in advance to the Committee) noting this was the second reporting session since the implementation of '4risk' a Board Assurance Framework. It was noted residual scores remained largely stable with some change to high priority risks because of COVID-19 impacts. These included Student Wellbeing, Risk to Business Plus delivery due to COVID and Financial position of the College. DPF&R gave a brief overview of each of these areas.

The Chair noted he felt that the richness and depth of reporting from previous meetings was missing in the simplified 'Risk Table' - the additional narrative and detail of risk mitigation/control points helped to provide context and 'colour' to the information. DPF&R agreed to provide the wider BAF framework reporting (as received at the November meeting) moving forward.

A member endorsed this point suggesting it was hard to understand from the information provided the

detail of the financial position we were in, and how quickly the College could react again in a similar situation. He noted this would make a useful 'deep dive' session as discussed earlier.

**ACTION: Full BAF information to be included in future report.**

**POST MEETING NOTE: The full BAF framework for the Spring term was circulated to members via email on 17 March 2021.**

The Chair canvassed the rest of the Committee for their view on the use of SR 8 'Financial position of the College deteriorates' for the next Committee 'deep dive'. All agreed.

**ACTION: Strategic Risk 8 to be used for the next 'deep dive' session at the Committee meeting in June**

Q - A member requested some more detail on the referrals for student wellbeing – if these have increased is 9 considered a sufficient score? What systems are in place to mitigate this risk, e.g., are the success coaches working, are they overloaded?

A – The DPF&R confirmed this risk figure may well fluctuate and now students are back to College and referrals have increased that this score may well increase. That said, whilst referrals are increasing, the triage system is working well, success coaches are in place and currently managing their case loads. We're using the attending, succeeding, and attaining figures to provide a steer as to how well we are supporting students and attendance and attainment remain positive. The Principal noted that wider referrals are subject to increased delays (and long waiting lists) as a result of other organisations e.g., CAMHS being overloaded.

The Chair noted that '4risk' is an RSM product, are the Executive able to confirm that the costs are minimal in comparison to the wider audit fee and that the use of this product doesn't represent a conflict of interest. DPF&R confirmed the cost was minimal and represented 20% of the full audit cost. A member noted that subject to when 4risk was contracted, this should be covered in the 'other fees' section of the RSM declaration as part of the external audit.

**Note: The Committee were provided with assurance that the use of RSM's 4 risk product did not represent a conflict of interest.**

**Members of the Audit Committee reviewed the risk report for the Spring Term**

## **05/21 Item 6: Internal Audit**

Members of the Committee received and noted the Internal Audit Reports from TIAA for Business Continuity Planning (Pandemic response) and the Governance Health-check, both of which had taken place during the Autumn term.

### **6i) Internal Audit Report: Business Continuity Planning Audit Opinion: substantial assurance**

The review appraised the effectiveness of the arrangements adopted by the College to react to the Coronavirus Pandemic and the learning from the response applied to future crisis continuity and disaster recovery. The review also considers the arrangements introduced by the College to ensure on site access and activities are risk assessed and managed in line with the current government Coronavirus guidelines (including the arrangements applied to manage social distancing), the communication arrangements to provide assurance that responses were timely, consistent, and comprehensive.

The review found sound controls in place with regards with several items of good practice noted. A single 'routine' recommendation was made "to ensure that a pandemic response be adequately

incorporated within the "Crisis Management and Business Continuity Plan".

**6ii) Appraisal review: Governance Health-check**      **Risk appraisal: All risks mitigated**

This desk-top review is designed to establish the extent to which the governance documents considered by the Board can demonstrate the risks leading to governance failures at other similar organisations have been assessed and mitigated.

The review found sound controls in place and identified a number of aspects of good practice. A single operational suggestion was made to "continue to embed the new joint annual skill review and appraisal process for the Corporation Board and Committees members"

**Members reviewed and noted the contents of the Internal Audit Reports for Business Continuity Planning and the Governance Health-check.**

**6iii) Summary Internal Controls Assurance Report**

The Committee received a summary SICA report from TIAA (circulated in advance) which provided an update on the emerging Governance, Risk and Internal Control related issues and the progress of IA work at Fareham College as of 3rd March 2021.

**Members noted the SICA report.**

**06/21 Item 6iv) Management Review of Internal Audit recommendations**

Members of the Committee received a paper which outlined outstanding audit recommendations for review by the Committee. Members reviewed the actions in train and the progress to date.

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

**07/21 Item 6v: Review of Internal Audit plan for 2020-21**

Members of the Committee had received the latest version of the Internal Audit plan for the rest of 2020-21. It was noted that both the Health and Safety and Trading Activities audits had been postponed due to COVID-19. The addition of an audit on data integrity /MIS information had been recommended and DPF&R had queried the requirement for an additional IT Security audit in light of the significant audit work that had already taken place within IT.

After discussion, the Committee were very keen to retain the IT audit – but to change this from Network Security to Cyber security on the basis of the current climate. After final discussion, the revision to the plan were;

- To change the IT network security audit to an IT cyber security audit
- To retain the Health and Safety and Subcontractor audits as planned
- To remove the Trading Activities audit and replace with a MIS/Data integrity audit

**The Committee reviewed the Internal Audit plan for the rest of 2020-21 and made minor adjustments as above.**

**ACTION: TIAA to circulate the revised IA plan**

Lee Rhodes from TIAA left the meeting at 18.02

**08/21 Item 07i: Review of Performance of Internal Audit Service for the year 2019-20 and re-appointment for an additional 1 yr. term from 2021- 2022**

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. The DP F&R provided specific feedback noting that TIAA had performed well in a difficult year, they had been flexible and adaptable. It was noted that audit recommendations are generally reasonable, and that management response and challenge is able to be robust.

The HG informed members that the original 3-year contract with TIAA was due to expire in December 2021. The Committee were informed there was no statutory need to re-tender at this stage, and subject to being happy with performance, the proposal is to extend the contract for an additional year from 2021-22. All agreed.

**Members of the Committee recommended that the Corporation at its next meeting on the 30 March 2021, approve the re-appointment of TIAA as Internal Auditor for an additional year from 2021-22.**

**09/21 Item 07ii: Review of Performance of External Audit Service for the year 2019-20 and re-appointment for an additional 1-year term from 2021- 2022**

Members of the Committee discussed the audit provision from RMS for the previous year noting that they were generally pleased with performance and work to date. The DP F&R agreed noting the EA for 2019-20 even in lockdown was very well supported and streamlined.

The HG informed members that as above the original 3-year contract with RSM was due to expire in August 2021. To this end, were the Committee willing to suggest the Corporation re-appoint for an additional year from 2021-22. All agreed.

**Members of the Committee recommended that the Corporation at its next meeting on the 30 March 2021, approve the re-appointment of RMS as External Auditor for an additional year from 2021-22.**

HG noted that moving forward there would be an intention to stagger the success planning of appointment to ensure that both External and Internal Audit are not subject to tender in the same financial year. All agreed.

**10/21 Risk Management Policy**

**The Committee reviewed and approved the Risk Management policy.**

**11/21 Date of next meeting**

It was noted that the next meeting was scheduled to take place on **15 June 2021 at 17.30**. There were no items of further business and the meeting finished at 18.15.



**SIGNED:**

**DATE: 15.6.21**