

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE
held on 18 September 2019 at 10.00 am

¹PRESENT M Lauder (E); SJ Radford (C); C Wilson (E).

In attendance: T Angio, Head of Procurement
T Jackson, Principal
A Whitworth, Director of Finance
S Willson, Clerk to the Corporation

Presentations: S Blakemore and C Boardley (Buzzacott)
R Bott and E Saayman (Mazars)

APOLOGIES

124. Apologies were received from Zazie Carter and William Fullbrook.

DECLARATION OF INTERESTS

125. There were no interests to declare.

EXTERNAL AUDITORS TENDER

126. The Committee had received the report of the Director of Finance, Finance Manager and Head of Procurement on the tender process and response, including in relation to written bids and interviews with the management team. It was noted that a total of two bids had been received from the 12 potential providers in the procurement Framework Agreement used and that both had been assessed as satisfactory and shortlisted to present to the Audit Committee.

127. Members discussed the small number of bids submitted and the reported insights that this was likely to be associated with the relatively low fees paid in the FE sector as a whole and by the College previously.

128. Members discussed areas to probe for additional information and evidence to support the Committee's assessment of the audit firms against the tender criteria.

129. S Blakemore, Audit Partner, and C Broadly, Audit Manager, of Buzzacott joined the meeting and presented to the Committee.

130. Following the presentation, Members questioned the audit services and approach of Buzzacott in a number of areas, including with reference to managing the relationship with the Audit Committee and management, the interplay between external audit and internal audit, availability of added value services (such as training and specialisms), expertise and availability of staffing and resourcing, quality assurance, differentiation of the firm's services in the market, education sector knowledge and understanding of the College.

131. The Committee thanked S Blakemore and C Broadly for their time and they left the meeting.

¹ (E) = External; (C) = Co-opted Committee Member

132. The Committee Chair sought feedback from Members as to the presentation and responses.
133. Richard Bott, Audit Partner, and Eugene Saayman, Assistant Audit Manager, of Mazars joined the meeting and presented to the Committee. Apologies were received from the Mazars Audit Manager who was overseas on business.
134. Following the presentation, Members questioned the audit services and approach of Mazars in a number of areas, including with reference to establishing and managing the relationship with the Audit Committee and management, the interplay between external audit and internal audit, availability of added value services (such as training and specialisms), expertise and availability of staffing and resourcing, quality assurance, differentiation of the firm’s services in the market, education sector knowledge and understanding of the College
135. The Committee thanked R Bott and E Saayman for their time and they left the meeting.
136. The Committee Chair sought feedback from Members as to the presentation and responses.
137. The Committee Chair summed up the feedback from Members on the tender bids and presentations of both firms, noting that there was commonality in the views expressed by individual Members. The Committee Chair also sought feedback from the Principal, Director of Finance and Head of Procurement and this concurred with the views of the Committee.
138. The Head of Procurement confirmed the receipt of very positive references for both firms and reported the latest information with regard to fees, reporting the level of discount that Buzzacott had agreed to the initial quoted annual fee on the basis that the College would provide onsite accommodation for the audit team as required.
139. The Committee assessed each firm against the tender criteriaⁱ, agreeing that both firms were appointable but that Buzzacott had performed marginally more strongly and would be the preferred external auditor for the College at this time.
140. **Resolved** – that the Board of Governors be recommended to appoint Buzzacott as the external auditors for Sparsholt College Hampshire and its subsidiary companies on a 3-year contract, to be confirmed annually by the Board of Governors and the directors of the subsidiary companies.
141. The meeting closed at 12.30 pm.

Criteria	Weighting %
Price	30
FE experience and expertise	30
Managing and resourcing the work	10
Audit implementation plan	5
Audit methodology	5
Sample reports	5
References and case studies	10
Specialist services and advice relevant to the College & Added value	5