

**SPARSHOLT COLLEGE HAMPSHIRE  
MINUTES OF THE MEETING OF THE  
AUDIT COMMITTEE  
held on 12 March 2021 at 1330**

**<sup>1</sup>PRESENT** M Lauder (E); SJ Radford (C); C Wilson (E).

In attendance: S Grant, Deputy Principal  
J Milburn, Principal  
A Whitworth, Director of Finance  
S Willson, Clerk to the Corporation

**APOLOGIES**

72. Apologies were received from Zazie Carter and Andrew Fagg.

**DECLARATION OF INTERESTS**

73. There were no interests to declare.

74. It was noted that, although one of the shortlisted audit firms, RSM, was the College's current internal auditor and members of the SLT also had experience of working with RSM and TIAA when previously employed at other colleges, it was the assessment of the tender submissions and interviews that would inform the committee's recommendation to the Board.

**INTERNAL AUDIT TENDER**

75. The Committee Chair noted that the meeting of the Audit Committee had been convened to make a recommendation to the Board of Governors on the appointment of internal auditors, following shortlisting and interviews.

76. The committee had received the report of the Director of Finance on the tender bids from the shortlisted audit firms, together with copies of the full bid submissions. The shortlisted firms were RSM, TIAA and Wylie & Bissett.

77. The three shortlisted firms had been invited to give a presentation to an interview panel made up of three members of the committee, together with the Principal, Deputy Principal and Director of Finance. The firms had been asked to outline their proposed services, including with reference to their experience in the FE sector, the nature of internal audits assignments undertaken for their clients (including student number and funding audits), their quality assurance arrangements and their general approach to working with the College. Each presentation was followed by questions and answers.

78. The Committee Chair sought feedback from panel members as to the tender bids, the presentations and the responses to questions from the audit firms.

79. Panel members discussed the firms' offers in detail, noting a range of areas of strength demonstrated by each firm and questioning the extent to which the specific experience and evidence of expertise met the College's needs at this time.

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<sup>1</sup> (E) = External; (C) = Co-opted Committee Member

80. Members acknowledged the potential value of the fresh perspectives which the two firms who had not worked with the College could bring. However, members also agreed that RSM had provided satisfactory assurance as to the continuing independence and robustness of their audit activities and advice to the College should the firm be reappointed.
81. Members discussed the potential for further developing the board assurance framework in the future, with the possibility of moving away from an annual internal audit opinion. The committee and SLT members present agreed that this could be explored further but that the committee would recommend to the Board to retain an annual audit opinion at least for 2021-22 and the bids should be considered on that basis.
82. The Committee Chair summed up the feedback from Members on the tender bids and presentations of both firms, noting that there was widespread agreement in the views expressed by the panel members.
83. Assessing each firm against the tender criteria<sup>i</sup>, the committee agreed that RSM had provided the strongest evidence against several of the criteria, in particular in relation to knowledge of key developing areas of risks in the sector, funding audits and expertise, and benchmarking of good practice relevant to the College’s breadth of operations. Taking this into account, the committee concluded the RSM service would provide the most robust assurance and the best value for money to the College.
84. The committee asked the Director of Finance to discuss with RSM whether there was flexibility to reduce the proposed number of audit days for an annual internal audit opinion, particularly once business returns to face-to-face, in order to test whether additional value for money could be achieved for the College and to report the outcome to the Board.
85. **Resolved** – that the Board of Governors be recommended to appoint RSM as the internal auditors for Sparsholt College Hampshire on a 5-year contract, to be reconfirmed annually by the Board of Governors.
86. It was noted that the decision would be notified to the audit firms after the Board of Governors meeting and that the Director of Finance would provide feedback on behalf of the panel.
87. The meeting closed at 1400.

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