

CORPORATION OF HILLS ROAD SIXTH FORM COLLEGE

Minutes of the Meeting of the Audit Committee held on 11 June 2025

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| Present | Laragh Jeanroy (Independent Chair of the Committee), Anthony Omo (Vice-Chair of the Committee), Carrie Anne Philbin. |
| Governance Services | Robert Smith (Governance Professional) |
| In Attendance | Saira Hanif (Chief Finance Officer), Rachel Hooper (Chief Operating Officer), Ali Kirkman (Vice-Principal: Staff & Student Learning – Agenda 1-4 & 12-13 only), Leisyen Cox (Scrutton Bland: Internal Audit Service), Hugh Swainson (Buzzacott: Financial Statements Auditor – Agenda 1-6), Jo Trump (Principal). |

1 Apologies for Absence and Quoracy

Apologies for absence had been received from the following members:
Adrian Clark, Mark Dawe, Richard Westcott.

The meeting was quorate.

2 Declarations of Interest

None.

3 Minutes of the Previous Meeting: 26 February 2025

The minutes were approved as a correct record of the business transacted, and *prima facie* evidence of the proceedings to which they relate.

4 Matters Arising from the Minutes: 26 February 2025

Minute 7: the Vice-Principal: Staff & Student Learning reported that the Director of HR had informed her that the risk assessment used for staff with outstanding DBS checks is modelled by reference to the relevant Health and Safety Executive standard.

Minute 11: the draft Reserves Policy had been amended in the terms recorded in the Minute. It was duly approved by the Committee.

5 Board Assurance Framework (BAF) and Operational Risk Register

The above reports were received and considered.

In relation to the Board Assurance Framework, it was noted that:

RAG ratings had remained unchanged;

the net risk score of BAF1 (failure to monitor financial viability and maintain Group solvency leads to poor financial health, reduction in investment, breadth of curriculum and resources and DoE special measures imposed or insolvency) had been reduced following the confirmation of funding linked to government-driven changes in pay, National Insurance contributions, and the support staff pay spine;

the net risk score of BAF 4 (failure to recruit and retain staff could affect quality if the College fails to recruit high quality staff - e.g. owing to increased local competition) had been reduced because of improvements in the relevant in-year data;

the net risk score of BAF6 (in relation to safeguarding) had been raised owing to the incidence of two suicides among the student body in the year to date, which had highlighted the need for a renewed focus on male mental health.

In relation to the Operational Risk Register, it was noted that:

RAG ratings had remained unchanged;

Operational Risk 2.1 (increased pay costs associated with the teaching and support staff pay structure, pay awards, NI and pensions outstrips funding) continues to be watched as a rising risk; and

although the scoring of Operational Risk 3.1 (system or service loss as a result of hardware failure, server fire, loss of internet or power outage) is unchanged, the risks attending switchover functionality were recognised and relevant systems and equipment will be tested over the summer period.

6 Financial Statements Audit Strategy 2024-25

A draft plan prepared by Buzzacott was received for information and, if thought fit, recommendation to the Corporation for approval.

It was noted that the audit will include the:

financial statements' audit;
regularity assurance; and
Teachers' Pension Scheme audit.

The following areas for audit review had been identified:

transfer of activities to Hills Education Trust Ltd;
income recognition;
management override of controls;
related party transactions;
accounting estimates;
regularity;
capital accounting; and
consolidation.

The auditor confirmed that the audit of the Teachers' Pension Scheme is intended to ensure that sums due in its regard have been correctly identified and duly remitted by the College, and that the Regularity Audit is conducted to provide assurance that public funding has not been applied for reasons other than its intended purposes.

It was noted that, because the College is academising with effect from 1 September 2025, the audit will cover a thirteen-month period to 31 August 2025, which is reflected in the fees chargeable. The filing date for the accounts is unchanged at 31 December. The audited annual accounts will be reviewed and, if thought fit, approved by the Board of Trustees of Hills Education Trust Ltd.

The extended period covered by the audit will require particular scrutiny of:

income recognition and the appropriate apportionment of funding;

depreciation of tangible assets, and release of deferred capital grants;
accrued holiday pay; and

disclosed remuneration, where required.

The financial statements will be prepared on a non-going concern basis since the Corporation is being wound up on 31 August 2025.

The financial statements' audit strategy was recommended for approval by the Corporation at the meeting to be held on 25 June 2025.

7 Internal Audit Review: Budgetary Control and Cash Flow

A report prepared by the internal audit service was received and considered.

It was noted that:

the College had received Significant Assurance (the second of four assurance grades, indicating that material risks are being managed effectively, but that there are some areas where the adequacy and operation of controls in practice should be improved further); and

two low-level audit recommendations had been made, one of which is due for implementation from the 2025-26 financial year and the other is subject to further consideration by the College management.

In addition, two added value points, gained from best practice elsewhere, had been noted and the College encouraged to consider their applicability.

It was reported that an incident of misreporting forward cash flow had been identified by the College and disclosed to the auditor in advance of the audit. Accordingly, no recommendation was made in its regard.

The 2024-25 Risk and Assurance Progress Report, prepared by the internal audit service to record work completed in the year, was also received for information, together with the Internal Audit Charter 2025.

8 College Responses to Internal Audit Recommendations 2024-25

The following matters were reported:

It was noted that new systems are being implemented in relation to payroll and estates, in which regard the Committee noted that, where progress against previous audit recommendations is being tracked, subsequent reports in these areas (and others to which the same consideration might apply) must acknowledge how the recommendations are being accommodated under the new arrangements so that a clear audit trail is maintained.

9 Indicative Internal Audit Needs Assessment and Internal Audit Annual Report

The above documents were received.

It was noted that, in the opinion of the auditor, in the year 2024-25 the College had adequate and effective:

risk management processes;

governance processes; and

control processes, notwithstanding the high-risk recommendation within the auditor's Single Central Record report.

The Committee noted the internal audit needs assessment, but referred its consideration to the appropriate organ of Hills Education Trust Ltd, which would oversee its implementation.

The internal auditor expressed her thanks to all staff at the College concerned with the audits during the year, and to the Committee.

10 Financial Regulations

Draft amended regulations showing the changes proposed were received and approved on behalf of the Corporation.

11 Protection of College Assets: Land & Buildings

The Chief Operating Officer reported that a meeting with East-West Rail is imminent and, although no decisions are expected in its regard, clarity about the future space requirements of the project might be clarified.

It was reported that recruitment of an Estates and Compliance Manager is in process.

12 Safer Recruitment Panels

A report covering staff appointments commencing during the Summer Term 2024-25 and during August 2025, setting out the dates of interviews and the membership of staff selection panels in terms of persons trained in safer recruitment, was received and noted.

13 Reasons Given by Staff for Leaving College Employment (Anonymised) 2023-24

A report relating to staff who had left the College during the year to date was received for information.

14 Review of Staff Expenses

The schedule of expenses reimbursed to staff covering the period from February 2025 to April 2025 inclusive was received and noted.

15 Confidential Reporting: Staff

There had been no instances to report.

16 Confidential Reporting: Members of the Corporation

There had been no instances to report.

17 Fraud and Irregularity

There had been no instances to report.

18 Discharge of the Committee

It was noted that the Committee will be discharged on 31 August 2025 (the date of the winding-up of the Corporation), and that the present meeting is the last scheduled for the Committee.

It was agreed that the minutes of the present meeting, as approved for circulation by the Independent Chair of the Committee, will be circulated for approval by members present prior to the Corporation meeting to be held on 25 June 2025. Unanimous approval will be required.

19 Any Other Competent Business

It was noted that Laragh Jeanroy is presiding at her final meeting as Independent Chair of the Audit Committee of the Corporation of Hills Road Sixth Form College, and that she would not play a role in the arrangements of the successor Trust.

The Principal and the Governance Professional both expressed their heartfelt appreciation and thanks to Laragh for her commitment and the professionalism she has consistently brought to the role over the 22 years during which she has overseen the Corporation's audit function. She will be greatly missed.