

CORPORATION OF HILLS ROAD SIXTH FORM COLLEGE

Minutes of the Meeting of the Audit Committee held on 26 February 2025

Present	Laragh Jeanroy (Independent Chair of the Committee), Anthony Omo (Vice-Chair of the Committee), Adrian Clark, Mark Dawe, Carrie Anne Philbin, Richard Westcott.
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 6-9), Ryan Pearce (Scrutton Bland: Internal Audit Service).

1 Apologies for Absence and Quoracy

All members were present.

2 Declarations of Interest

None.

3 Minutes of the Previous Meeting: 4 December 2024

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: 4 December 2024

Minute 5: the Risk Management Policy, recommended for approval by the Corporation, was duly approved on 5 February 2025.

Minute 8: it was confirmed that the specified amendment to the Policy: Provision of Non-Audit Services by the Financial Statements (External) Auditor had been made.

5 Board Assurance Framework (BAF), Operational Risk Register, College Risk Dashboard & Risk Management Policy

The above reports and the draft policy were received and considered.

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

RAG ratings had remained unchanged; and

BAF4 (failure to recruit and retain staff could affect quality if we fail to recruit high calibre staff for example due to increased competition locally) had been noted to be watched as a rising risk.

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) had been noted to be watched as a rising risk; and

the operational risk in relation to in-house catering had been removed.

It was agreed following discussion that BAF9 does not require to be amended at this point in time, but that the change to the College's constitutional status will remain a key focus over the period leading to the date of the winding-up of the Corporation (31 August 2025) with a close eye kept on ensuring that the conversion timetable is being adhered to and all necessary documentation is in place.

The KPI Risk Dashboard was noted. An updated dashboard will be circulated as part of the papers for the Corporation meeting to be held on 26 March 2025.

Members approved the BAF for submission to the Corporation at the meeting to be held on 26 March 2025.

The Committee asked that changes between successive iterations of the BAF and Operational Risk Register be highlighted in an executive summary.

6 Internal Audit Review: Equality, Diversity and Inclusion

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 should be further improved); and

four low priority recommendations had been made, and acknowledged by the Vice Principal: Staff and Student Learning for implementation (by April 2025) in three instances and consideration by CST (also by April 2025) in the remaining one.

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

7 Internal Audit Review: Safer Recruitment

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

It was noted that:

the College had received Strong Assurance (the first of four assurance grades, indicating that material risks are being managed effectively); and no audit recommendations had been made;

In addition, one added value point, gained from best practice elsewhere, had been noted and the College encouraged to consider its applicability.

It was particularly noted that the College fully complies with KCSIE requirements, and that where staff commence employment without a DBS clearance, they are supervised at all times in accordance with a risk assessment, and that where their work would involve one-to-one work with students or vulnerable adults they are not permitted to start work.

DBS clearances are expected to be received for all staff within one week of starting work.

The Vice-Principal: Staff & Student Learning agreed to provide for the Committee details of how the risk assessments for non-DBS cleared staff are conducted, and according to what criteria.

It was agreed that, because the audit had been an additional requirement of the Committee, the report be submitted to the Corporation for information at the meeting to be held on 26 March 2025.

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

8 Safer Recruitment Panels

A report covering staff appointments commencing during the Autumn Term 2024-25 and Spring Term 2024-25 (to 12 February 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.

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

A report relating to staff who had left the College during Autumn Term 2024-25 and Spring Term 2024-25 (to 12 February 2025) was received for information.

10 Protection of College Assets: Land & Buildings

A paper prepared by the Chief Operating Officer (in consultation with the Director of Estates & Facilities), entitled *Estates Vision and Strategy 2025-35*, was received and considered.

It was noted that:

*the document had been prepared with reference to advice contained in the Government's **Good estate management for schools (GEMS)** documentation, and sets out the College's Estate Vision, Estate Strategy and strategic review process;*

it outlines a framework rather than a linear plan;

the attendant Asset Management Plan is an operational document managed by the Director of Estates and Facilities and overseen by the COO; and

all documents are regularly reviewed, as required by GEMS, and will be shared with the governing body.

The principal challenges were noted as:

the accommodation constraints imposed by the College site in the context of a rising demographic;

the drive for sustainability (as per the College Strategy); and

the progressive obsolescence of the existing building stock, owing to its variable age and design.

The establishment of a second College site within the College's catchment area remains in focus, dependent on opportunities that may arise in the context of more general developments in the area.

The fundamental considerations of the Estates Strategy were reported as:

a robust approach to investment to maintain the site to a standard that fulfils the expectations of students and staff, as well as the College's needs and regulatory obligations, within the provisions of the budget and funds available;

building sustainability into both the physical structure and the operation of the College's estate assets to the extent that available resources permit;

managing the estate so as to maintain, through making evidence-based decisions, the College's viability and positive impact on the student experience;

managing the tension, driven by funding opportunities and limitations, between replacement and renovation of existing estate assets;

ensuring adherence to the regulatory framework regarding estate management incumbent on educational institutions through detailed, consistent, accurate and accessible compliance and record keeping, including the necessary investment in relevant staff;

responding to the East-West Rail project; and

engagement with the Cambridge Growth Company.

The elements of the College Strategic Plan directly relevant to the Estate Strategy were reported *inter alia* as:

financial planning;

timetable adaptation to accommodate more students;

optimal space utilisation;

a rolling upgrade programme; and

responding vigorously to development funding opportunities.

It was noted that the Estates Strategy is not situated in a landscape of funding or opportunity, where a single, linear plan will serve the College well. It involves the College putting itself in a position to identify opportunities and react to them with agility and speed, while keeping a clear eye on priorities and efficiency. The College must build up its knowledge of the estate, the institution's needs, its growth model, funding opportunities, land opportunities, and regulatory changes. When funding opportunities arise, the College needs a clear idea of its priorities, and how best to utilise the funds for estate improvements.

In the above regard, priorities are to:

develop and maintain a living list of 'needs and wants' with a reasonable idea of costs, funding opportunities, planning requirements, dependencies etc so that the College can respond to any opportunity - the list (to be reviewed by CST on a six-monthly basis or more frequently in the light of funding opportunities) will be created and curated by the COO, CFO and the Director of Estates, with input from the governing body, staff, subject departments, curriculum development, well-being etc. and will involve inclusion of the Director of Development in both the early development of ideas, and ongoing project work, so that projects capitalise on any inherent fundraising potential;

comply with the sustainability objectives of The UK Climate Change Act 2008 (and secondary legislation) by achieving a 50% reduction in emissions by 2030 and net zero by 2050;

invest in and operate a capable, accurately populated, professionally maintained asset management system of planned preventive maintenance in order to develop better informed, longer-term investment plans, which are affordable, appropriately procured, and efficiently delivered to provide value for money and enable the College to accommodate change;

survey 100% of estate assets by the end of the 2024-25 year, and 20% annually thereafter;

submit, in 2025, a Condition Improvement Fund (CIF) bid to fund improvements to the College's single storey spaces such as the hall and recital room, and, in 2026, a SALIX bid for decarbonisation; and

maximise the College's commercial income streams, and grow Development Office income.

Accountability and responsibility were noted to be as follows:

Investment and Opportunity – COO

Sustainability – COO (with responsibility as delegated)

Asset Management - COO (with responsibility as delegated)

Financial Management – CFO (in consultation with COO)

Compliance – COO (with responsibility as delegated), except for finance (see above)

It was noted that the strategy is aligned to meet the requirements incumbent upon academy trusts.

Members asked that the next iteration of the strategy should include a reference to on-site car parking.

The Chief Operating Officer was asked to estimate the rebuild costs of the present built estate, and was encouraged to conduct a land search which might identify alternative or additional locations for the College.

11 Draft Reserves Policy

A draft policy was received and considered.

It was noted that the Corporation had asked the Committee to scrutinise the draft and make recommendations to the Corporation in its regard.

It was further noted that The College proposes to hold a minimum reserve of £750,000, equating to 5 percent of the College's funding body grant. The College will set a maximum limit for its reserves of £2,260,000 (15 percent of the its funding body grant), the amounts to be adjusted in conformity with changes in core funding income.

It is proposed that reserves will be reviewed and monitored by the Corporation on a termly basis to identify any trends in spending and to rectify issues where they arise. Where reserves during the year are below or exceed target, the Corporation will consider whether this is due to a short-term situation or a longer-term issue. A broader review of finances and reserves will be undertaken as necessary, and action taken where appropriate to replenish or spend reserves.

It was noted that, unlike many organisations, the College has a largely guaranteed income underwritten by the Government, which provides for a greater level of certainty around its financial performance.

It was further noted that the policy will expire on the winding up of the Corporation on 31 August 2025 (but will be cited in the 2024-25 financial statements), and that the Trustees of Hills Education Trust Ltd (HET Ltd) will need to approve a successor policy in due course.

Members asked for a number of presentational changes to be made to the document, in particular setting out the rationale for the chosen thresholds.

The Committee will reconsider a revised draft at its next meeting on 11 June 2025.

12 Committee Protocol: Attendance by, and Reports from, College Staff in Relation to Audit Reports and Other Sources of Assurance

A draft protocol prepared by the Independent Chair of the Committee and the Governance Professional was received and considered.

It was noted that the Protocol relates to the consideration by the Committee of matters concerning external and internal audit reports, other assurance reports, the Board Assurance Framework and Operational Risk Register, and requires the attendance of the Chief Finance Officer, Chief Operating Officer and, where specific reports of audits, other reviews or key risks are being considered, the CST member accountable for the activity and any other member of staff whose presence is deemed necessary for the effective transaction of the business.

It was also noted that the Protocol will expire on the winding up of the Corporation on 31 August 2025, and that the Trustees of Hills Education Trust Ltd (HET Ltd) will, at their option, need to approve a successor Protocol in due course.

The Protocol was approved for application with immediate effect.

13 Appointment of Financial Statements Auditor

In the context of the granting to the College by the DfE of an Academy Order (effective from 1 September 2025), it was agreed to explore if the contractual arrangements with the incumbent auditor (Buzzacott) can be extended for one year, such that the said firm conduct the audit of the Group's financial statements for the period from 1 August 2024 to 31 August 2025 (a period of thirteen months to the date of the winding-up of the Corporation).

The Independent Chair of the Committee agreed to approach the Buzzacott representative in these terms.

Members agreed to delegate to the Independent Chair of the Committee the recommendation to reappoint Buzzacott for the additional year, if the

latter are willing. The recommendation would be made to the 26 March 2025 Corporation meeting, at which the governing body would be asked to give its approval.

If Buzzacott do not see their way clear to being reappointed, it was agreed that the Independent Chair of the Committee will make proposals to the members for subsequent consideration at an additional meeting of the Committee.

It was noted that arrangements for the financial statements audit 2025-26 and thereafter will be agreed in due course by the proper officers of HET Ltd.

14 Review of Staff Expenses

The schedule of expenses reimbursed to staff covering the period from November 2024 to January 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 Any Other Competent Business

In view of the fact that the Committee will be discharged with effect from the date of the winding-up of the Corporation (31 August 2025), the Governance Professional proposed that a self-assessment of its performance during 2024-25 would not serve a useful purpose, there being no opportunity for the Committee to act on measures for improvement, and therefore that the assessment should not be conducted in 2024-25.

Members agreed the proposal.

19 Meeting Evaluation

Agenda 7 and 10 were held to be of direct benefit to students.

20 Date and Time of Remaining Audit Committee Meeting 2024-25

Wednesday 11 June 2025 (6.00pm)

The meeting will be held **in-person** at the College, and is scheduled as the final meeting of the Committee pending its discharge.

List of Actions Arising from the Meeting:

<i>Agendum</i>	<i>Responsible Person(s)</i>	<i>Action</i>
7	Vice-Principal: Staff & Student Learning	Provide for the Committee details of how the risk assessments for non-DBS cleared staff are conducted, and according to what criteria.
10	Chief Operating Officer	<p>Include a reference to on-site car parking in the next iteration of the Estates Strategy.</p> <p>Estimate the rebuild cost of the built estate, and conduct a land search to identify potential additional or alternative College sites.</p>
11	Chief Finance Officer	To make a number of presentational changes to the draft Reserves Policy, in particular setting out the rationale for the chosen thresholds.
13	Independent Chair of the Audit Committee	To explore if the contractual arrangements with the incumbent auditor (Buzzacott) can be extended for one year, such that the said firm conduct the audit of the Group's financial statements for the period from 1 August 2024 to 31 August 2025 (a period of thirteen months to the date of the winding-up of the Corporation) and, if they are agreeable, to recommend their reappointment to the Corporation.