

**MINUTES OF THE AUDIT & RISK COMMITTEE MEETING
TUESDAY, 21 NOVEMBER 2024**

Present: Mr Stephen Hewes (Chair)
Ms Kate Fulker
Ms Debbie Dalzell

In Attendance: Ms Kim Saw - Director of Finance
Ms Nadina Bedlow - Governance Professional
Mr Gumayel Miah - Buzzacott (Financial & Regulatory Auditor)
Mr Scott McCready - Wbg (Internal Auditor)
Mr Chris Whelan - Chief Executive, Reigate LA

4. CONFIDENTIAL SESSION

Before considering the annual report from the Audit & Risk Committee, a later agenda item, the Committee held a confidential session with the Financial & Regulatory Auditor and Internal Auditor without College management being present, in accordance with its terms of reference. Neither auditor had no regularity concerns or control weaknesses to bring to the attention of the Committee and that the audits had been satisfactorily executed.

1. WELCOME,

The Chair opened the meeting at 5.45pm welcoming those present.

2. APOLOGIES & QUORUM

No apologies were received.

3. DECLARATIONS OF INTEREST

No declarations of interest were made in respect of any agenda item.

5. MINUTES

The Part A and Confidential Part B minutes (papers 1a and 1b) of the previous meeting (18.06.2024) were agreed and approved as an accurate and complete record of the meeting.

6. SUMMARY ACTION LIST & MATTERS ARISING

The 'Summary Action List' was received (Paper 2) and reported on the following action points from the previous meeting:

MIN REF	ACTION POINT	UPDATE FOR MEETING ON 19/11/24
7	The Committee proposed the following amendments to the Committee's terms of reference: To add the receive an annual GDPR Report To add to review annually the list of College Statutory policies.	Revised ToR approved at the July Trust Board meeting
15	To ask Buzzacott to indicate in future audit plans where the College sits in their various benchmark indicators.	Actioned and completed.
32	College Statutory Policies: (i) To consult the Trust Board on its preferred approach to reviewing policies at its meeting on 9 July 2024.	Actioned and completed.

	<p>(ii) To add an extra column to the table to provide assurances on how the policy is being complied with.</p> <p>(iii) To add dates to confirm when the policy comes into effect from and, when approved by Trustees.</p>	
33	Complaints Policy - the policy to confirm the review date of June 2024, for the policy to be implemented September 2024, with the next review to take place in June 2025.	Actioned and completed.
40(i)	Add to the BAF for the Audit & Risk Committee to receive for review a GDPR Annual Report at its summer term meeting.	Actioned and completed.
40(ii)	For the Governance Professional to check the Trust's schedule of business to ensure it is consistent with both the College Statutory Policy list and the Board Assurance Framework.	Actioned and completed.
2c	<p>It was confirmed the Chair of the Audit & Risk Committee will be kept informed on the response from the Information Commissioner and police, with further updates to be made available at the July Trust Board meeting.</p> <p>It was also noted the Annual Report 2023/24 from the Audit & Risk Committee will report on the matter.</p>	<p>Updates provided at both the July & September Trust Board meetings</p> <p>Agenda item</p>
3c	It was AGREED to add to the Risk Register the recent data breach, notably the effect of potential directives from the Information Commissioner and consequences from the further investigations underway.	Actioned & Completed
11c	<p>(i) For the Finance Director to seek assurances from the payroll provider on how they undertake internal control on their own processes and, in the event of an unsatisfactory response, to discuss further with the College's Internal Audit Service on how they could liaise with the payroll provider to seek the necessary assurances, and</p> <p>(ii) At the request of the Audit & Risk Committee, for the Director of Finance to escalate the issues back to the payroll provider, with urgency for an indicative timeline for resolution to enable affected staff to be made aware.</p>	Updates provided at both the July & September Trust Board meetings

There were no other matters arising.

7. RISK MANAGEMENT POLICY 2024/25 and Risk Register 2024/25

The 'Risk Management Policy 2024/25 was received for review (Paper 3). It was noted no substantial changes were proposed to the Risk Management Policy 2024/25 from the Risk Management Policy 2023/24 approved by the Trust Board in December 2023.

The Committee **AGREED the Risk management Policy** it was **RESOLVED** to recommend the *Risk Management Policy 2024/25* to the Trust Board meeting on 3 December 2024 for ratification / approval.

The '*Risk Register 2024/25* was received for review (Paper 4). As agreed at the last Trust Board meeting, the Register summarises risks outside of tolerance first, followed by risks in numerical order.

It was noted that the following risks raised or identified in recent meetings had not been re-rated pending new information and inputs expected in the coming months:

- **Risk 19:** Proposed DfE changes to the range of vocational qualifications are being reviewed by the new government and a report is now expected in December 2024.
- **Risk 20:** A new issue caused by the new payroll provider has been identified and is under investigation. The College has carried out additional checks, and the internal auditor has been engaged to perform detailed checking.
- **Risks 21&22:** In respect of the vulnerability to cyber-attacks and GDPR data breaches the committee noted that the risk level would be reconsidered after conducting penetration tests and the code audit which are expected to be concluded in January 2025.

The following activities are underway in connection with risk 21:

- **Penetration tests:** A test was carried out in October 2024 by JISC using an internal computer with administration rights. The Committee were advised, it had not been possible to breach the network from outside, though two minor vulnerabilities were identified and addressed. It was noted a number of low-level risks were also identified and were being addressed.
- **Database MFA:** Planned implementation (systems not currently using MFA) from mid-November to January 2025.
- **Phishing:** It was noted a simulation test had been conducted prior to the summer with one member of staff undertaking training as a result. A more sophisticated test was planned before Christmas.
- **Forced Password Changes:** Guidance indicates changes should not take place more frequently than twice a year. It was noted, the next forced change is scheduled prior to Christmas
- **Log of account permission changes / elevations:** It was noted that role changes could only be amended via the MIS office.
- **Code audit:** Once some areas of the college systems have undergone a rewrite an external professional code audit will be instructed.
- **Late night activity log:** A report was created to identify all late-night staff access to databases. The Committee were advised it identified several staff who engage in legitimate / authorised access beyond midnight / before the start of the normal working day.
- **GDPR breaches:** Restrictions to the email system had been implemented internally to reduce the possibility of mass accidental breaches. A commercial system designed to monitor all emails and attachments had been employed to alert users to possible sensitive data.
- **Personnel:** The Personnel network was being placed onto a separate network.
- **Cyber essentials:** It was note that the college would resubmit for the cyber essentials certification once MFA updates/improvements were complete.

The Committee **AGREED** to amend risk 14 – “Risk of the 2022 Ofsted inspection result having an adverse effect on the College’s reputation” to refer to future inspections before making it available for the 3 December 2024 Trust Board meeting.

8. INTERNAL AUDIT REVIEW OF CAREERS

SM presented the Committee with an executive summary of the audit. It was noted that the purpose of the review was to assess the careers support provided by the Trust. The review considered:

- the processes in place to ensure that students receive work experience,
- the steps taken to address the areas highlighted in the Ofsted report, and
- the Trust’s compliance with the Local Skills Agenda.

The report concluded that a 'substantial' level of assurance could be given regarding the Careers support provided. A list of areas where the Trust was operating effectively and following good practice were noted as well as two medium recommendations for improvement which have been accepted by management (requests for formal feedback from work experience employers, and reminders to students to complete work experience logs).

SM withdrew from the meeting at 5.55pm

9. DATA PROTECTION POLICY

It was agreed to receive at this meeting the College Data Protection Policy (Paper 6). The Committee was advised that the Data Protection Policy was currently being reviewed by the College's solicitors to ensure it is compliant with expected norms.

The Committee discussed the use of facial recognition software deployed in the ILC having considered the data protection policy in relation parental concerns raised. It was noted that facial recognition cameras better expedited access to the ILC and that Privacy Policies were reviewed annually as best practice.

KF enquired whether the College had done a Data Privacy Impact Assessment on the new payroll provider (Cintra). KS is not aware that this had been done.

It was **AGREED** that the policy will be re-presented to the A&RC once a response has been received from the College's solicitors.

10. EXTERNAL AUDIT

The College's Financial and Regularity Auditor, Mr Gumayel Miah (GM) from Buzzacott was in attendance to present the external audit report.

(i) Self-Assessment Regularity Questionnaire

The '*Self-Assessment Regularity Questionnaire*' (Paper 7) was completed after the June Committee meeting therefore approval was required from the Committee. SH noted that in reviewing the questionnaire responses he had suggestions for additional evidence. In response to a question from SH, GM confirmed that the questionnaire responses were sufficient for their purposes this year. SH will share with KS his thoughts for next year.

The Committee **AGREED** to sign-off the current version of the completed '*Self-Assessment Regularity Questionnaire*'.

(ii) Financial Statement and Annual Report 2023/24

The agreed process for reviewing and approving the Financial Statements requires the Finance & Resources Committee, in the first instance, to review the financial information and financial commentary in the year-end accounts and, once reviewed, to inform the Audit & Risk Committee of the outcomes of their review. The Audit & Risk Committee will then consider the outcomes of the review conducted by the Finance & Resources Committee, and to consider all audit and assurance opinions received on the adequacy of the operation of financial and other controls before making any final approval recommendations to the Trust Board regarding the accounts.

It was confirmed that the Finance & Resources Committee at its meeting held on 12 November 2024 carried out a review of the commentary and financial information and that comments had been passed to KS for processing.

KF and SH advised the meeting that they had also passed minor suggested amendments to KS who **AGREED** to confirm how points raised have been dealt with.

(iii) Post Audit Report

The post-audit report (Paper 9) issued by Buzzacott was discussed. Subject to the satisfactory receipt of some minor outstanding items, the auditors confirmed they intend to issue the following opinions:

Financial statements opinion: Clean and unmodified

We expect to express that in our opinion the financial statements give a true and fair view and have been properly prepared in accordance with the Academies Accounts Direction 2023 to 2024 issued by the ESFA, and Companies Act requirements.

Regularity assurance conclusion: Clean and unmodified

We intend to state that in the course of our work nothing has come to our attention which suggests that in all material aspects the expenditure disbursed and income received during the year ended 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The report includes six audit recommendations, two being classified as moderate, three as low and one advisory. The recommendations and management responses were noted as follows:

1. Payroll Authorisation – moderate risk

The monthly payroll summary be reviewed by the principal and signed as evidence of this review ahead of making a payment.

July and August months missed in holiday period. Management have agreed to make alternative arrangements for sign-off

2. Credit Card Authorisation – moderate risk

The CEO's credit card expenditure to be spot checked by a trustee to confirm that the expenditure is valid. In addition, the Finance Manager's credit card expenditure is reviewed by the Head of Finance to confirm appropriate.

3. Fully Depreciated Items on FAR – low risk

The Academy Trust to reviewed the fixed assets register at least annually to identify which items are still in use and remove any items on the register which are no longer in use. In addition, the Academy Trust to review the depreciation rates being used in order to assess whether these remain appropriate. These reviews were performed this year, but evidencing is to be retained.

4. Fund Accounting – low risk

The fixed asset register is updated with each asset allocated against the relevant capital funding. The ledger does not support this, and hence the small amount of funding will be allocated entirely to IT spend each year in order to simplify tracking.

5. Salary Correspondence – low risk

Salary letters to be circulated to staff members each year to confirm their current rate of pay as well as percentage increase.

6. Cyber Essentials - Advisory

The Academy trust undertakes the self-assessment toolkit to assess any potential risk exposure and, if needed, seek a specialist to undertake a full Cyber Essentials check.

GM assured the Committee that the *Post Audit Report* was positive. The Committee noted that the financial metrics comparisons in Appendix 2 and the Sector Developments in Appendix 3 are very useful. Thanks was extended to GM and the audit team by SH and CW on behalf of the Committee .

GM left the meeting at 6.40pm

(iv) Letter of Representation

The Letter of Representation requested by the External Auditor was reviewed with no comments made.

(v) Going Concern Assessment

The Going Concern Assessment (Paper 11) was reviewed with no comments made. This concluded that RLA will be a going concern for a period of not less than one year from the date of approval of the financial statements on 3 December 2024. The Committee endorsed the going concern assessment.

It was **RESOLVED** to recommend that the Trust Board at its meeting on 3 December 2024 approves:

- (i) The *Financial Statements Year Ended 31 August 2024* and authorises the Chair and Accounting Officer to sign the accounts on behalf of the Trust Board;
- (ii) The Letter of Representation and authorises the Chair to sign the letter on behalf of the Trust Board.

11. BOARD ASSURANCE FRAMEWORK - ASSESSMENTS CONDUCTED BY COMMITTEES (AUTUMN TERM MEETINGS)

Under the Board Assurance Framework (BAF), each Committee is asked to conduct at the end of its meeting an assessment on its level of assurance agreed against each report received (including briefings and verbal updates), and for the assessment to be reported to the Audit and Risk Committee and Trust Board.

The following Board Assurance assessments were noted:

(I) Local Governing Body meeting 15 October 2024:

Agenda Item	Subject	RAG Rating	Any recommendation(s) or action(s) arising from discussions on the agenda item; Any comment(s) on the quality of the paper(s)/presentation(s) made available for the agenda item.
6	Admissions & Numbers	GREEN	No Recommendations/Actions arising from discussions.
7	Draft Outcome Data	GREEN	No Recommendations/Actions arising from discussions.
8	Self-Assessment Report 2023/24 & Annual Targets from the SAR	GREEN	No Recommendations/Actions arising from discussions.

(II) Finance & Resources Committee meeting 12 November 2024:

Agenda Item	Paper	Subject	RAG rating	Any Committee Recommendation(s)
6	2a&b	Management Accounts up to 30/9/24	GREEN	No concerns/ no recommendation
7(i)	3	Financial Statements Year Ended 31 August 2024	AMBER	No concerns/no recommendations other than to inform the Audit & Risk Committee that there were no issues of concern to report to the Audit & Risk Committee on the financial figures contained in the Financial Statement.

				Minor changes to the text and some sections were proposed but the changes were not material.
7(iii)	4	Reconciliation Statement	GREEN	No concerns/no recommendations
7(iv)	5	Financial Statement Auditor's 'Post Audit Report'	AMBER	Pending finalisation
8	6	Review of Contracts	GREEN	No concerns/no recommendations

The following assessments were **AGREED** on reports considered at this meeting:

Agenda item	Subject	RAG Rating	Any recommendation(s) or action(s) arising from discussions on the agenda item; Any comment(s) on the quality of the paper(s)/presentation(s) made available for the agenda item.
7(i)	Risk Management Policy 2024/25	GREEN	
7(ii)	Risk Register 2024/25	AMBER	Pending re-rating of risks for new information expected in coming two months
8	Internal Audit Review of Careers	GREEN	
9	Data Protection Policy	AMBER	Pending solicitor's feedback.
10 (i)	Regularity Self - Assessment Questionnaire	GREEN	No concerns/no recommendations
10(ii)	Financial Statements for the year ended 31 August 2024	GREEN	No concerns/no recommendations
10(iii)	Post Audit Report issued by Buzzacott	GREEN	No concerns/no recommendations
10(iv)	Letter of Representation	N/A	
10(v)	Going Concern Assessment	GREEN	No concerns/no recommendations
11	Audit & Risk Committee's Annual Report 2023/24 including Annual Risk Management Report	N/A	
12	BAF Assessments conducted by Committees	GREEN	No issues or concerns following updates to reports.

12.AUDIT & RISK COMMITTEE'S ANNUAL REPORT 2022/23

The draft 'Annual Report 2023/24 from the Audit & Risk Committee' was received (Paper 12).

There is a requirement for an annual report of the Audit & Risk Committee to be issued to both the Board and the Chief Executive Officer as the Accounting Officer of the Trust. The annual report should be used as a summary document explaining the work of the Committee during the course of the year.

The Annual Report must offer an opinion from the Audit & Risk Committee to both the Board and Chief Executive. The Audit & Risk Committee agreed the following opinion:

The Audit & Risk Committee, through review of auditors' reports and discussion with auditors and Reigate Learning Alliance managers, has arrived at the opinion that the Alliance had adequate and effective assurance frameworks, framework of governance, risk management and control processes for the effective use of resources, solvency of the institution and the safeguarding of its assets.

The Audit & Risk Committee formally records, through the annual opinion of the Committee, appreciation of the hard work and professionalism shown by the Executive, Managers and all staff during the academic year 2023/24.

The Audit & Risk Committee recommends the Trust Board approves the Annual Report and Financial Statements for the year ended 31 August 2024 for Reigate Learning Alliance and to authorise the Chief Accounting officer/Chief Executive Officer and the Chair of the Trust Board to sign the Financial Statements.

SH noted that the new payroll issue and external audit recommendations should be mentioned in the report and that he also had some typos for correction. It was **RESOLVED** to approve the Audit & Risk Committee's Annual Report 2023/24 subject to these amendments being made, and to submit the report to the Trust Board at its meeting on 03 December 2024.

13. ANY OTHER BUSINESS

There was no other business raised.

14. ANNUAL REVIEW OF AUDITORS (Auditors not to be in attendance for this agenda item)

The Committee conducted the annual review of the performance of both the internal audit service and financial statement & regularity auditor. The review considered performance against agreed key performance indicators.

- A 'Green' RAG assessment was agreed across all categories for the internal auditors – Wbg
- A 'Green' RAG assessment was agreed for the financial and regularity auditor – Buzzacott – with the recommendation for Members to approve the annual appointment of Buzzacott to undertake the audit on the Trust's Financial Statements 2024/25.

15. MEETING REVIEW

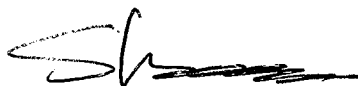
Nothing noted.

16. DATE OF NEXT MEETING

Tuesday, 11 March 2025, 5.30pm.

The meeting closed by the Chair at 7pm with thanks to the participants.

Signed:
(Chair)



Date:

11/3/25

MIN REF	ACTION POINT	REVIEW
7	Risk Register – CW to amend risk 14 to refer to future inspections	11/03/2025
9	Data protection policy to be re-presented to Audit Committee following solicitor's comments.	11/03/2025
10(ii)	KS and SH to liaise regarding SH's queries/comments on the Annual Report and Accounts.	11/03/2025
10(iii)	SH and KS to follow up/include a paragraph (6.2) on external audit recommendations and comment on new payroll issue, and share updated version with NB.	11/03/2025

