MINUTES OF THE AUDIT & RISK COMMITTEE MEETING

Tuesday 11 March 2025 at 5.30 pm

Present:	Mr Stephen Hewes (Chair)		
	Ms Kate Fulker		
	Ms Debbie Dalzell		
In Attendance:	Ms Kim Saw	-	Director of Finance
	Mr Scott McCready	-	Wbg (Internal Auditor) – item 7 only
	Mr Chris Whelan	-	Chief Executive, Reigate LA
	Ms Claire Tait	-	Governance Professional
	Ms Pat Frankland	-	Chair of Trust Board

	Item	Action
1	**Welcome, Quoracy & Notice** SMC attended the meeting via Teams. The Chair opened the meeting welcoming those present.	
7	**Internal Audit Reports** The committee received the Internal Audit Reports covering: • Compliance with the Academy Trust Handbook– SMC explained that the purpose of this audit was to check the Trust's compliance with the Academy Trust Handbook. SMC said there was a strong level of assurance with one low grade recommendation, for the Trust to '*maintain an internal self-assessment against the Academies Trust Handbook (ATH) to ensure they are compliant with the 'musts' detailed within this document*'. SMC reported that it was a strong report. - SH asked if the checklist is a DfE one or made up for this purpose. SMC said he would have to check where it came from, he was pretty sure it was developed elsewhere. - KF asked if this could be adopted and used each year to provide assurance that the trust is compliant and asked whether it needed to be completed externally or if it could be completed internally moving forward. KS said it could be updated internally for review by this committee each year. SH suggested the summer meeting would be the best meeting to do this as it would lead into the annual A&RC report and external audit. **Action** – CT to add to annual cycle of business from June 2026 • Purchases and Payments – SMC explained that this audit looked at procedures and processes to check efficiency and controls. There were a couple of small suggestions, around credit card usage and one low grade recommendation around the potential changes of banks for suppliers. There were also good practice points. - KF asked if Wbg used a different 10 samples for each test. SMC said it would have mainly been the same 10. - KF asked how statistically significant the sample of 10 was compared with the total number of expense items. KS said that historically the internal audits have been small sample sizes, the funding audit at the moment is sampling 15 out of 3k students, so this is in proportion. SH noted that this was compliance testing of	**CT**

	controls rather than substantive testing of account balances. SMC noted that if there were any problems within the testing they would have extended the test numbers. - KF noted that the external audit will also give assurances. SH asked for an update on payroll. KS explained that the college commissioned Wbg to do a 100% review of payroll of all employees from April to October and that they had found a large number of errors. Notably the change in band thresholds for teachers' pension scheme contributions had not been implemented from April to October, resulting in 35 teachers paying the wrong pension contribution. KS was told by Cintra that this was a human error. The LGPS scheme had a similar update of band thresholds and this had been processed correctly. KS reported that she has heard that one other S7 college has had the same issue, she is unsure about the others. KS explained that they are trying to get errors corrected by the end of March. There are also a number of support staff errors concerning maternity pay where a handful of staff had missed contributions for their pension. These are being corrected over time for some staff where affordability is an issue. There were also timing issues related to when support staff became eligible to join the scheme depending on when in the month they joined the college. There were a number of errors where the staff had not started contributing in the correct month, and some staff had opted out but still had money taken from their pay. There is also still the ongoing problem with the LGPS pension scheme where Annual Benefit Statements were showing incorrect pensionable salary. Cintra have been looking into this over a prolonged period, with KS emailing frequently to find out what is going on. The pension scheme has also been complaining about the slow response, this issue now spans two years. PF raised the concern as to what happens if someone retires in this period. KS is concerned about this, and noted there are staff who left last year for whom it was incorrect. DD asked what recourse there is on this. KS said she has escalated according to the contractual protocols. PF suggested sending a letter to the CEO. KF suggested contacting the LGPS to ask them to also push for resolution - PF suggested that they could be copied in. **Action: KS** to write a letter to send. KS reported that the regular monthly payroll seems to be working much better; the pay award in February backdated to September went through and seems to have been correct. SH asked if this has an impact on bandings for pension scheme contribution purposes. CW said it is pensionable pay so should have been adjusted automatically. KS said that each month's back pay has been processed as a separate line. CW reported that Cintra also made errors on the gender pay gap report. SH asked if the various issues are items that Wbg has found, KS reported that it is a mix of Wbg and KS. SMC noted that he is aware of the work taking place (by the Wbg Payroll Services department) but is not directly involved himself. SH asked if Wbg will be asked to look at it again when the problem is solved, and KS replied that they will do this. PF asked what the other colleges are doing. KS said she is aware of one that is paying someone to work out all the pensions as they do not trust Cintra. DD asked how the affected staff are, with KS responding that they are frustrated. SMC left the meeting at 5.50pm	**KS**
2	**Apologies for Absence** There were no apologies for absence.	

3 **Declaration of Interests**

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

4 **Minutes of the Audit Committee Meeting held 19 November 2024**

The minutes of the previous meeting (paper 1) were agreed and approved as an accurate and complete record of the meeting and signed by SH.

5 **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 11/03/25
7	***Risk Register – CW to amend risk 14 to refer to future inspections***	Actioned and completed
9	***Data protection policy to be re-presented to Audit Committee following solicitor's comments.***	Agenda item 10
10(ii)	***KS and SH to liaise regarding SH's queries/comments on the Annual Report and Accounts.***	Actioned and completed
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.***	Actioned and completed

6 **Audit Progress Report**

Trustees received the progress report – **Paper 3**

KS explained that this is a summary of the internal audits with open points on them. SMC has just spoken through the two from his reports. The last one was the external audit of financial statements. Some of the actions are not yet closed as they are not yet due, the actions are for the end of the year.

SH noted that the table would be clearer with columns for the number of points remaining open at the current date.

The advisory point asterisked concerned cyber essentials when CW addressed later in the meeting. The committee thanked KS for the report.

7 **Internal Audit Reports**

Covered at the beginning of the meeting to allow SMC to leave.

8 **Review the School Resource Management Checklist**

SH noted that the committee had been asked for comments before the meeting as the deadline was tight, with no fundamental concerns raised. Trustees agreed that KS could submit the report.

SH raised a suggestion regarding the process for determining the minimum level of reserves, noting that it would be helpful to re appraise the minimum level of reserves during the annual budget process. SH noted the trust looks at minimum reserves from a liquidity perspective whereby the trust holds a minimum cash balance of £2m being the equivalent of 2 months expenditure, whereas the Charities Commission's guidance looks at balance sheet distributable reserves. PF noted that the Finance Committee review the level annually.

9(i) **Committee Board Assurance Assessments**

The following Board Assurance assessments were noted:

(I) LOCAL GOVERNING BODY MEETING 4 FEBRUARY 2025

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.

(I) FINANCE COMMITTEE MEETING 5 MARCH 2025

Paper number(s)	**Subject**	**Report prepared by**	**Board Assurance (yes/no)**	**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.**
2a & 2b	Management Accounts	KS	Yes	Green	No concerns / recommendations
3	Financial Regulations 2025/26	KS	Yes	Green	No concerns / recommendations
4	Charging Policy 2025/26	KS	No	Green	No concerns / recommendations
5	College Deposit Policy 2025/26	KS	No	Green	No concerns / recommendations
6	Health & Safety Policy	NC (GRH)	No	Amber	Further update required – see below
7	Review of Contracts	KS	Yes	Green	No concerns / recommendations

CW said the H&S policy needs a few amends, e.g. references to Coulsdon college need to be taken out. This will go the next FC meeting and has been corrected already.

9(ii)	**Risk Register** *Risk 19*: CW advised the meeting that the proposed changes to the range of vocational qualifications has been pushed back a year. SH asked if this affects scores at all. CW said it is still a risk, but it is the same as it was before, just delayed by a year. *Risk 20* – payroll - discussed earlier in the meeting. *Risk 21* – the vulnerabilities to cyber-attacks that had been identified have now been resolved, CW gave examples of how these risks have been mitigated, which include forced changes to passwords. Committee members noted that they have not been requested to update passwords. **Action: CW** to ensure that trustees also have forced password changes. CW reported on GDPR breaches explaining that there have been seven small issues so far this year. SH asked how the breaches had been identified. CW said they were self-identified and that management encourage a culture of openness around this. SH noted there is a lot of good work on IT security and asked about the current risk assessment level. CW does not want to change the level of risk until all assessments have been signed off. The upcoming code audit will be very helpful, once this has been looked at, CW consider reducing the level of risk. 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. Trustees **resolved to note** the Risk Register.	**CW**
10	**Complaints Policy – Paper 9** CW reported that there have been six formal complaints dealt with so far this year. CW explained that informal complaints tend to be at the beginning of the year around enrolments to courses, or students who are unhappy at having to re-sit English and Maths GCSEs whilst waiting for a re-mark. KF asked at what point complaints would come to the Trustees. CW said all complaints go to his PA initially, CW then reviews and speak to the recipient of the complaint as required. KF asked whether the policy should state that should the complainant feel that their complaint has not been answered it can be escalated to the Trustees. PF commented that sometimes the complainant asks for the complaint to be taken to the Trustees - PF has dealt with one this year. KF asked how trustees can expect to be briefed on complaints. CW explained that the discussion in this meeting is part of the process of review. SH suggested adding an agenda item to the business schedule. PF suggested this could be done in the autumn term for the previous year. **Action: CT** to add this to the business schedule. DD asked what the college appeals procedure is. CW said that this is the next stage and is covered by a different policy. DD asked if many complaints come in after A-level results. CW said they do, and that they are often about the level of teacher assistance on coursework. There is a new regulation whereby the teacher can only give general help rather than resolving a problem for students.	**CT**

	The committee **resolved** to **approve** this policy. PF left the meeting at 6.35pm Privacy policy – there were no questions on this policy. CW said in addition to this there are 3 documents that deal with privacy notices to students, job applicants and staff. SH noted it needs a current date and that it should next be reviewed in June 2026. The committee **resolved** to **approve** this policy.	
11	**Audit & Risk Committee Board Assurance Assessments** Termly board assurance assessments for those areas of the BAF that fall under the committee's responsibility - **Paper 10** See table below	
12	**Any other business** None	
13	**Meeting Review** The main area of concern remain the Cintra payroll which is on the risk register	
13	**Dates of next meeting** Tuesday 17 June 2025 @ 5.30	

Agenda item number	**Paper number(s)**	**Subject**	**Report prepared by**	**Board Assurance (yes/no)**	**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	3	Audit Progress Report	KS	Yes	Green	
7	4	IA Report – Compliance with Academy Trust Handbook	Wbg	Yes	Green	
7	5	IA Report – Purchases and Payments	Wbg	Yes	Green	
8	6	School Resource Management Checklist	KS	No	N/A	
9(i)	7	BAF Assessments conducted by Committees		Yes	Green	
9(ii)	8	Risk Register	CW	Yes	Green	
10	9a	Complaints Policy	RC Staff	No	N/A	
10	9b	Data Protection Policy	RC Staff	No	N/A	

The meeting closed by the Chair at 6.40pm with thanks to the participants.

Signed: _____ Date: _____
(Chair)

MIN REF	ACTION POINT	REVIEW
7	CT to add A&RC review of academies handbook compliance checklist to annual cycle of business from June 2026	
7	KS to draft a letter to send to Cintra CEO regarding the payroll issues.	
9	CW to ensure that Trustees also have forced password changes on their email accounts	
10	CT to add reviewing the complaints to the annual business schedule for the Autumn term	