

Audit Committee Meeting

Tuesday 25 March 2025, 08:30 - 10:00

Over Teams

Attendees

Attendees

Tim Stockings (Committee Chair), Hussa Al-Mima Ali (Finance Director), Kay Sandford-Beal (Director of Governance), Tracey Inverary (Member), Graham Briscoe (Co-opted Member), Jessica Douthwaite (Member)

Absent: Emilia Antevska (Co-opted Member), Julian Cambridge (Member)

Meeting ID: 317 403 338 971

Passcode: x3UuYu

Meeting minutes

1. Welcome, apologies for absence and quoracy

Information

Tim Stockings

To welcome members (including new member Julian Cambridge), to note apologies for absence and confirm quoracy.

The Committee Chair welcomed members to the meeting. Apologies had been received from Julian Cambridge and Emilia Antevska. Jessica Douthwaite needed to join the meeting slightly late. The meeting was confirmed as quorate.

The Chair discussed the time of the meeting and explained that the 8.30am meeting slot was open for review if it did not suit all new members.

ACTION: Members to feedback preferences to KSB

1.1. Confidentiality Statement

Information

Tim Stockings

To remind Governors of the standard practice around confidentiality:

All matters discussed during this meeting are confidential until the minutes are approved. Any items recorded as Reserved Business remain confidential after the Reserved Business minutes have been approved.

The Chair drew members' attention to the standard confidentiality statement.

2. Declarations of interest

Information

Tim Stockings

To note conflicts of interest against any items on this agenda.

No conflicts of interest were declared against any item on the agenda.

3. Minutes of the previous meetings on the 26th November and the 5th December 2024

Decision

Tim Stockings

To confirm that the minutes taken on the 26th November 2024 and the 5th December are approved as a true record.

Two sets of Committee meeting minutes required approval by Governors. An additional meeting had been required in the Autumn term following the meeting on the 26th November as full assurance could not be provided by the external auditors at that time. The additional meeting, arranged for the 5th December was attended by the external auditor, Sudhir Singh and provided Governors with adequate assurance to approve the financial statements. The Chair insisted that for the future the Committee, Board and College SLT would need to work together as a team to ensure that the situation did not occur again.

DECISION: The minutes of both meetings were **approved** as a true record of each

 3. 1 DRAFT Minutes_Audit Committee Meeting 1.1_051224.pdf

 3. DRAFT Minutes_Audit Committee Meeting_261124.pdf

4. Matters arising from the minutes of the previous meetings on the 26th November and 5th December 2024

Decision

Tim Stockings and Kay Sandford-Beal

To ensure the monitoring of all matters arising within the Action Log.

Governors reviewed the Action Log which showed that all outstanding actions had been completed or included within the meeting agenda.

A Governor suggested improvements to the Action Log by using a colour coded RAG rating system. This would ensure that Governors can clearly identify priority areas.

ACTION: KSB

 4. Action log Audit 261124 updated.pdf

5. Board Level Risk Register

Information And Discussion

Tim Stockings

To review the current Board Level Risk Register

JD joined the meeting at 8.47am

The Chair asked Governors to review the Risk Register and then welcomed questions.

A Governor considered that a couple of risks were missing and suggested that the following be considered for inclusion:

- Risk relating to the delivery of major projects
- Risk related to the impact of premises failure (eg impact on examinations)

ACTION: GB to share suggestions with KSB

A Governor also suggested that the Risk Register owner attend the Audit Committee Meeting to comment on any changes, irrespective of changes to the risk score, and to answer any queries from Governors. It was confirmed that the Principal was the owner of the document and should be invited to attend in future.

ACTION: Chair to speak with Corporation Chair to request Principal attendance

The Chair explained that he had previously worked with the Finance Director on the risk register to ensure that the Board could easily identify the five top Board risks to calibrate focus. The Risk Register now included 18 risks and its presentation resulted in difficulty in spotting those that caused the highest risk. It was noted that one of the highest risks was positioned towards the bottom of the table.

PG highlighted that during the Embedded Risk Audit, it was identified that the Risk Register had been created using 'Word' rather than 'Excel', which resulted in an inability to filter and highlight the top risks. The move to Excel was one of the recommendations for change and improvement.

The Chair shared that it can be challenging to identify what risks should be included that currently are not. He raised the issue that each risk should lead to action and that this committee should ensure that the mitigating actions are correct and be appropriately tested. The Risk Register should be clear to all, including non specialists in this area. It was noted that the first line in the Risk Register relating to reputation, registered a target of 5, but with a residual risk of 6. In such circumstances, where residual risk is higher than target (and therefore out of tolerance) it should be reported to the Board together with an associated action plan to return it to within tolerance.

Conversely the Chair highlighted H1 as a second example, whereby the target and residual score were the same at 12, suggesting that mitigation actions were ineffective. The Committee were asked to reflect and take a view on the current risk register. Members considered that the topic was so extensive that it required a separate meeting for full discussion, to include the presence of the Risk Register owner.

Another Governor requested that the register have clearer titles and cover specific areas with greater clarity to be sure of the appetite for risk and support Governors to challenge more effectively. They also suggested that Cyber Security be dealt with separately from technology, due to the high risk associated specifically with this area.

In light of the discussion around risk, the Chair suggested that Agenda item 6.2 be discussed ahead of 6.1.

Governors reviewed the Action Log which showed that all outstanding actions had been completed or included within the meeting agenda.

A Governor suggested improvements to the Action Log by using a colour coded RAG rating system. This would ensure that Governors can clearly identify priority areas.

ACTION: KSB

 5. Risk Register 2024_25 10 March 2025.pdf

6. Internal Auditor Reports

Information

Paul Goddard, Scrutton Bland

Governors to receive the Progress Report from Scrutton Bland.

Governors reviewed and discussed 6.2 Embedded Risk Management prior to discussion on 6.1.

 6. Progress Report and insights - SGMC - March 2025.pdf

6.1. HR (Performance Management and CPD)

Information

Paul Goddard, Scrutton Bland

To deliver and discuss the findings of the HR (Performance Management and CPD) Audit

PG reported that the audit findings on HR (Performance Management and CPD) were considered 'Reasonable', highlighting 7 recommendations raised. Appraisals for teaching were moving to the Monoux Coaching approach and that non teaching staff follow the standard appraisal process. The current Blue Sky system did not support the trigger for the end of probationary period review of annual appraisals and HR were not manually tracking this. It was also noted that there was no effective way in which HR were able to monitor the completion of statutory training. PG advised that the creation of one single internal system to act as a one stop shop, also had its challenges and opportunities.

A Governor highlighted the DfE Guidance published in July 2024 around Teacher Appraisals and this should be used as a framework for teacher performance management. Another Governor commented that 'reasonable' assurance within this report raised concerns about how performance was being managed, as the reputation of the college could potentially be seriously impacted. It was also noted that actions were meant to be complete by the following month, ie very soon, which would require reporting to next committee, and that it was of note that it appeared that HR had been unable to properly oversee performance management for this academic year.

 6.1 Final Report - HR (Performance Management and CPD - SGMC - 2024-25.pdf

6.2. Embedded Risk Management

Paul Goddard, Scrutton Bland

To deliver and discuss the findings of the Embedded Risk Management Audit

PG noted that since the Audit had taken place in December, there had been some changes to the scorings to the version now presented to the Committee. PG agreed with some of the points raised by Governors and summarised the audit findings. Green (significant) assurance had been given at the end of the audit. Engagement with risk owners was considered good. The recommendation of the use of Excel rather than Word had been provided to ensure effective filtering, leading to the clear escalation of top risks.

PG also suggested that a comments column be added to provide other sources of assurance within the Risk Register.

Questions and reflections from Governors were invited.

A Governor reiterated that this is the Board Risk Register used to provide assurance to Governors and was a reminder that these are the key items to be monitored.

The Chair and two other Governors shared that they found it challenging to agree that the audit provided 'Significant' assurance in view of today's discussion. It was considered to be 'limited' or 'reasonable' and Governors could not support the audit outcome. The Chair asked what steps should now be taken to deal with this, sharing that he had not been approached to participate in the Embedded Risk Audit. PG shared that Audit Chairs are not always involved in Risk Audit, but perhaps this should have taken place on this occasion.

PG considered that the college was on a journey with risk and noted that some risks had altered since the audit had taken place at the end of last year. Without the Risk Register owner present, it was difficult to extend the discussion further. It was agreed that reflection was required from both sides regarding the outcome of the report and that report should be escalated for discussion at the next Corporation meeting. One Governor considered that, based on today's discussion, the report should be considered to provide 'reasonable' assurance.

ACTION: PG/ TS/ KSB

 6.2 Final Report - Risk Management - SGMC - 2024-25.pdf


6.3. Template Audit Actions Tracker

Kay Sandford-Beal/ Graham Briscoe

To provide Governors with a draft template against which the college could track Audit Actions against recommendations. **PLEASE NOTE TO DOWNLOAD THE DOCUMENT AS AN EXCEL SPREADSHEET - ADMINCONTROL CANNOT DISPLAY PROPERLY WITHIN THE MEETING BOOK**

Sample Audit Action Trackers had been shared with KSB and adapted as a template for Governors to review and agree to its future use. The Committee agreed with this plan of action and the Chair highlighted that this should be led by a member of SLT who should attend to present against the tracker.

ACTION: KSB to liaise with DV

 6.3 Audit Actions Schedule for Audit Committee Template March 25.xlsx

7. College Policy Schedule

Tim Stockings

Governors to note the updated College Policy Schedule

KSB explained that the document was for review and for Governors to note that the Health and Safety policy had been escalated to Corporation level for approval following her recommendation.

The Chair also recommended the review of policy review dates to ensure their timeliness with Committee and Corporation approval throughout the academic year.

ACTION: KSB to liaise with Tracy Straker (Principalship)

 7. SGMC Policy Update March 2025.pdf

8. Fraud, Financial Irregularity, or Public Interest Disclosure

Discussion

Tim Stockings

To verbally report any incidents of fraud, financial irregularity or public interest disclosures arising since the last meeting of the committee.

The Chair queried what action the college was taking in view of the new Fraud policy being introduced to organisations from September 2025. The Finance Director updated Governors that she was writing the Fraud policy, in line with DfE guidance and that it would be brought back to the Committee in due course.

ACTION: HA

9. Audit 2024 follow up

Information And
Discussion

Tim Stockings

9.1. Managing Public Money

Information

Kay Sandford-Beal, Hussa Ali

To provide Governors with information and guidance around Managing Public Money, further to the recommendations of the External Auditors.

HA and KSB had written a paper following research into what processes should be in place for the college regarding severance payments, in line with Managing Public Money guidance, as tasked by the Audit Committee and Corporation Chair.

HA reported that it had been advised that severance payments are managed carefully to ensure management failure not rewarded. Legal advice should be followed and all documentation accurately recorded at every stage of the process and retained for audit trail. Finance should also have the appropriate oversight, working with HR to ensure that the college is compliant with Managing Public Money.

A Governor raised that it was important that the college was managing all aspects of procurement within the guidelines. The Finance Director reassured Governors that the college always insisted on evidence of acting within Managing Public Money guidelines, through the obtaining of competitive quotes and the advertising of tenders when appropriate. An example of a required tender would be a new Wi-fi service required by the college.

The Chair offered to share 'Quick Guides' with members around recommended best practice.

ACTION: TS/ KSB

 9.1 MPM Audit Paper 250325.pdf

9.2. External Auditors Memorandum to the Audit Committee

Information

Tim Stockings

Governors to receive the Memorandum from the External Auditors.

The external auditors memorandum was taken as read. The memo reported that the college had been working with MHA as their external auditors for ten years and highlighted that there should be a change in audit partner. The Chair shared that there were risks involved in working with the same auditors over a long period. A Governor highlighted that the relationship with the same audit company could continue as long as the audit partner was changed. The Finance Director informed Governors that each time the service had been out to tender every 3 years (corrected by HA to every 5 years following the meeting) MHA had won. The memorandum had drawn Governors' attention to a change in the appointment of the MHA audit lead from the new academic year.

 9.2 SGM - MHA Memorandum to Governors_ Audit Committee - 19.03.2025(31768471.1).pdf

10. AOB

Discussion

Tim Stockings

To discuss any urgent items not covered elsewhere on the agenda.

An item was recorded as a matter of Reserved Business.

11. Date of next meeting

Information

Tim Stockings

To confirm the next meeting of the Committee as the 3rd June 2024 at 8.30am over Teams

The next Audit Committee Meeting was confirmed as the 3rd June 2024 at 8.30am over Teams.

The meeting closed at 10.07 am.