

Minutes
Joint Audit & Risk and Finance & Resources Committee
HRUC Governance

Date	03/12/2025	
Time	17:30 - 18:30	
Location	Microsoft Teams Meeting	
Governors	Vincent Neate Grant Cooper Sujit Reddy Susan Kingman Mike Sutcliffe Amanda Priem Divya Menon Sofia Barbosa Boucas Mario Michaelides Paul Miller Sandeep Kutty	Chair Vice-Chair Governor Governor Governor Governor Governor Governor Governor Governor Governor
Officers	Keith Smith Tim Hulme Yomi Okunola Shane Woodhatch Anil Pujara	CEO, Ex-Officio Chief Operating Officer Chief Financial Officer Chief Financial Officer Head of Internal Audit
Clerk	Clare Mitchell	Interim Director of Governance
Guest	Glen Bott (Cooper Parry)	
Note Taker	Nataliia Tymkiv	

Minutes

1 - General disclaimer at start of meeting

The meeting was recorded for minuting purposes. No objections were raised. The Chair informed the Committee that there would be a confidential item at the end of the meeting for members of the Audit Committee. Papers had been circulated prior to the meeting. This item is minuted separately.

2 - Apologies

No apologies were submitted in advance.

3 - Declarations of interest

There were no declarations of interest.

4 - Key Financial Controls Internal Audit Report

The Committee received the report on the Key Financial Controls Internal Audit. The Committee noted that a verbal update on this audit had been provided by Steven Connors from Validera to the Audit & Risk Committee on 25 November 2025.

The Committee was informed that the internal auditors had given a substantial assurance opinion. The Committee noted areas of good practice highlighted within the report, including the consistent raising of purchase orders in advance of commitments, strong segregation of duties within financial processes, clear month-end procedures, and monthly review of management accounts.

Five low-level recommendations were included: two relating to finance, one to HR and two to IT. The Committee was advised that finance recommendations would be implemented by December 2025, and HR and IT recommendations by February 2026.

Governors questioned the missed payment to a leaver identified through audit testing. The Committee was assured that this was an isolated incident, detected through reconciliation processes, and strengthened controls would prevent recurrence.

Governors further queried controls relating to corporate credit card usage. The Committee was advised that while cardholders operate within set spending limits, no pre-approval mechanism exists for spend within those limits. The recommendation from the auditors specifically related to providing a clear rationale for overseas expenditure rather than local spend.

The Committee noted the report.

5 - Audit Committee Annual Report 2024/25

The Committee received the draft Audit Committee Annual Report for 2024/25. The Committee was required to submit its annual report to the Corporation before the financial statements were approved.

The report set out the audits undertaken over the year, the work on the risk management framework, and how the Audit & Risk Committee had operated.

The Committee asked for the report to state that no significant issues had been identified through audit, while noting that the implementation of the low level recommendations raised by Validera and Cooper Parry. It was confirmed the report would be updated accordingly before submission to the Corporation.

Governors were asked to send any further comments before the Corporation papers were distributed on Tuesday 9 December.

Resolution: Subject to the agreed amendments, the Committee recommended the Audit Committee Annual Report for 2024/25 to the Corporation for approval.

Action: Audit Committee Annual Report 2024/25 to be finalised prior to submission to the Corporation

6 - Financial Statements 2024/25

6.1 - Draft Financial Statements 2024/25

The Committee reviewed the draft Financial Statements for 2024/25. SW provided an overview of the statement of comprehensive income, balance sheet and supporting notes.

The Committee noted that the reported surplus for the year was £131K once the £966,000 actuarial gain reported under FRS102 was excluded. This was against a budgeted surplus of £1.8m.

Total income for 2024/25 had increased to £103m from £85.2m in 2023/24. This increase had been driven by growth in the 16-18 funding allocation, increases in high-needs provision, additional grants relating to teachers' pensions and national insurance, and an uplift in Adult Education Budget income.

The Committee further noted that expenditure had increased from £82.9m in 2023/24 to almost £102m in 2024/25, reflecting higher staffing numbers, a 5.5% pay award, increased national insurance costs, higher agency expenditure, and increased teaching, materials, premises and security costs.

The Committee considered the balance sheet, noting the strengthening of non-current assets due to major capital investment across several projects. The reduction in cash was attributable to capital expenditure. The Committee examined the reduction in accruals following the completion of capital works and the increase in long-term creditors due to the release of capital grants linked to government funding streams. The Committee also noted the financial key performance indicators presented. The EBITDA for 2024/25 resulted in a “good” financial health score.

During scrutiny of the draft statements, the Committee identified several presentational and numerical inconsistencies requiring correction. The Executive confirmed these would be resolved prior to submission to the Corporation.

The Committee challenged the wording on the College’s financial health score, which stated that the financial health score “remained good”. The College’s financial health score had moved from outstanding in 2023/24 to good in 2024/25 due to a lower than budgeted EBITDA and this should be made clear in the commentary.

The Committee noted that the College had only received half the in-year growth funding expected in 2024/25, due to the large number of applications for this funding the limits on central funding.

The Committee noted additionally that an anticipated year-end adjustment for over-delivery of Adult Skills Budget provision was expected from the GLA, though the value was not yet known. Any additional income from the GLA was not expected to materially impact the year-end financial position and would offset the £55K of in-year growth funding for 16-18s clawed back by the DfE.

The Committee raised a query regarding the risk associated with completing the bridge works adjacent to the Richmond on Thames campus, which were required under the current Section 106 agreement. A sum of money was being held by Clarion and release was contingent on this work taking place. While there was always some level of risk, the Committee was assured that no adverse material impact was expected given that agreement had been reached with the GLA and TfL to retain the bridge. A revised Section 106 agreement was being negotiated.

The Committee also examined the movement in pension liabilities. Clarification was provided that the change in financial assumptions was principally due to an increase in the discount rate from 5.0% to 5.8%, which reduced the scheme’s reported liabilities.

The Committee asked for an update on staff costs as a percentage of income to be given to the Corporation. The Executive confirmed that this figure had reduced from 68.49% in 2024/25 to 66%. EMT agreed that this updated position would be presented to the Corporation.

Resolution: The Committee recommended the Draft Financial Statements 2024/25 to the Corporation for approval subject to the corrections and amendments discussed.

Action: Update and cross-reference financial statements before final publication to the Corporation – including amending the wording on financial health - CFO

Action: Provide an indication of the current staff cost percentage in relation to income at the Corporation meeting. - CFO

6.2 - Regularity Self-Assessment Questionnaire 2024/25

The Committee received the completed Regularity Self-Assessment Questionnaire for 2024/25. The Executive confirmed compliance with relevant regularity requirements, noting that no novel, contentious or repercussive transactions had occurred, no payments had required Treasury approval under Managing Public Money, and no fraud or irregularities had been reported. The Committee noted that the RSAQ had been reviewed by Cooper Parry as part of their regularity audit.

Resolution: The Committee recommended the Regularity Self-Assessment Questionnaire to the Corporation for approval.

7 - External Auditors - Cooper Parry

7.1 - External Audit Findings Report

Glen Bott from Cooper Parry presented the External Audit Findings Report. The external audit work for the year had been completed and the external auditors would be issuing clean audit opinions on both the financial statements and regularity. All outstanding information requested during the audit had been cleared, apart from the Letters of Representation which would ordinarily remain outstanding until the date of signing of the financial statements. The Committee was advised that the remainder of the items identified during the audit had been resolved or were minor points to be finalised and that none would affect the audit findings or the financial statements.

The auditor confirmed that no issues had been identified in the five key risk areas reviewed as part of the audit. There were no audit adjustments and no unadjusted audit differences to the financial statements. The auditor highlighted that this represented a significant improvement compared with the previous year and commended the finance team for the quality of the audit file and the smoothness of the process.

The Committee received an update on internal control recommendations. The three recommendations from the previous year remained open but had progressed, and two new low-risk recommendations had been added. The Committee discussed the one amber-rated item relating to the Richmond fixed asset register. The auditor confirmed that while a full inventory had now been completed, further work was required to reconcile the listing to the financial figures. A governor questioned whether progress should have been faster given the time elapsed since the recommendation was first raised. The auditor explained that the information received on transfer from Richmond had been limited, that the task was substantial, and that resourcing constraints and changes within the team had contributed to the pace of work. Improvements had been made and the auditor expressed confidence that this point would be resolved in the current financial year.

The Executive reported that the inventory count at Richmond had only been able to take place in January 2025 due to Phase 2 works to the STEM building requiring equipment to remain in storage. The Committee noted this explanation and the

commitment to complete the reconciliation so that the matter did not remain on the report in the following year.

Resolution: The Committee agreed that, with the assurances provided, the External Audit Findings Report could be recommended to the Corporation for approval.

7.2 - Letters of Representation

The Committee considered the Letters of Representation.

The Committee noted that the version of Annex 1 attached did not apply to HRUC and would be removed.

Decision: The Committee recommended the signing of the Letters of Representation to the Corporation.

8 - Any other business

No other business was raised.