

Minutes of the meeting of the Audit Committee of Cheltenham College Council
held on 26 September 2024

Present: Mr C Cooper (Chair)
Mr W Straker-Nesbit
Mr D Stewart
Mr A Barr

In Attendance: Mr P Attwell, Bursar
Miss T Larsson, Director of Finance
Mrs T Westcott, Crowe UK LLP (by videoconference)
Mr J Champion, Secretary

1. **Chairman's welcome and opening remarks**
Mr Cooper thanked Mrs Westcott for her attendance.
2. **Apologies** - Mr Roskilly.
3. **Declarations**
3.1 Conflicts of Interest – None declared.
3.2 Any other business – None declared.
4. **Minutes of the meeting held on 25 January 2024**
Approved as an accurate record and duly signed.
5. **Matters arising not otherwise on the Agenda**
None.
6. **Charity Commission CC8 Checklists:**
 - 6.1 **CC8 Internal Controls** – Mr Cooper brought 2 matters to the Committee's and Mrs Westcott's attention. The first was that an external review of College's financial systems and internal financial controls had recently been completed by an external consultant. A copy of the review report would be provided to Mrs Westcott. The second was that a decision had been taken, with input previously from Crowe, not to appoint an internal auditor. Miss Larsson added that the financial controls review visits by Mr Cooper and Mr Barr were due to recommence in November. *The Committee approved the completed CC8 checklist.*
 - 6.2 **CC20 Charity Fundraising** – Mr Cooper had reviewed CC20 with Miss Larsson. *The Committee had no further comments and approved CC20 as presented.*
7. **Risk of Fraud Questionnaire** – Mr Cooper highlighted the matter of a Fraud Policy and noted that work on this had been in abeyance since Mr Grainger's departure. Work would now recommence, and a draft would be brought to the Committee's Spring Term 2025 meeting. Mr Barr noted that schools, and parents of pupils, were particularly at risk of fraud, often being seen as 'soft' targets. In response to a question from Mr Straker-Nesbit, Mr Attwell

confirmed that arrangements were now in place to make staff more vigilant in respect of fraudulent 'phishing' emails.

A discussion followed concerning whether or not schools tended to share 'lessons learned' following experiences of fraud. Mr Attwell said not, but that he would raise it at the forthcoming Rugby Group Bursars' meeting.

Mr Attwell.

The Committee agreed that Miss Larsson should update the document as necessary and provide a copy to Mrs Westcott in support of the audit.

8. Audit Plan & Preparations – Mrs Westcott referred to the Audit Planning Report and added/highlighted:

- The audit would take place in January.
- Audit materiality would be unchanged from previous years.
- Significant risk areas were set out in Section 2 and explained.
- Going concern was a particular risk this year in light of the introduction of VAT. This would be a particular area for focus.
- Fees in advance had grown substantially. The audit would pay particular attention to ensuring that robust documentation was in place, compliant with HMRC expectations.
- IT systems, user access controls in particular, would be reviewed.
- The proposed fees set out in Section 5. Work would be undertaken to look for efficiencies that might reduce the projected 2025 fee.
- The amended audit timetable, which reflected the more immediate challenge of VAT implementation.

Mr Barr questioned the proposed audit fee increases. Mrs Westcott explained they were the result of additional work caused when College's readiness for audit wasn't as strong as it had sometimes been in the past, by the complexity of College's group structure, and by increased regulation.

Mr Barr sought reassurance that the amended dates provided sufficient time to meet the end of May deadline. Mrs Westcott confirmed it did, subject to timely support from College. Following an observation by Mr Cooper regarding the timing of the Summer Term Council meeting - which would fall after the Companies House reporting deadline – it was agreed that College would seek an extension to the reporting deadline (as explained by Mrs Westcott).

Miss Larsson

Mr Cooper raised the question of going concern in the light of VAT and wondered how the matter was being addressed by Crowe generally, across the sector. Mrs Westcott said she understood the situation schools were facing and added that an auditor's judgement would always be based upon the material and forecasts provided by the client school. There needed to be a picture painted showing clear cash headroom in likely, and worst-case scenarios.

Mr Cooper thanked Mrs Westcott for her contribution to the meeting.

9. **Any other business** – There was no other business declared.
10. **Date of next meeting** – To be confirmed.