



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on 19 November 2019 at Truro College.

Members: Mrs L Batchelor, Mrs S Sanderson Ms D Skinnard, Mr A Wheeldon and Mr K Wilson (Chair)

Also Present: Mrs L Bradley (Director of Quality), Mr S Cryer (Director of Finance), Mr D Haughton (Finance Officer), Mrs A Oliver (Bishop Fleming, Financial Statements Auditors – for item 19/22 onwards), Mr V Shutler (TIAA, Internal Auditors – for item 19/22 onwards), Mr A Stittle (Director of Partnerships), Mr M Tucker (Director of Penwith College) and Mrs A Winter (Clerk to the Corporation)

Apologies: Ms J Cashmore (Director of Operations), Ms N Hughes (Bishop Fleming), Mrs C Mewton (Director of Studies) and Mr D Walrond (Principal)

Item	Discussion/Decision	Action
19/21	<p>Review of Annual Appointments of Auditors</p> <p>21.01 External Auditor</p> <p>The Committee received a confidential report on the performance of Bishop Fleming who were re-appointed as external auditors in June 2017 for a period of five years, subject to annual review.</p> <p>The Committee noted that the audit process for 2018/19 had gone well, the interim audit in March had been useful and senior management was satisfied with the performance of the auditors against the agreed performance indicators. The Committee CONFIRMED the ongoing appointment of Bishop Fleming as External Auditors for 2019/20.</p> <p>21.02 Internal Audit Service</p> <p>The Committee received a confidential report on the performance of TIAA Ltd who were re-appointed as the Internal Audit Service from 1 August 2019 for a further three years, subject to annual review.</p> <p>The Committee noted that senior management continued to be satisfied with the work of the Internal Audit Service against the agreed performance indicators. The Committee CONFIRMED the ongoing appointment of TIAA Ltd as the Internal Auditors for 2019/20.</p> <p>The Committee also REQUESTED that performance indicators were reviewed and updated to provide clearer criteria against which performance could be assessed.</p>	<p>DH to review and propose revised PIs</p>

19/22	<p>Minutes</p> <p>The minutes of the meeting held on 18 June 2019 were APPROVED and signed as a correct record.</p>	
19/23	<p>Matters Arising</p> <p>23.01 Internal Audit Follow Up Review for 2018/19 (Minute 19/15)</p> <p>The two recommendations arising from the Follow Up Review and related to Business Continuity Planning had now been completed.</p> <p>23.02 Risk Register 2019/20 (Minute 19/17)</p> <p>The Committee noted that possible risks discussed at the last meeting regarding potential sponsorship of an 11-18 secondary school by the Truro and Penwith Academy Trust (TPAT) were ongoing. A draft protocol clarifying future working relationships and confirming that 16-19 education is best provided in tertiary colleges would be discussed at a meeting in early December between College and TPAT representatives.</p> <p>A new emerging risk of inspection was also identified. Ofsted appeared to be making changes to the inspection cycle which meant that Outstanding institutions would be included within the usual inspection timetable and the forthcoming retirement of the Principal in August 2020 was also a factor which could trigger an inspection.</p>	
19/24	<p>Draft Final Accounts 2018/19</p> <p>The Committee received the draft final accounts for the College for 2018/19 together with the External Auditor's Report, draft letter of representation and Regularity Self-Assessment Questionnaire.</p> <p>Members noted that the draft accounts had already been considered by the Finance and General Purposes (F&GP) Committee and a number of amendments and editorial changes had been suggested. The F&GP Committee had agreed to recommend approval by the Corporation, subject to scrutiny by the Audit Committee.</p> <p>Members considered the Strategic Report, which provided a good summary of the College's current position, summarising the excellent achievements and performance. All staff were congratulated and thanked for another successful year.</p> <p>The Committee noted the financial results summarised in the commentary which indicated an underlying operating deficit of £450k in comparison to total comprehensive expenditure of £4.725m, which was largely due to a Local Government Pension Scheme (LGPS) accounting adjustment. Governors noted that the outcome of a more robust, 3 year review of the LGPS was expected very shortly which would provide a more accurate valuation and basis for determining employer contribution rates for 2019/20.</p> <p>The External Auditor presented the Auditor's Completion Report summarising the audit conclusion and analysis of results.</p> <p>The Auditor confirmed that only one recommendation had been identified during the audit which related to regular reconciliation of the VAT control account and a process had been put in place to ensure a quarterly reconciliation.</p>	

	The completed self-assessment questionnaire (confirming compliance with the Post-16 Audit Code of Practice) was reviewed and governors were assured that appropriate systems and controls were in place.	
	The auditor confirmed that subject to the finalisation of a small number of queries, overall, an unmodified audit report was expected. Following consideration, the Committee agreed to RECOMMEND the Financial Statements for 2018/19 to the Corporation for approval.	Recommendation for Corporation
19/25	<p>Internal Audit Annual Report 2018/19</p> <p>The Committee received the Internal Audit Annual Report summarising the audit work undertaken during 2018/19.</p> <p>Members noted that nine assurance reviews had been carried out during the year and all had achieved the highest grading of 'Substantial Assurance'. In all, five recommendations had been made which were all regarded to be routine matters.</p> <p>Members were pleased to note the very positive set of outcomes and the opinion of the auditor that sufficient internal audit work had been undertaken to conclude that the College had adequate and effective risk management, control and governance processes to manage the achievement of the College's objectives.</p>	
19/26	<p>Teachers Pensions Audit for 2018/19</p> <p>The Committee received copies of the Teachers' Pension audit return for the year ending 31 March 2019 which had been submitted by the deadline of 30 September.</p> <p>The Committee noted that the Auditor had identified a number of minor discrepancies related to correct banding rates, which had been corrected and issues resolved.</p>	
19/27	<p>Annual Report of the Audit Committee for 2019</p> <p>The Committee received the draft annual report to the Corporation which summarised activity during the 2018/19 financial year and Committee business during 2019. Members noted that the report had been prepared in accordance with the requirements of the Post-16 Audit Code of Practice and would accompany the submission of the Audited Financial Statements.</p> <p>Following consideration, subject to a number of minor editorial corrections, the Committee AGREED the report for presentation to the Corporation meeting on 11 December 2019.</p>	AW for Corporation
19/28	<p>Annual Report on Whistleblowing</p> <p>The Committee NOTED that no issues had been raised under the Whistleblowing Policy during the year.</p>	
19/29	<p>Cycle of Annual Business for 2020</p> <p>The Committee received and APPROVED the planned cycle of business for 2020.</p>	
18/30	Date of Next Meeting	

	The Committee would meet at 5.00pm on Tuesday 25 February 2020 at Truro College.	ALL to note
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