



# TRURO AND PENWITH COLLEGE CORPORATION



## Audit Committee

**Minutes** of the Audit Committee held on 23 November 2021 at Truro College

Members: Mrs L Batchelor, Ms D Skinnard, Mr R Townsend (Chair) and Mr A Wheeldon

Also Present: Mrs L Briscoe (Director of Student Experience), Mr J Burnett (Chair of Corporation), Ms J Cashmore (Director of Operations), Mr S Cryer (Director of Finance), Mrs L Langdon (Head of Finance), Mrs A Oliver (Bishop Fleming – left after item 21/54), Mr R Plowman (TIAA Ltd – left after item 21/54), Mr M Tucker (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs S Sanderson  
Also, Mrs L Bradley (Director of Quality), Mrs A Bull (Director of Curriculum Development), Mrs H McKinstry (Director of Partnerships & Apprentices), Ms L Maggs (Director of Operations, Penwith College) and Mrs V Pearson (Director of Teaching & Learning)

Item	Discussion/Decision	Action
21/40	<p><b>Minutes</b></p> <p>The minutes of the meeting held on 8 June 2021 were <b>APPROVED</b> as a correct record.</p>	
21/41	<p><b>Matters Arising</b></p> <p>There were no matters arising from the previous meeting that would not be raised elsewhere on the agenda.</p>	
21/42	<p><b>Draft Final Accounts 2020/21</b></p> <p>The Committee received the draft final accounts for the College for 2020/21 (prepared on a going concern basis) 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&amp;GP) Committee and a number of amendments and editorial changes had been suggested. The F&amp;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. The financial results indicated an underlying operating surplus of £455k but a total comprehensive expenditure of £4.4m, which was largely due to the Local Government Pension Scheme (LGPS) liability and accounting adjustments. A 3 year actuarial review of the LGPS was due next year which would provide a more accurate valuation and basis for determining employer contribution rates from 2023.</p>	

	<p>The Auditor presented the Key Issues Discussion Document summarising the audit process, key audit risks and conclusions. The auditor confirmed there were no concerns and an unmodified audit report would be issued.</p> <p>In response to questions, the auditor explained that the personnel files which were found to be lacking staff ID were not a concern, as staff may have been appointed before this became a requirement.</p> <p>The completed regularity and Covid-19 self-assessment questionnaires were reviewed and governors were satisfied that appropriate systems and controls were in place.</p> <p>The Finance Director reported on the financial position over the coming 12 months and indicated that the budget remained unchanged, other factors had not impacted on the overall projected outturn position or anticipated financial health grading and the financial reserves were such that there were no concerns about the College being able to service its commitments during that time.</p> <p>Following consideration, the Committee <b>CONCLUDED</b> that the College remained a going concern and <b>RECOMMENDED</b> the Financial Statements for 2020/21 to the Corporation for approval.</p> <p>The Committee acknowledged this was an excellent outcome and recognised the terrific work done by the Finance Team.</p>	<p>Recommendation to Corporation</p> <p>Principal to thank staff</p>
21/43	<p><b>Internal Audit Block 3 Report for 2020/21</b></p> <p>The Committee considered the outcome of the three audit reviews completed in July 2021. The Auditor summarised the scope of each review, explained the key findings and grading, as follows:</p> <ul style="list-style-type: none"> <li>• Safeguarding and Prevent – Substantial Assurance</li> <li>• Learner Support Fund – Substantial Assurance</li> <li>• Premises Management – Substantial Assurance</li> </ul> <p>Governors <b>NOTED</b> that effective processes were in place and no concerns or recommendations had arisen from the review.</p>	
21/44	<p><b>Internal Audit Follow Up Review</b></p> <p>The Committee received the Internal Audit Follow-Up Review of the actions arising from audits in 2020/21. Of the nine recommendations regarding ICT security, four had been implemented, two were on target for completion and three actions were not due yet.</p> <p>Governors noted that from August 2021 the College’s insurance included additional cover that would provide access to technical support in the event of data loss.</p> <p>The Committee noted progress and <b>CONFIRMED</b> it was satisfied that all issues were receiving appropriate attention.</p>	
21/45	<p><b>Internal Audit Annual Report 2020/21</b></p> <p>The Committee received the Internal Audit Annual Report for 2020/21 summarising the nine audit reviews undertaken. Governors <b>NOTED</b> that eight achieved the highest grade of ‘Substantial Assurance’ and one had been graded ‘Reasonable Assurance’.</p>	

	Members were pleased to note the positive outcomes and the opinion of the auditor that the College had reasonable and effective risk management, control and governance processes.	
<b>21/46</b>	<b>Internal Audit Plan for 2021/22</b> The Committee reviewed the final Internal Audit Plan detailing the proposed audit work to be carried out during 2021/22. The Plan had been accepted by the Corporation, with the flexibility to increase the planned audit days if the need arose. The Auditor was expecting to visit the College in December to commence the reviews.	
<b>21/47</b>	<b>Teachers' Pensions Audit for 2020/21</b> The Committee received copies of the Teachers' Pension audit return for the year ending 31 March 2021 which had been submitted by the deadline of 30 September. The Committee <b>NOTED</b> that the Auditor had confirmed that no exceptions or errors had been identified.	
<b>21/48</b>	<b>ESFA Financial Health Grading 2020/21 and 2021/22</b> The Committee was pleased to <b>NOTE</b> that confirmation had been received from the ESFA that the College's financial health for 2020/21 (based on outturn) had been graded 'Good' and a grading of 'Good' was forecast for the current budget year. The ESFA was developing revised methodology which was likely to be unfavourable to the College due to an atypical financial position. Management was assessing the impact of the new methodology and reviewing potential efficiencies for 2022/23 to ensure a positive financial health grading was maintained. Proposals would be reviewed by the Teaching, Learning and Assessment Committee as well as the Finance and General Purposes Committee next term. Governors reviewed the dashboard data and discussed the reasons why the College's staff costs as a percentage of income were 70% compared to the sector benchmark of 65%. Governors recognised that higher staff costs were because teaching and learning was prioritised to ensure a high quality student experience.	
<b>21/49</b>	<b>Annual Report of the Audit Committee for 2021</b> The Committee received the draft annual report to the Corporation which summarised activity during the 2020/21 financial year and Committee business during 2021. 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. Following consideration, the Committee <b>APPROVED</b> the report for presentation to the Corporation meeting on 15 December 2021.	AW for Corporation
<b>21/50</b>	<b>ESFA Good Practice Guide</b> The Committee considered the ESFA good practice guide suggesting actions to comply with the Post-16 Audit Code of Practice.	
	Governors were satisfied that appropriate arrangements were in place and that good practice would be followed as necessary.	

21/51	<p><b>Annual Report on Whistleblowing</b></p> <p>The Committee <b>NOTED</b> that no issues had been raised under the Whistleblowing Policy during the year.</p>	
21/52	<p><b>Cycle of Annual Business for 2022</b></p> <p>The Committee received and <b>APPROVED</b> the planned cycle of business for 2022.</p>	
21/53	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00pm on Tuesday 15 February 2021 at Truro College.</p>	ALL to note
21/54	<p><b>Dates of Meetings in 2022/23</b></p> <p>Governors <b>NOTED</b> the proposed dates of meetings:</p> <ul style="list-style-type: none"> <li>• Tuesday 22 November 2022</li> <li>• Tuesday 28 February 2023</li> <li>• Tuesday 6 June 2023</li> </ul>	ALL to note
21/55	<p><b>Review of Annual Appointments of Auditors</b></p> <p><b>55.01 External Auditor</b></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 2020/21 had gone well, the interim audit in March had been useful and management was satisfied with the performance of the auditors against the agreed performance indicators. The Committee <b>CONFIRMED</b> the ongoing appointment of Bishop Fleming as External Auditors for 2021/22.</p> <p><b>55.02 Internal Audit Service</b></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 management continued to be satisfied with the work of the Internal Audit Service against the agreed performance indicators. The Committee <b>CONFIRMED</b> the ongoing appointment of TIAA as Internal Auditors for 2021/22.</p>	
21/56	<p><b>Internal and External Audit Tenders</b></p> <p>The Committee noted that the terms of appointment of the internal and external auditors were due to end in 2022 and <b>APPROVED</b> a tendering process to commence in December 2021, using the Crescent Purchasing Consortium. The timetable would be based on a tender deadline of 31 January 2022 to enable interviews to be conducted (if needed) on 15 February 2022, prior to the next scheduled Audit Committee meeting.</p>	