



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on Tuesday 28 February 2023 at Truro College

Members: Mrs L Batchelor, Mrs S Sanderson and Mr R Townsend (Chair)

Also Present: Mr N Coughlin (Bishop Fleming, External Auditor), Mr K Curtis (Observer), Mr S Cryer (Director of Finance), Mr L Glover (Haines Watts, Internal Auditor), Mrs L Langdon (Head of Finance) and Mrs A Winter (Clerk to the Corporation)

Apologies: Ms D Skinnard, Mr M Tucker (Principal) and Mr A Wheeldon

Item	Decision	Action
23/01	<p>Minutes</p> <p>The Minutes of the meeting held on 22 November 2022 were APPROVED as a correct record.</p>	
23/02	<p>Matters Arising</p> <p>02.01 Internal Audit (Minute 22/36)</p> <p>Haines Watts had been invited to attend the meeting in person but due to logistics and financial implications this had not been viable. It was hoped that a visit might be feasible in future.</p>	
23/03	<p>Internal Audit Report: Performance Management</p> <p>The Committee considered the outcome of the internal audit of Performance Management completed in January/February 2023 which had been assessed, as 'Adequate'.</p> <p>The Committee considered the findings and the two recommendations arising from the review which were regarded as medium risk.</p> <p>The Committee supported the proposal to introduce a KPI data dashboard to provide a quick oversight of key financial and performance measures. Work was already underway to draw together relevant metrics across number of strategic areas with comparators and trend analysis. Governors would be consulted to determine which measures should be included in the dashboard.</p> <p>The Auditor had also recommended that student data presented to the Board which was an estimate, rather than actual numbers in attendance, should be clearly identified as such.</p> <p>Following discussion, the Committee was SATISFIED with the proposed management actions to address the issues raised.</p>	

23/04	<p>Internal Audit Report: Key Financial Controls</p> <p>The Committee reviewed the draft report of the audit of Key Financial Controls completed in February 2023. The overall assurance had been assessed as ‘Substantial’.</p> <p>Four recommendations had been proposed – the introduction of annual physical verification of fixed assets; the development of a register of insurance claims; inclusion of variance analysis within management accounts; implementation of a month end timetable for completion of processes by the Finance team. These were considered low risk issues but would enhance processes.</p> <p>During discussion it was suggested that it might be appropriate to focus physical checks on high value, attractive assets (such as laptops, photographic equipment etc) and possibly maintain a separate register for those items.</p> <p>Governors noted there had been no insurance claims so far this year but a register to record claims would be useful.</p> <p>The Committee was SATISFIED that management would be accepting and implementing the recommendations.</p>	
23/05	<p>Internal Audit Progress Report 2022/23</p> <p>An update on progress against the annual plan was considered and Governors noted that work was on track and no changes had been made to the proposed work plan.</p> <p>In response to a question about cyber security, the Internal Auditor confirmed that this remained an ongoing concern for the sector, and it was important to be vigilant and keep security measures up to date.</p> <p>The Committee was assured that cyber security remained a priority and systems were regularly updated. The College had insurance cover in place which would provide access to additional expertise in the event of a cyber attack.</p>	
23/06	<p>External Audit Plan for 2023</p> <p>The Committee reviewed the Audit Plan which had been drawn up in consultation with management and explained the scope and timetable for the 2023 external audit. As previously, work would be conducted in two phases, in the early summer and in autumn.</p> <p>The Auditor explained recent changes to auditing standards this year as well as the new requirements associated with the ONS reclassification of colleges into the public sector. The College was required to comply with the Management Public Money regulations and would need ESFA approval for certain types of transactions:</p> <ul style="list-style-type: none"> • senior pay controls • novel, contentious or repercussive transactions • requirements for write-offs • indemnities, guarantees and letters of comfort • severance payments, compensation and ex-gratia payments. 	

	<p>In reply to questions, the Committee noted that the College's operations were predominantly cashless, although cash was still accepted for some payments eg. hair & beauty salons, restaurants, bus pass sales.</p> <p>With regard to potential impairment risks due to the change in the main contractor for Ottery, Governors were pleased to note that the project remained on schedule and within budget.</p> <p>Governors and SMT welcomed the Audit Plan which would help to ensure a smooth audit process.</p>	
23/07	<p>EU Revenue Project Audit Reports</p> <p>The Committee received a brief summary of the EU revenue projects and noted the College was currently involved in eleven projects and was the lead organisation for two.</p> <p>During 2023 six audits had so far taken place (by the Department for Work and Pensions or Government Internal Audit Agency) and the reports issued for three projects. A £5k overclaim (total project value £623k) had been identified and would be rectified. The outcome of the most recent audits was awaited.</p> <p>Governors noted that all EU funded projects would be completed by the end of 2023 and the replacement Shared Prosperity Fund would commence in March 2024.</p>	
23/08	<p>Any Other Business</p> <p>08.01 Asset Disposal</p> <p>The Committee NOTED that an item of equipment had been part exchanged without obtaining appropriate authorisation for the disposal. An investigation had established this had been an oversight, with no deliberate intention to breach procedures. The value of the asset disposal was around £25k.</p> <p>Management was satisfied that the equipment upgrade was necessary and that value for money had been achieved with the transaction.</p>	
23/09	<p>Date of Next Meeting</p> <p>The Committee would next meet at 5.00 pm on Wednesday 14 June 2023.</p>	<p>ALL to note NB. change of date</p>