



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on Wednesday 21 June 2023 at Truro College

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

Also Present: Mrs L Briscoe (Director of Student Experience), Mrs A Bull (Director of Curriculum Development), Mr N Coughlin (Bishop Fleming), Mr L Glover (Validera/Haines Watts Controls Assurance), Mrs L Langdon (Head of Finance), Mrs H McKinstry (Director of Apprenticeships & Partnerships), Mr R Townsend (Chair of the Corporation), Mr M Tucker (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Ms J Cashmore (Director of Operations), Ms L Maggs (Director of Operations, Penwith) and Mrs V Pearson (Director of Teaching & Learning)

Item	Decision	Action
23/10	<p>Minutes</p> <p>The Minutes of the meeting held on 28 February 2022 were APPROVED as a correct record.</p>	
23/11	<p>Matters Arising</p> <p>11.01 Asset Disposal (Minute 23/08.01)</p> <p>The Committee asked about learning points arising from this incident and was satisfied with the actions to raise awareness of the correct process, to emphasise the importance of following agreed procedures and ensuring staff in new roles were familiar with requirements.</p>	
23/12	<p>Internal Audit</p> <p>12.01 Progress Report</p> <p>The Committee considered the report summarising progress against the audit plan for 2022/23.</p> <p>Of the six key areas to be audited this year, two reviews had been completed, two were due for completion in June/July and the remaining audit was scheduled to take place in early July.</p> <p>The Committee was pleased to note that audit reviews had been undertaken in accordance with the plan and PIs had been met.</p> <p>12.02 Core Financial Controls</p> <p>Governors noted the overall grading of Substantial Assurance for core financial controls and considered the areas for improvement and four recommendations arising from the review.</p>	

	<p>The action plan set out the management response to each of the recommendations and the Committee was SATISFIED that the areas for improvement were being appropriately addressed.</p> <p>12.03 16-19 Funded Learners</p> <p>Governors noted the overall grading of Limited Assurance for 16-19 funding claims and considered the areas for improvement and three recommendations arising from the review.</p> <p>The review found that enrolment forms and learning agreements had not been signed for a number of students in the sample checked. The missing signatures meant that funding was at risk due to non-compliance with ESFA funding rules. This issue had been raised during the audit last year.</p> <p>Governors asked how this problem was being addressed and noted that improvements to systems had been implemented. A major overhaul of the process was underway and a digital format was being developed for introduction in September 2023 which would streamline the completion of forms and learning agreements.</p> <p>Also, management explained that the students sampled during the audit happened to be an atypical group with lower levels of attendance which made completion of forms more difficult. This particular course would not be offered in 2023/24.</p> <p>The Committee was SATISFIED with the management actions and would monitor implementation of the new digital process to ensure risks to funding claims were minimized.</p>	
23/13	<p>Risk Management Annual Report 2022/23 and Plan 2023/24</p> <p>The Committee considered the Annual Risk Management Report reviewing the key issues identified for 2022/23, actual outcomes and assurance source. Overall, it had been a successful year despite financial pressures particularly linked to increased energy costs and inflation. The embedded risk management controls had proved effective in dealing with the challenges faced by the College. Many of the potential risks identified in 2022/23 were continuing into 2023/24.</p> <p>The Committee discussed the Risk Management Plan for 2023/24, Risk Register and mitigating actions and discussed the most significant risks identified.</p> <p>In reply to questions, the Committee noted that concerns about campus security were being given higher priority and measures such as controlled access to buildings, barrier controls to parking, increased staff vigilance and lanyards to identify students and staff were helping to improve security.</p> <p>Other priorities included maintaining staff morale/recruitment/retention as well as succession planning for governance and leadership. Governors were also aware of the potential risks arising from a disappointing Ofsted visit and the activities and quality improvements taking place to minimize this risk.</p>	

	<p>Following consideration, the Committee RECOMMENDED to the Corporation approval of:</p> <ul style="list-style-type: none"> i. Risk Management Plan for 2023/24 ii. Risk Appetite Statement 	Recommendation for Corporation
23/14	<p>Education & Skills Funding Agency Financial Health Grading</p> <p>The Committee was pleased to NOTE that confirmation had been received from the ESFA that the College's financial health for 2021/22 (based on outturn) had been graded 'Good'.</p> <p>The Committee discussed the scoring methodology and endorsed the rationale for the College's staffing expenditure of 70% of income, above the benchmark of 65%. The investment in staffing was crucial to ensuring high quality delivery and an outstanding student experience was maintained.</p> <p>Despite a deficit budget, it was hoped that a grading of 'Good' could be achieved in 2023/24, provided planned efficiencies were effective and student numbers could grow, particularly in HE and classroom based 16-19 courses.</p> <p>Governors reviewed the dashboard data comparing the College performance compared to ESFA expectations which confirmed the College remained in a relatively sound financial position.</p>	
23/15	<p>External Audit Interim Report</p> <p>The Committee received feedback from the interim audit fieldwork and testing undertaken ahead of the main, end of year audit. No concerns or issues had been identified by the Auditor and work was progressing as planned.</p> <p>The Committee welcomed the report and was pleased to note good progress at this mid-year stage.</p>	
23/16	<p>Post-16 Audit Code of Practice 2023 (ACoP)</p> <p>The Committee reviewed the changes to the Post-16 ACoP and, in particular, NOTED the requirements regarding the role of the Audit Committee and changes arising from the reclassification of colleges into the central government sector.</p> <p>Governors were aware of the new duty to comply with the Managing Public Money regulations and to gain prior approval from the ESFA for contentious, novel or repercussive transactions.</p>	
23/17	<p>Review of Committee Terms of Reference</p> <p>The Committee reviewed the terms of reference in the context of the revised Post-16 Audit Code of Practice and concluded they remained fit for purpose, were consistent with the ACoP. No changes were required.</p>	

23/18	<p>Report on GDPR Data Breaches and FOI Requests</p> <p>The Committee considered a report summarising the nine data breaches and four FOI requests occurring during 2022/23 and actions taken in each case.</p> <p>Governors asked how GDPR breaches were identified and noted that in all cases they had come to light as a result of staff realising there had been an error and not due to complaints. None of the data breaches had required a report to the Information Commissioners Office this year and the one report to the ICO in 2021 had necessitated no further action.</p> <p>The Committee also enquired about the two instances where FOI requests were not fully answered within the timeframe and recognised that requests were often complex, raised legal issues and took additional time to address. In each case the individual had been kept informed of any delay.</p> <p>The Committee was SATISFIED with the reporting and actions undertaken.</p>	
23/19	<p>Any Other Business</p> <p>21.02 Thanks</p> <p>Governors thanked Adam Wheeldon whose term of office on the Committee was due to end in July 2023. Colleagues thanked Adam for his commitment and input to the work of the Committee.</p>	
23/20	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00pm on Tues 21 Nov 2023.</p>	ALL to note