



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

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

Members: Mr K Curtis, Ms D Skinnard (Chair) and Mr L Hallam

Also Present: Ms L Briscoe (Director of Student Experience), Mr R Townsend (Chair of Corporation), Miss L Langdon (Head of Finance), Mr N Coughlin (Bishop Fleming), Ms C Owen (Validera – joined meeting for 23/24 – 23/26), Ms W Randle (Head of Governance), Mr M Tucker (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs L Batchelor and Mrs S Sanderson

Item	Discussion/Decision	Action
23/21	<p>Minutes</p> <p>The minutes of the meeting held on 21 June 2023 were APPROVED as a correct record.</p>	
23/22	<p>Matters Arising</p> <p>There were no matters arising from the previous meeting that would not be raised elsewhere on the agenda.</p>	
23/23	<p>Draft Final Accounts 2022/23</p> <p>The Committee received the draft final accounts for the College for 2022/23 (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&GP) Committee and the Committee had recommended approval by the Corporation, subject to scrutiny by the Audit Committee. Governors were aware that some minor amendments had been made following completion of the external audit.</p> <p>In response to questions, the pension assumptions were clarified and the Committee noted that the next actuarial review was due in 2025.</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>The completed Regularity Self-Assessment Questionnaire was reviewed and governors were satisfied that appropriate systems and controls were in place.</p>	

	<p>The Committee questioned the absence of a Reserves Policy and noted that in line with other colleges there was no specified target as this could potentially restrict the College’s flexibility to respond to opportunities. The statement in the accounts matched the standard ‘Casterbridge’ template for the sector.</p> <p>On the basis of the regular management accounts, cashflow forecasts and reporting, the Committee was satisfied that the College remained financially stable as a going concern.</p> <p>Following consideration, the Committee RECOMMENDED approval of the Report and Financial Statements for 2022/23 by the Corporation.</p> <p>The Committee thanked the Head of Finance and the Finance Team for their excellent work preparing the accounts.</p>	<p>Recommendation to Corporation</p> <p>Principal to thank staff</p>
23/24	<p>Internal Audit Follow-Up Review</p> <p>The Committee considered progress with previous audit outcomes and noted that all fourteen recommendations from 2021/22 had been implemented. The Auditors confirmed adequate assurance for the design and application of controls.</p> <p>As part of the Follow-Up Review, the Auditor had identified improvements to the College’s Action Tracker and suggested that implementation of audit recommendations became a standing item for every Audit Committee agenda.</p> <p>The Committee SUPPORTED the proposed improvements.</p>	<p>LL & WR to implement</p>
23/25	<p>Internal Audit Annual Report</p> <p>The Committee received the Internal Audit Annual Report summarising the reviews in 2022/23 and the audit outcomes.</p> <p>Three of the four planned reviews had been completed with the review of IT Cyber postponed at the request of management until 2023/24.</p> <p>The Committee NOTED the Auditor’s opinion that based on the work performed the College had adequate and effective risk management, governance and control processes in place.</p>	
23/26	<p>Internal Audit Strategy 2023/24 – 2025/26</p> <p>The Auditor explained the audit needs assessment and proposed audit strategy which had been developed in consultation with management, taking account of key risks for the College and sector issues.</p> <p>Governors asked about the optional additional reviews, particularly the assessment of stakeholder engagement/learner voice arrangements. The Auditor agreed to have a further discussion with the Director of Student Experience after the meeting.</p> <p>The Committee REQUESTED a management view for the next meeting on the value of the optional reviews offered by the Auditors. Governors also asked for an update in February 2024 on the introduction of the College’s new accounting package.</p> <p>Following discussion, the Committee APPROVED the internal audit strategy and five areas for review during 2023/24: Risk Management, Budgetary Control, Payroll & Expenses, Safeguarding and Student Records.</p>	<p>LB to discuss with Auditor</p> <p>SMT to advise next meeting</p>

23/27	<p>Teachers Pensions Audit for 2022/23</p> <p>The Committee received copies of the Teachers' Pension audit return for the year ending 31 March 2023 which had been submitted by the deadline of 30 September.</p> <p>The Committee NOTED that no exceptions or errors had been identified.</p>	
23/28	<p>ESFA Financial Health Grading 2022/23 and 2023/24</p> <p>The Committee NOTED that based on the College Financial Forecasting Return (CFFR) the ESFA had confirmed a financial health grading of 'Good' for 2022/23 (based on outturn) and 'Requires Improvement' was forecast for the current budget year.</p> <p>The Committee was advised that a range of efficiency measures were expected to reduce the budget deficit and improvements to the budget throughout the year would help improve the ESFA grading.</p> <p>The Principal reported that the College's Annual Strategic Conversation with the DfE, ESFA and FE Commissioner was due to take place on 29 November 2023 when the strategy to address the financial position would be discussed.</p>	
23/29	<p>Annual Report of the Audit Committee for 2023</p> <p>The Committee reviewed the draft annual report to the Corporation which summarised activity during the 2022/23 financial year and Committee business during 2023. 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, the Committee APPROVED the report for presentation to the Corporation meeting on 13 December 2023.</p>	AW for Corporation
23/30	<p>Annual Report on Whistleblowing</p> <p>The Committee NOTED that no issues had been raised under the Whistleblowing Policy during the year.</p>	
23/31	<p>Cycle of Annual Business for 2024</p> <p>The Committee received and APPROVED the planned cycle of business for 2024.</p>	
23/32	<p>Any Other Business</p> <p>32.01 New Accounting Package</p> <p>Governors noted that a new accounting package, Financials Live, was currently being introduced by the College. Although there had been some initial hiccups, there were no fundamental concerns. The 2023/24 budget would be uploaded and the transition to the new system completed once the latest software upgrade had taken place.</p>	
23/33	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00pm on Tuesday 20 February 2024 at Truro College.</p>	ALL to note

23/34	<p>Review of Annual Appointments of Auditors</p> <p>34.01 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 2022 until 31 July 2025 with the option to extend by a further two years, subject to annual review.</p> <p>The Committee noted that the audit process for 2022/23 had gone well, the interim audit in March had been useful and management was satisfied with the performance of the Auditors against updated performance indicators.</p> <p>The Committee CONFIRMED the ongoing appointment of Bishop Fleming as External Auditors for 2023/24.</p> <p>34.02 Internal Audit Service</p> <p>The Committee received a confidential report on the performance of Haines Watts Controls & Assurance (now Validera) who were appointed in June 2022 until 31 July 2025 with the option to extend by a further two years, subject to annual review.</p> <p>The Committee noted that the audit reviews undertaken in 2022/23 had been conducted efficiently and recommendations were valid and relevant. Management was satisfied with the performance of the Internal Auditors against updated performance indicators.</p> <p>The Committee CONFIRMED the ongoing appointment of Validera as Internal Auditors for 2023/24.</p>	
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