



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on 4 June 2024 at Truro College with some attendees on Teams

Members: Linda Batchelor (Chair of the meeting), Peter Cox, Ken Curtis, Lowenna Ovens, Sarah Sanderson, Jane Warren

Also Present: Lisa Briscoe (Director of Student Experience), Adele Bull (Director of Curriculum Development), Jane Cashmore (Director of Operations), Nathan Coughlin (Partner Bishop, Flemming), Lee Glover (Director, Validera), Lucy Langdon (Chief Finance Officer, CFO), Lucy Maggs (Director of Quality and Penwith Campus), Hayley McKinstry (Director of Business Partnerships and Apprenticeships), Vicky Pearson (Director of Teaching and Learning), Robert Townsend (Chair of the Board), Wendy Randle (Head of Governance) and Martin Tucker (Principal)

Item	Discussion/Decision	Action
1	Apologies and Declaration of Interests Apologies were received and accepted from Daphne Skinnard; Linda Batchelor chaired the meeting in DS' absence. Peter Cox, Lowenna Ovens and Jane Warren were welcomed to their first Audit Committee meeting.	
2	Minutes The minutes of the meeting held on 20 February 2024 were approved as an accurate record of the meeting.	
3	Matters Arising The Committee received the matters arising report and agreed to include cyber security, policy management and H&S on the Audit Committee cycle of business.	
4	Progress against Strategic Objectives: The Principal updated on progress against Strategic Plan Objective 8 - Establish a clear sustainability strategy to achieve a target of net zero by 2050. It was noted that the objectives and governance in this area will be progressed once the Sustainability Task and Finish group have met; Governors have been identified and Lowenna Ovens has agreed to fulfil the Sustainability Lead Governor role following a request from the Search and Governance Committee. Governors noted the potential impact of a general election on the strategic plan objectives and it was noted that the Association of Colleges (AoC) will make their staff pay announcement in September 24.	
5	Internal Audit Plan 2023/2024 Progress report The Committee received the report and reviewed progress against the Internal Audit plan 2023/24. It was noted that the safeguarding and payroll and expenses audits have commenced and the risk management audit report is contained in the meeting	

	<p>pack. The draft report on the student records and apprenticeships is expected w/c 04/06 and Validera await dates to commence the budgetary controls audit.</p> <p>A Governor challenged the progress made against the plan. It was understood that no audits had commenced during the 2023/24 autumn term. Governors were keen to see earlier progress against the 2024/25 Internal Audit plan.</p>	Validera/ SMT
6	<p>Internal Audit Reports</p> <p>Risk Management</p> <p>The Committee received the adequate assurance opinion provided by the risk management audit report and noted the amber and green recommendations. The recommendations will be considered under agenda item 10.</p>	
7	<p>Internal Audit recommendations tracker</p> <p>The Committee received the report and following a Governor suggestion, the SMT will review the tracker, group recommendations by common themes and remove recommendations that the College and Committee have agreed no action is needed i.e. transport policy. It was noted that revised dates for completion of recommendations are reviewed and agreed by SMT.</p>	SMT
8	<p>Validera Internal Audit follow up</p> <p>Validera had not been in a position to complete this report. Once received, this will be circulated to the Committee and formally received at the November meeting.</p> <p>A Governor requested assurance that this work will be completed more effectively for the next academic year.</p>	Validera
9	<p>Internal Audit Strategic Plan 2024/25</p> <p>An outline of the plan, based on 25 days, had been shared. Additional areas (not included in the 3 year cycle) had been included by Validera and in response to a Governor question, Validera had graded the proposals, supported by sector risk knowledge and some conversation with the College.</p> <p>The Committee recognised the value of the Internal Audit service yet noted it is not a requirement. When considering areas for review the Committee encouraged the College to consider the most suitably skilled and experienced providers who would add the most value; noting the scope for opportunity as highlighted by a Governor. The Committee remained satisfied with contracting Internal Auditors.</p> <p>Governors challenged the proposal to approve the Internal Audit Strategy 2024/25 at the November meeting, requesting that audits are started in the autumn term to provide the Committee with improved assurance on internal controls, rather than repeating this year's position of only receiving two internal audit reports by the June Audit Committee meeting.</p> <p>Following a lengthy debate on the timeline for approval of the Internal Audit Strategy 2024/25, the Committee requested that Validera and the CFO, revisit and refresh the plan, to include timescales, so that the Committee can present priority areas for approval at the June Corporation meeting. A Governor advised the College to be realistic about workload and consider whether to move proposals to 2025/26.</p> <p>The following actions were agreed:</p> <ul style="list-style-type: none"> ▪ Recommend to Board the approval of priority areas for the Internal Audit Strategy 2024/25. ▪ Identify which internal audits to commence at the start of the next academic year. 	<p>Validera/ CFO</p> <p>Chair CFO</p>

	<p>In response to Governor questions the following points were noted:</p> <ul style="list-style-type: none"> ▪ There is unlikely to be any additional scrutiny from the ESFA/FEC on the decline in grading due to the College remaining solvent with no debt; the challenges remain with the income and expenditure. ▪ The College's staff pay costs are higher than the national benchmark and higher than many other Colleges. ▪ The College plans to achieve a Good financial health grading alongside achieving the strategic objective of returning to a surplus budget within three years. 	
12	<p>External Interim audit</p> <p>Bishop Fleming (BF) reported that the outcome of testing has not resulted in any significant changes in their assessment of risks as previously set out in the audit plan.</p>	
13	<p>External Audit Plan 2024/24</p> <p>Bishop Fleming updated on the plan shared with Committee and noted the following highlights:</p> <ul style="list-style-type: none"> ▪ The key risks areas to be addressed during the audit include; the potential for management to override of controls, fraud in income recognition, accounting for other capital projects and capital grant funding and pension assumptions. ▪ Regarding going concern, BF expect to see a significant loss with a strong position on the balance sheet and will review this in more detail due to the size of the loss anticipated and action in this area. ▪ The introduction of the Colleges Financial Handbook from 1/08/24 was noted; this incorporates the previously issued bitesize guides and a guide to 'musts' and 'shoulds'. ▪ From 1/08/24, auditors regulatory work is expected to include compliance of the handbook and there could be a broadening of the work of the external auditors. ▪ The publication of the College Accounts Direction and the Post 16 Code of Practice were highlighted, as was the potential impact on Annex G returns. 	
14	<p>Post 16 Audit Code of Practice</p> <p>The Committee received the Post 16 Audit Code of Practice published in March 2024.</p>	
15	<p>Report on Data breaches, GDPR noncompliance and Fol requests</p> <p>The Director of Operations and Data Protection Officer reported on three data breaches.</p> <p>It was noted that two reports have been received from the Information Commissioners Office (ICO). An update was provided on a further incident; a spreadsheet containing student sensitive information was shared and viewed by some parents and two HE students, prior to recall (which only works on College email accounts).</p> <p>The College responded directly to all parent and student concerns, refresher training has been undertaken with staff and the staff member responsible met with their line manager and a member of the SMT. The College are assured this was a one off incident and await the report from the ICO.</p> <p>In response to Governor questions, the College has responded to all of the points raised in the ICO reports and mandatory training for staff is in place, the College online guidance and policies are effective.</p>	
16	<p>Future focus areas; Risk Management and Board Assurance Framework</p> <p>Plans for both items had been covered during the meeting.</p>	

17	Policy Management The Committee noted their agreement during matters arising to consider Policy Management as part of their remit. This would be added to the cycle of business. The College provided an update on measures being implemented to ensure robust policy management across the College.	
18	Any other business Linda Batchelor was thanked for chairing the meeting.	
19	Confirmation of next meeting Tues 19 November 2024 Tues 11 February 2025 Tues 3 June 2025 All meetings will take place in the Valency building at the Truro campus at 4pm.	