



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on 24 November 2020 via Teams.

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

Also Present: Mrs L Bradley (Director of Quality), Mr S Cryer (Director of Finance), Mr D Haughton (Finance Officer), Ms L Maggs (Director of Operations, Penwith College), Mrs C Mewton (Director of Studies), Mrs A Oliver (Bishop Fleming, Financial Statements Auditors – left for item 20/24), Ms V Pearson (Director of Teaching and Learning), Mr V Shuttler (TIAA, Internal Auditors – left for item 20/24), Mr A Stittle (Director of Partnerships), Mr M Tucker (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Ms J Cashmore (Director of Operations)

Item	Discussion/Decision	Action
20/11	<p>Minutes</p> <p>The minutes of the meeting held on 25 February 2020 were APPROVED and signed as a correct record.</p>	
20/12	<p>Matters Arising</p> <p>12.01 Internal Audit Report: Block 1 (Minute 20/03)</p> <p>The Committee noted that the development of documented transport procedures, as recommended by the Auditor, had been delayed due to the pandemic and would be addressed when possible. Minibus fuel usage and costs would also be looked at in due course.</p> <p>The Search and Governance Committee had considered the approach to succession management and decided that current arrangements were effective and a written policy was not necessary.</p> <p>12.02 Internal Audit: Block 2 (Minute 20/04)</p> <p>Governors noted that the current contract with Nixon Design for the management of the College website was coming to an end and there would be a tendering process this year for a website provider.</p> <p>12.03 College Accounting Officer (Minute 20/08)</p> <p>The Clerk confirmed that the ESFA and other relevant bodies had been notified of the Principal's appointment.</p>	
20/13	<p>Draft Final Accounts 2019/20</p> <p>The Committee reviewed the draft final accounts for the College for 2019/20 together with the Auditor's Key Issues Discussion Document (KIDD), draft letter of representation and Regularity Self-Assessment Questionnaire.</p>	

	<p>Members noted that draft accounts had already been considered by the Finance and General Purposes (F&GP) Committee which recommended approval by the Corporation, subject to scrutiny by the Audit Committee.</p> <p>In addition to the usual Regularity Self-Assessment Questionnaire, the College had been required to complete an additional self-assessment this year on Covid related issues.</p> <p>The meeting discussed the impact of the pandemic on the Auditors' work and the Committee noted that most work had been undertaken remotely with onsite visits as necessary to access HR records.</p> <p>Members noted that the financial results set out in the commentary indicated a very small underlying operating deficit of £23k for 2019/20 although the total comprehensive expenditure was £7.4m. The difference between the two figures was explained and was due to the pension scheme valuation, fluctuations in investment valuations and accounting adjustments. Governors noted that the next 3 year review of the pension scheme was expected to provide a more accurate and more positive valuation.</p> <p>The Auditor presented the KIDD and explained the audit process, key findings and conclusions. One minor issue identified during the audit related to the accuracy of personnel files. New arrangements were being established this year and the centralisation of all records would ensure a more consistent approach and greater accuracy in future. Overall, the audit concluded that effective controls were in place and despite additional challenges during the pandemic, appropriate controls and processes had been maintained. The auditor confirmed that no material issues had arisen from the audit and an unmodified audit report was expected.</p> <p>The self-assessment questionnaires were reviewed and governors were assured that appropriate systems and controls were in place.</p> <p>Following consideration, the Committee RECOMMENDED approval of the Financial Statements for 2019/20 by the Corporation.</p>	<p>Recommendation for Corporation</p>
<p>20/14</p>	<p>Internal Audit Report 2019/20: Block 3</p> <p>The Committee considered the report on the three audit reviews completed remotely in May 2020. The Auditor summarised the scope of each review, key issues and the assessment, as follows:</p> <ul style="list-style-type: none"> • Student Welfare (Mental Health) – Substantial Assurance • HR Management – Substantial Assurance • Learner Numbers: Registration – Substantial Assurance <p>The Committee discussed the findings of each review and was pleased to note that comprehensive and effective arrangements were in place and that no recommendations had arisen from the audits.</p> <p>An operational effectiveness suggestion had been raised regarding the recording of staff appraisals - the shift to central management of personnel functions would help to address this issue.</p> <p>The Committee NOTED the positive assessment of the three areas.</p>	

20/15	<p>Internal Audit Follow Up Review 2019/20</p> <p>The Committee considered the Internal Audit Follow Up Review monitoring the progress on recommendations arising from audits conducted during 2018/19 and 2019/20.</p> <p>Members noted that nine reviews had been carried out during this period and a total of six recommendations had been made, none of which were urgent and two were advisory matters only.</p> <p>Three of the recommendations related to missing items of carpentry equipment at the Penwith campus and the Auditor reported that these had been addressed promptly and relevant procedures tightened to prevent a recurrence.</p> <p>Due to the ongoing pandemic, implementation of the two recommendations relating to transport provision had been deferred with revised implementation dates agreed.</p> <p>The Committee NOTED the management actions to address the points raised and was satisfied with progress.</p>	
20/16	<p>Internal Audit Annual Report for 2019/20</p> <p>Members were pleased with a very positive set of outcomes for the year with eight reviews resulting in an assessment of 'Substantial Assurance' and one review graded 'Reasonable Assurance'.</p> <p>The Committee NOTED the Auditor's opinion that the College had reasonable and effective risk management, control and governance processes in place.</p>	
20/17	<p>Internal Audit Strategy and Plan for 2020/21</p> <p>The Committee considered the draft Internal Audit Plan detailing the proposed audit work to be carried out during 2020/21 which had been developed in consultation with senior managers, focusing on emerging risks and covering a range of systems throughout the College. As previously, a total of 25 days audit work was proposed. The rationale for the areas selected, rolling strategic plan for the coming three years and timetable were explained.</p> <p>Following consideration, the Committee agreed to RECOMMEND approval of the Internal Audit Plan for 2020/21 by the Corporation.</p>	Recommendation for Corporation
20/18	<p>Teachers Pensions Audit for 2019/20</p> <p>The Committee received the External Auditor's report on the Teachers' Pension End of Year Certificate for the year ending 31 March 2020.</p> <p>The Committee NOTED that audit checks to ensure the College had fulfilled its responsibilities identified no exceptions or errors.</p>	
20/19	<p>Annual Report of the Audit Committee for 2020</p> <p>The Committee received the draft annual report to the Corporation which summarised activity during the 2019/20 financial year and Committee business during 2020. Members noted that the report had been prepared in accordance with the Post-16 Audit Code of Practice and would accompany the submission of the Audited Financial Statements to the ESFA.</p>	

	<p>During discussion, Governors asked about the risk of an Ofsted inspection during 2020/21 and noted that Outstanding colleges were now on a six year review cycle and an inspection was therefore unlikely this year. However, there was potential for a 2-day visit to review the College's response to Covid which could be converted to a full inspection if anything was found to be amiss. The Committee therefore concluded that Ofsted currently presented a medium risk.</p> <p>Following consideration, the Committee AGREED the annual report for presentation to the Corporation on 16 December 2020.</p>	Clerk for Corporation
20/20	<p>Annual Report on Whistleblowing</p> <p>The Committee NOTED that no issues had been raised under the Whistleblowing Policy during the year.</p>	
20/21	<p>Cycle of Annual Business for 2020</p> <p>The Committee received and APPROVED the planned cycle of business for 2020.</p>	
20/22	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00pm on Tues 23 February 2021.</p>	ALL to note
20/23	<p>Dates of Meetings in 2021/22</p> <p>The following dates were proposed and AGREED:</p> <ul style="list-style-type: none"> • 23 November 2021 • 15 February 2022 • 7 June 2022 	ALL to note
20/24	<p>Review of Annual Appointments of Auditors</p> <p>24.01 External Auditor</p> <p>The Committee received a confidential report on the external auditors, Bishop Fleming, who were re-appointed for 5 years from August 2017 until July 2022, subject to annual review.</p> <p>The Committee noted that the audit process for 2019/20 had gone very smoothly, the interim audit in March had been useful and senior management was satisfied with the performance of the auditors against the agreed performance indicators.</p> <p>The Committee CONFIRMED the ongoing appointment of Bishop Fleming as External Auditors for 2020/21.</p> <p>24.02 Internal Audit Service</p> <p>The Committee received a confidential report on the internal auditors, TIAA Ltd, who were re-appointed for a further 3 years in August 2019 until 31 July 2022, subject to annual review.</p> <p>The Committee noted that senior management continued to be satisfied with the work of the Internal Audit Service against the agreed performance indicators.</p> <p>The Committee CONFIRMED the ongoing appointment of TIAA Ltd as the Internal Auditors for 2020/21.</p>	