



# TRURO AND PENWITH COLLEGE CORPORATION



## Audit Committee

**Minutes** of the Audit Committee held on Tuesday 18 June 2019 at Truro College.

Members: Mrs L Batchelor, Mr A Wheeldon and Mr K Wilson (Chair)

Also Present: Mr M Arnold (Director of Quality), Ms J Cashmore (Director of Operations), Mr D Haughton (Finance Director), Mrs C Mewton (Director of Studies), Mrs A Oliver (Bishop Fleming, Financial Statements Auditors), Mr V Shutler (TIAA, Internal Auditors), Mr A Stittle (Director of Teaching and Learning), Mr M Tucker (Director of Penwith College), Mr D Walrond (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs S Sanderson and Ms D Skinnard  
Also, Mr M Wardle (Director of Curriculum)

Item	Decision	Action
19/12	<b>Minutes</b> The Minutes of the meeting held on 26 February 2019 were <b>APPROVED</b> and signed as a correct record.	
19/13	<b>Matters Arising</b> There were no matters arising from the minutes of the previous meeting that would not be raised elsewhere on the agenda.	
19/14	<b>Internal Audit Report: Visit 3</b> The Committee considered the report on reviews completed in May 2019 and the Internal Auditor summarised the scope of each review and any issues arising from the reviews: <ul style="list-style-type: none"><li>• Health and Safety (H&amp;S)</li></ul> The Committee noted that the appraisal of the adequacy of H&S arrangements included a review of the key roles and responsibilities; H&S procedures and records; staff and student induction and training; H&S practices relating to construction projects; H&S precautions in training workshops (where machinery and equipment presented a higher risk) as well as incident reporting and monitoring. No issues or recommendations arose from the review.	

	<ul style="list-style-type: none"> <li>• Management Information System (MIS): Learner Numbers</li> </ul> <p>The review of MIS Learner Numbers included extensive testing of prime data to check the accuracy of course data and individual additional learning needs with random testing of a number of registers for both the Truro and Penwith sites. The accuracy of funding claim reports (ILR) were also checked and all were found to be correct.</p> <ul style="list-style-type: none"> <li>• Grant Income: ESF and HE</li> </ul> <p>Each of these grant funding streams required the very detailed maintenance of complex data which was found to be in order. As well as internal audit checks, ESF grant funding was also subject to rigorous external audits.</p> <p>In response to questions, governors noted that TIAA used a comprehensive checklist during “walk around” assessments to ensure the necessary H&amp;S equipment and measures were in place. Confirmation was also provided that the Fire Service conducted regular assurance visits to the College to check appropriate fire safety measures and the Service had used College premises for training purposes.</p> <p>The Committee was pleased to <b>NOTE</b> that no recommendations had arisen from the audits and all three areas had received the highest grading of ‘Substantial’.</p>	
19/15	<p><b>Internal Audit Follow Up Review</b></p> <p>The Committee received the Internal Audit Service Follow-Up Review providing an update on recommendations arising from audits undertaken during 2018/19.</p> <p>Two recommendations considered ‘routine’ matters relating to Business Continuity Planning were in progress and two recommendations relating to financial controls with regard to supplier bank details had been implemented.</p> <p>The Committee <b>CONFIRMED</b> it was satisfied that all issues were receiving appropriate attention.</p>	
19/16	<p><b>Internal Audit Strategy and Plan for 2019/20</b></p> <p>The Committee considered the draft Internal Audit Plan detailing the proposed audit work to be carried out during 2019/20 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 discussed.</p> <p>Following consideration, the Committee agreed to <b>RECOMMEND</b> approval of the Internal Audit Plan for 2019/20 by the Corporation.</p>	AW for Corporation

19/17	<p><b>Risk Management Annual Report 2018/19 and Plan 2019/20</b></p> <p>The Committee considered the annual risk management report reviewing the College's approach to risk, the key issues identified for 2018/19 and setting out any changes to procedures. Members reviewed the actual outcome in relation to the matters identified and noted that the embedded risk management controls had proved effective in dealing with the challenges faced by the College.</p> <p>The Committee also discussed the 2019/20 Risk Management Plan, Risk Register and mitigating actions. Many current concerns would continue into 2019/20 although the level of risk might have altered.</p> <p>The Principal outlined a possible risk regarding potential sponsorship of an 11-18 secondary school (found by Ofsted to be underperforming) by the Multi Academy Trust established by the College, Truro and Penwith Academy Trust (TPAT). As the school included sixth form provision, sponsorship by TPAT would be a departure from the College's and the MATs original intention to support primary and 11-16 schools as part of the College's mission and strategy. The potential sponsorship of an 11-18 school would create rival competition between the College and TPAT. Reputational issues for the College could arise if the MAT it had founded became the 11-18 school sponsor and subsequently closed its sixth form.</p> <p>Governors acknowledged the issues raised by potential sponsorship of an 11-18 school and recognised that the TPAT Articles might need to be reviewed and clarified. At this stage the Regional Schools Commissioner was still considering options for this particular school and the Committee <b>AGREED</b> that developments should continue to be monitored with regard to any emerging risks to the College.</p> <p>Following consideration, the Committee agreed to <b>RECOMMEND</b> to the Corporation approval of the Risk Management Plan for 2019/20.</p>	AW for Corporation
19/18	<p><b>Education and Skills Funding Agency – Financial Health 2017/18</b></p> <p>The Committee was pleased to <b>NOTE</b> that confirmation had been received from the ESFA that following a review of the audited financial statements and finance record for 2017/18 the College's financial health had been graded 'Outstanding'.</p> <p>Governors discussed the dashboard data and noted this was based on forecasts rather than outcomes. The data was considered in the context of a decline in the overall number of colleges (due to mergers and academisation of some sixth form colleges) as well as an injection of funding due to the allocation of Restructuring Funds to a number of colleges. The College was currently forecast a rating of 'Good' for 2018/19.</p>	

<b>19/19</b>	<p><b>External Interim Audit Report for 2018/19</b></p> <p>The Committee received feedback from the interim audit work and testing undertaken ahead of the main audit that would be completed following the year end.</p> <p>The Committee welcomed the report and was pleased to note that at this interim stage no significant issues had been identified and the auditor had concluded that the College retained a risk level of 'Low'.</p>	
<b>19/20</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00pm on Tues 19 November 2019.</p>	ALL to note