



# TRURO AND PENWITH COLLEGE CORPORATION



## Audit Committee

**Minutes** of the Audit Committee held on Tuesday 12 June 2018 at Truro College.

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

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

Apologies: Mrs S Sanderson and Mr W Elliott  
Also, Mr A Stittle

Item	Decision	Action
18/11	<p><b>Minutes</b></p> <p>The Minutes of the meeting held on 27 February 2018 were <b>APPROVED</b> and signed as a correct record.</p>	
18/12	<p><b>Matters Arising</b></p> <p><b>12.01 Internal Audit Report – Trading Activities (Minute 18/05)</b></p> <p>The Committee noted that Nursery fees had been reviewed and changes would be implemented from September 2018.</p>	
18/13	<p><b>Internal Audit Report: Visit 3</b></p> <p>The Committee considered the report on the reviews completed in April 2018. The Internal Auditor summarised the scope of each review, the key matters for information and any issues arising from the reviews. No recommendations were made and each area was assessed as follows:</p> <ul style="list-style-type: none"> <li>• Student Recruitment – Substantial Assurance</li> <li>• New Management Information System (MIS) Controls – Substantial Assurance</li> </ul> <p>The Committee asked how the effectiveness of marketing was assessed and discussed the recruitment activities and tracking of applications to monitor trends from year to year. Due to the volume of visitors and open access to buildings, it was not feasible to log information about participants. However, a new sticker system had</p>	

	<p>been introduced this year to provide an indication of the numbers of prospective applicants and parents/others attending open events. Despite the new 'Baker' clause requiring schools to allow colleges to provide information to pupils about college opportunities, relations with some 11-18 schools remained challenging. Social media was increasingly being used to promote the College more widely.</p> <p>The review of MIS Controls included testing of data and registers as well as a follow up on the Education and Skills Funding Agency (ESFA) audit in September 2017. The audit had resulted in an adjustment of approximately £1,000 (against total ESFA funding of £22m) and a number of minor recommendations, all of which had been implemented.</p> <p>In response to questions, governors noted that institutions were randomly selected for review each year and although the College had been audited in 2017, the ESFA could re-visit in 2018.</p> <p>The Committee <b>NOTED</b> the report and was pleased with the outcome of the reviews.</p>	
<b>18/14</b>	<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 2016/17.</p> <p>All five recommendations had been fully implemented and the Committee <b>CONFIRMED</b> it was satisfied that all issues had been appropriately addressed.</p>	
<b>18/15</b>	<p><b>Internal Audit Plan for 2018/19</b></p> <p>The Committee considered the draft Internal Audit Plan detailing the proposed audit work to be carried out during 2018/19. The Plan 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 and timetable were discussed. The reasons why some systems had been deferred were also clarified.</p> <p>Following discussion, the Committee suggested that the review of Student Welfare was brought forward to 2019/20 as this was a significant area which had not been reviewed since 2015/16. Subject to this suggestion, the Committee agreed to <b>RECOMMEND</b> approval of the Internal Audit Plan for 2018/19 by the Corporation.</p>	AW for Corporation
<b>18/16</b>	<p><b>Risk Management Annual Report 2017/18 and Plan 2018/19</b></p> <p>The Committee considered the annual report reviewing the College's approach to risk management and setting out any changes or improvements to procedures.</p>	

	<p>Members noted the key risks identified for 2017/18 and the actual outcome in relation to the matters identified. The embedded risk management controls had proved effective in dealing with the challenges faced by the College and it had been another successful year, despite significant funding challenges.</p> <p>The Director of Finance (Risk Champion) presented the Risk Management Plan for 2018/19, Risk Register and Management Actions and Responsibilities. The Director explained that many issues were continuing into 2018/19, although the specific risk score might vary. The Committee reviewed the proposed action to mitigate the key risks and asked about the implications of any decline in ESFA Financial Health grading. The submission of the two year financial forecasts was due by 31 July 2018. Members noted that a future drop from Outstanding to Satisfactory could trigger questions or early intervention by the ESFA, however, the College remained as one of the most financially stable in the sector with no borrowings and substantial reserves – factors that were not obviously apparent from the ESFA grading system.</p> <p>Following consideration, the Committee agreed to <b>RECOMMEND</b> approval of the Risk Management Plan for 2018/19 by the Corporation.</p>	AW for Corporation
<b>18/17</b>	<p><b>Education and Skills Funding Agency – Financial Health</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 financial statements for 2016/17 the College’s financial health had been graded ‘Outstanding’.</p>	
<b>18/18</b>	<p><b>External Interim Audit Report for 2017/18</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. During the review an anomaly relating to personnel records had arisen which had subsequently been rectified.</p> <p>The Committee welcomed the report and was pleased to note that the only issue raised had been resolved.</p>	
<b>18/19</b>	<p><b>Any Other Business</b></p> <p>The Committee noted that this was the final meeting for Stephen Gainey who was stepping down as a non-Corporation member of the Committee after serving for over 17 years with a perfect attendance record at more than fifty meetings. Stephen was sincerely thanked for his commitment and support throughout this time and governors wished him well for the future.</p>	
<b>18/20</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00pm on Tues 27 November 2018.</p>	ALL to note