



# TRURO AND PENWITH COLLEGE CORPORATION



## Audit Committee

**Minutes** of the Audit Committee held on Tuesday 26 February 2019 at Truro College.

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

Also Present: Ms J Cashmore (Director of Operations), Mr D Haughton (Finance Director), Mrs A Oliver (Bishop Fleming, External Auditor – for item 19/02 onwards), Mr V Shutler (TIAA, Internal Auditor – for item 19/02 onwards), Mr M Wardle (Director of Curriculum), Mr D Walrond (Principal) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mr M Arnold (Director of Quality), Mrs C Mewton (Director of Studies), Mr A Stittle (Director of Teaching and Learning) and Mr M Tucker (Director of Penwith College)

Item	Decision	Action
19/01	<p><b>Internal Audit Service Appointment</b></p> <p>Further to discussion at the previous meeting, the Committee considered a confidential paper and proposal from TIAA Ltd.</p> <p>Members noted that it was no longer a mandatory requirement to appoint an internal audit service but agreed that this remained essential to ensuring the effectiveness of College processes and systems.</p> <p>Benchmarking and comparisons in the sector demonstrated that despite a slight price increase, the service offered by TIAA remained cost effective and the Committee confirmed ongoing satisfaction with the service provided by TIAA.</p> <p>Following consideration, the Committee agreed to <b>RECOMMEND</b> to the Corporation the re-appointment of TIAA Ltd for a further period of three years from 1 August 2019 – 31 July 2022 on the terms set out in the proposal.</p>	Recommendation for Corporation
19/02	<p><b>Minutes</b></p> <p>The Minutes of the meeting held on 27 November 2018 were <b>APPROVED</b> and signed as a correct record.</p>	

<p><b>19/03</b></p>	<p><b>Matters Arising</b></p> <p><b>03.01 Draft Final Accounts 2017/18 (Minute 18/24)</b></p> <p>The Director of Operations provided a brief update on negotiations with Cornwall Council about funding for learners with learning difficulties and disabilities (LLDD). Due to Council funding constraints, it was expected that provision would have to be reduced from 5 to 3 days/week for some LLDD next year and the College had provided figures to the Council for 2019/20 on this basis. The College and Council were working together to ensure the best possible provision within the available budget.</p>	
<p><b>19/04</b></p>	<p><b>Internal Audit Report: Visit 1</b></p> <p>The Committee received the report of the two audit reviews completed in January 2019. The Auditor summarised the scope of each review, explained the issues arising and the assessment, as follows:</p> <ul style="list-style-type: none"> <li>• Governance: Corporation/Committees – Substantial Assurance</li> <li>• Business Continuity Planning – Substantial Assurance</li> </ul> <p>The Committee reviewed the audit findings and was pleased to note that arrangements were in order with only two issues raised. Both were routine matters relating to the Disaster Management Plan which needed to be dated and revised to ensure staff and contact details were current.</p> <p>During discussion the Committee asked about the College’s Adverse Weather Policy and noted that this had worked well during disruption caused by snow at the end of January 2019. The IT Disaster Management Plan had also proved effective when put into use during May 2017 (following the infiltration of NHS and other IT systems by a ransomware virus).</p>	
<p><b>19/05</b></p>	<p><b>Internal Audit Report: Visit 2</b></p> <p>The Committee received the report of the four audit reviews completed in February 2019. The Auditor summarised the scope of each review, explained the issues arising and the assessment, as follows:</p> <ul style="list-style-type: none"> <li>• Key Financial Controls – Substantial Assurance</li> <li>• Cash Collection – Substantial Assurance</li> <li>• ICT: Cyber Crime – Substantial Assurance</li> <li>• Risk: Embedding Risk Management – Substantial Assurance</li> </ul> <p>The Committee discussed the findings and was pleased to note that a review of financial controls, inventory checks and detailed testing of cash processes had found no significant discrepancies and systems were working well. Two routine control issues were highlighted by the Auditor to tighten up procedures when a supplier changed their bank details.</p>	

	<p>In response to questions, governors noted that most catering outlets were using the College's cashless system although cash facilities had been retained at Tregye, Spires and Fal (as used by visitors). The cash collection processes were thorough and included a good separation of duties and no concerns were raised.</p> <p>The breadth of experience of the IT team, staff awareness of cyber security and positive track record in avoiding cyber-crime was being maintained. Four policies relating to computer use had been drafted and brought into use and it was recommended that they were formally approved and published.</p> <p>The audit of risk management arrangements focused on two key areas – the planned maintenance programme and Stadium for Cornwall project. The review confirmed a careful oversight of both areas with appropriate actions to mitigate potential risks.</p> <p>The Committee was satisfied with the management response to the recommendations.</p>	
<b>19/06</b>	<p><b>External Audit Plan for Year Ending July 2019</b></p> <p>The Committee received an Audit Plan providing an overview of the nature, scope and timetable for the 2018/19 external audit work. The Plan had been drawn up in consultation with management to identify key audit risks and clarify arrangements.</p> <p>In response to a question the Auditor explained that as there were no significant technical changes, pension assumptions were not considered a significant matter this year.</p> <p>Governors and SMT welcomed the Audit Plan which would help to ensure a smooth audit process.</p>	
<b>19/07</b>	<p><b>EU Revenue Projects Audit</b></p> <p>The Committee received a brief summary of the projects which had been audited by the Department for Work and Pensions (DWP) or Education and Skills Funding Agency (ESFA) during the past 12 months. In each case the College was working in partnership with another institution and the projects were due to end in 2020/21.</p> <p>Members were pleased to <b>NOTE</b> that no issues had been identified and a clean audit had been issued in relation to the College's role.</p> <p>The Committee requested a clearer explanation of the projects and audits in future.</p>	DH to revise report
<b>19/08</b>	<p><b>Review of Committee Terms of Reference</b></p> <p>The Committee reviewed the current terms of reference and <b>APPROVED</b> minor editorial amendments to ensure the document remained fit for purpose (attached as Appendix A).</p>	AW to amend
<b>19/09</b>	<p><b>Review of Anti-Bribery Policy Statement</b></p> <p>The Committee reviewed the Anti-Bribery Policy Statement and <b>AGREED</b> that it remained appropriate and no amendments were required.</p>	

19/10	<p><b>Any Other Business</b></p> <p>The Committee <b>NOTED</b> that Will Elliott had tendered his resignation as a Governor and Committee Member. Members thanked Will for his contribution and wished him well for the future.</p>	
19/11	<p><b>Date of Next Meeting</b></p> <p>The Committee would meet at 5.00 pm on Tuesday 12 June 2019 at Truro College.</p>	ALL to note