



TRURO AND PENWITH COLLEGE CORPORATION



Audit Committee

Minutes of the Audit Committee held on 27 November 2018 at Truro College.

Members: Mrs L Batchelor, Mrs S Sanderson 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), Mr D Haughton (Finance Officer), Mrs N Hughes (Bishop Fleming, Financial Statements Auditors – for item 18/22 onwards), Mrs C Mewton (Director of Studies), Mrs A Oliver (Bishop Fleming, Financial Statements Auditors – for item 18/22 onwards), Mr V Shutler (TIAA, Internal Auditors – for item 18/22 onwards), Mr D Walrond (Principal), Mr M Wardle (Director of Curriculum) and Mrs A Winter (Clerk to the Corporation)

Apologies: Mrs S Dickinson (Director of Finance) and Mr M Tucker (Director of Penwith College)

Item	Discussion/Decision	Action
18/21	<p>Review of Annual Appointments of Auditors</p> <p>21.01 External Auditor</p> <p>The Committee received a confidential report on the performance of Bishop Fleming who had been re-appointed as external auditors in June 2017 for a period of five years, subject to annual review.</p> <p>The Committee noted that the audit process for 2017/18 had gone well, the new interim audit in March had been particularly useful and senior management was satisfied with the performance of the auditors against the agreed performance indicators.</p> <p>The Committee CONFIRMED the appointment of Bishop Fleming as External Auditors for 2018/19.</p> <p>21.02 Internal Audit Service</p> <p>The Committee received a confidential report on the performance of TIAA Ltd who had been re-appointed as the Internal Audit Service from 1 August 2016 for a further three years, 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 appointment of TIAA Ltd as the Internal Audit Service for 2018/19.</p>	

	<p>The current contract with TIAA was due to end on 31 July 2019 and Governors noted the benchmarking data comparing the costs and services of internal audit services within the FE college sector. The Committee was also aware of the very limited response to previous invitations to tender.</p> <p>Following discussion, the Committee AGREED that the College should enter into discussions with TIAA about the possibility of extending the existing contract beyond July 2019.</p>	DH to commence discussions with TIAA
18/22	<p>Minutes</p> <p>The minutes of the meeting held on 12 June 2018 were APPROVED and signed as a correct record.</p>	
18/23	<p>Matters Arising</p> <p>There were no matters arising from the minutes of the previous meeting.</p>	
18/24	<p>Draft Final Accounts 2017/18</p> <p>The Committee received the draft final accounts for the College for 2017/18 together with the Report from the External Auditors, draft letter of representation and Regularity Self-Assessment Questionnaire.</p> <p>Members noted that the draft accounts had already been considered by the Finance and General Purposes (F&GP) Committee and a number of amendments and editorial changes had been suggested. The F&GP Committee had agreed to recommend approval by the Corporation, subject to scrutiny by the Audit Committee.</p> <p>Members considered the report of the governing body which provided a good summary of the College's current position, summarising the excellent achievements and performance. All those responsible for another successful year were congratulated and thanked.</p> <p>In response to questions, governors noted that maintaining adequate funding for learners with learning difficulties and disabilities LLDD had become increasingly challenging and that the College was continuing to negotiate hard with Cornwall Council to secure the necessary funding to continue to deliver high quality provision. Representatives from the Council had recently visited to observe the College's foundation provision.</p> <p>The External Auditor presented the Key Issues Discussion Document (KIDD) summarising the audit conclusion and analysis of results. Two minor, non-urgent issues had arisen during the audit relating to the omission of information about a governor on the website and a lack of authorisation checks for some credit card expenditure. The Committee was satisfied that both matters were being addressed.</p> <p>The Auditor confirmed that recommendations related to routine issues and that overall, the audit opinion was unqualified.</p>	
	<p>The completed self-assessment questionnaire (confirming compliance with the Post-16 Audit Code of Practice) was reviewed</p>	

	<p>and governors were assured that appropriate systems and controls were in place.</p> <p>Following consideration, the Committee agreed to RECOMMEND the Financial Statements for 2017/18 to the Corporation for approval.</p>	Recommendation for Corporation
18/25	<p>Draft Final Accounts for Cornwall SCITT for 2017/18</p> <p>The Committee received the draft final accounts for the Cornwall SCITT (School Centred Initial Teacher Training) for 2017/18 with the Audit Grant Return (AGR) and letter of representation. The Committee noted that the accounts were set out in the format prescribed by the DfE which this year did not include a requirement to present the income and expenditure accounts or balance sheet.</p> <p>Members noted that the AGR was unavailable at the time of the Finance and General Purposes Committee because the DFE had only released the template a few days earlier. However, draft accounts had already been considered by the Finance and General Purposes Committee which agreed to recommend approval by the Corporation subject to scrutiny by the Audit Committee.</p> <p>The Cornwall SCITT continued to be a very successful scheme with healthy reserves.</p> <p>The Auditor confirmed that overall, the audit opinion was unqualified.</p> <p>Following consideration, the Committee agreed to RECOMMEND the Cornwall SCITT Annual Grant Return for 2017/18 to the Corporation for approval.</p>	Recommendation for Corporation
18/26	<p>Internal Audit Annual Report 2017/18</p> <p>The Committee received the Internal Audit Annual Report summarising the audit work undertaken during 2017/18.</p> <p>Members noted that seven assurance reviews had been carried out during the year of which six had achieved the highest grading of 'Substantial Assurance' and one had been assessed as 'Reasonable Assurance'. Two recommendations had been made which were to ensure in future that quotes were obtained (or an explanation provided if this had not happened) and submitted with invoices.</p> <p>Members were pleased to note the very positive set of outcomes and the opinion of the auditor that sufficient internal audit work had been undertaken to conclude that the College had adequate and effective risk management, control and governance processes to manage the achievement of the College's objectives.</p>	
18/27	<p>Teachers Pensions Audit for 2017/18</p> <p>The Committee received copies of the Teachers' Pension audit return for the year ending 31 March 2018 which had been submitted by the deadline of 30 September.</p> <p>The Committee noted that the Auditor had raised no issues or errors and had confirmed that the correct pension contributions had been made for 2017/18.</p>	
18/28	<p>Annual Report of the Audit Committee for 2018</p>	

	<p>The Committee received the draft annual report to the Corporation which summarised activity during the 2017/18 financial year and Committee business during 2018. Members noted that the report had been prepared in accordance with the requirements of the Post-16 Audit Code of Practice and would accompany the submission of the Audited Financial Statements.</p> <p>Following consideration the Committee AGREED the report for presentation to the Corporation meeting on 12 December 2018.</p>	AW for Corporation
18/29	<p>Annual Report on Whistleblowing</p> <p>The Committee NOTED that no issues had been raised under the Whistleblowing Policy during the year.</p>	
18/30	<p>Cycle of Annual Business for 2019</p> <p>The Committee received and APPROVED the planned cycle of business for 2019.</p>	
18/31	<p>Date of Next Meeting</p> <p>The Committee would meet at 5.00pm on Tuesday 26 February 2019 at Truro College.</p>	ALL to note
18/32	<p>Dates of Meetings in 2018/19</p> <p>The dates of meetings in 2018/19 were noted as follows:</p> <ul style="list-style-type: none"> • Tuesday 19 November 2019 • Tuesday 25 February 2020 • Tuesday 16 June 2020 	ALL to note