



AUDIT AND RISK COMMITTEE MEETING MINUTES
WEDNESDAY 23 JUNE 2021 AT 11:30am
A blended approach with some Committee members
at the St Austell campus and others joining via Microsoft Teams

Committee members present

Patrick Newberry	PN	Committee Chair
Tracey Hooper	TH	Governor
Jonathan Mashen	JM	Co-opted Committee member
Anne Thomas	AT	Governor
Geoff Warring	GW	Governor

In Attendance

John Evans	JE	Principal and CE
Adrian Ford	AF	Vice Principal Group Operations (VP GO)
Graeme Sinclair	GS	Director of Finance
Wendy Randle	WR	Director of Governance
Adam George	AG	RSM (Internal Auditors)
Craig Sullivan	CS	Bishop Fleming (External Auditors)
Lee Valence	LV	Bishop Fleming (External Auditors)

		Action
1	<p>WELCOME, APOLOGIES AND DECLARATION OF INTERESTS</p> <ul style="list-style-type: none"> ▪ Apologies were received and accepted from Jane Warren and Leon Sargent. John Evans (Principal and CE) joined the meeting. ▪ Representatives from the new External Auditors, Bishop Fleming, were welcomed to the meeting. ▪ There were no further interests declared than those already contained on the members' register. <p>The Chair explained that the second Audit & Risk Committee meeting scheduled for 05/07/2021 would provide sufficient time to review developments in Health and Safety, the Risk Register and Board Assurance Framework.</p>	
2	<p>MINUTES AND MATTERS ARISING</p>	
2.1	<p>Minutes from the meeting on 10 March 2020</p> <p>The minutes and confidential minutes of the meeting held on the 10 March 2020 were agreed to be a true and accurate record of the meeting.</p>	
2.2	<p>Matters Arising</p> <p>The matters arising report had been circulated prior to the meeting.</p>	

3	<p>External audit strategy for the year ending 31 July 2021</p> <p>Craig Sullivan (CS) of Bishop Fleming (BF) was invited to present on the strategy for The Cornwall College Group (TCCG), to include the College and two subsidiaries, which had been circulated prior to the meeting. It was noted that Bishop Fleming (BF) have met with the College to develop the initial plan and to ensure both parties are aware of the future requirements. Additionally a face to face audit transition workshop is planned for July, with College staff.</p> <p>Changes to previous years' audit reports were explained and included an update change in the International Standards on Auditing (ISAs) which will result in a tailored section on TCCG in the published audit report, explaining how the auditors arrived at their conclusions, and a more positive conclusion on if TCCG is a going concern; the materiality threshold level will be reported to Committee once determined.</p> <p>The significant risks BF plan to address include the standard items in the ISAs and the changes in the Audit Code of Practice (ACoP), specifically in relation to the funding streams pathways and College specific risks to include the exploration of capital projects, developing an understanding of the DfE funded St Austell new build, pension fluctuations to include benchmarking information and going concern. It was noted that the new estimates auditing standard has been changed to include more clarity, with changes in the ACoP around language used and assurance on the funding statements; information on the consultation process was shared.</p> <p>A discussion took place on the interpretation of the ACoP statement indicating that annual accounts should be presented by the external auditors, to Board. BF are proposing the Corporation Chair attends the Audit & Risk (A&R) Committee for the presentation of the accounts, or that the presentation is delivered to A&R with a Board meeting scheduled immediately afterwards with a summary provided to Board. BF and the Director of Governance will agree a suitable approach with the Committee Chair.</p> <p>Bishop Fleming's response to the changes to the external audit process were shared with Committee, along with details on the audit team and the timeline for the approach. It was noted that the timeline will be earlier in the coming years. In response to a Committee member question it was understood that BF plan to meet with PwC (previous external auditors) regarding the handover prior to the meeting with College on 20/07/2021 in accordance with normal professional practice.</p> <p>A Committee member reflected on the new form of audit report and the need to ensure that the Committee are comfortable with the report, whilst stating that the College may need to tighten up process in terms of issues on accounting estimates and going concern.</p> <p>The Committee noted the need to consider a workshop for Board to ensure understanding of their responsibilities in terms of signing off the accounts.</p> <p>BF were thanked for their presentation; CS would remain in the meeting for the duration, LV was thanked for his time.</p>	CS/WR
4	<p>INTERNAL AUDIT</p> <p>4.1 Progress report 2020/2021 Circulated prior to the meeting, it was reported that the internal audit plan for 2020/21 had been completed, with an additional audit on declaration of interest and conflicts in draft form.</p> <p>4.2 Internal Audit reports The below reports had been circulated prior to the meeting.</p> <p>4.2.1 Estates Management and Covid-19 Health & Safety Framework</p>	

	<p>It was reported that a split opinion had been reached. Partial assurance for Estates Management was provided, with a conclusion that whilst there was a mechanism in place to provide compliance assurance, there was no central monitoring, with information held locally. The College had already identified this as an area of development and commenced procurement of a compliance system to enable central monitoring and oversight for the Head of Estates.</p> <p>Substantial assurance was provided for the Covid-19 Health and Safety Framework, with good practice demonstrated and not seen in other Colleges.</p> <p>A Committee member noted that the College cannot solely rely on systems, questioning if there was work to complete culturally in terms of staff engagement which could have been included in the audit report. It was noted that the College recognise their position, that the Head of Estates has introduced regular meetings with Heads of Campuses and that the impact of investment on the sites was noted. A Committee member noted the need to progress the actions identified.</p>	
4.2.2	<p>HR Controls - Recruitment & Selection</p> <p>A substantial assurance opinion was provided, with a medium action around policies and procedures. A Committee member stated the College was in a good position considering the potential impact of Covid and remote working in this area.</p>	
4.2.3	<p>ESFA Funding Rules Compliance testing</p> <p>It was reported that members from RSM’s national funding team were used to support this report and that whilst there were actions in the report, when compared to the apprenticeship audits over the last twelve months these were comparatively satisfactory. The actions were unsurprisingly due to funding complexities specifically linked to apprenticeship funding.</p> <p>In response to a Committee member question, it was understood that based on the previous methodology used, there were minimal concerns that the ESFA would clawback funds. The College highlighted that they were not sufficiently claiming funds to a value of approximately £200k. In response to Committee member questions the College are identifying indicators to monitor this and are planning training across the organisation to ensure effective claiming of funds. A Committee member noted that the apprenticeship system process mapping had been completed, suggesting a process map could be designed to support this work.</p>	
4.3	<p>Follow up report</p> <p>Circulated prior to the meeting RSM concluded there was reasonable progress against actions since the last meeting.</p>	
4.4	<p>Internal Audit strategy 2021/22</p> <p>The document had been circulated prior to the meeting. The Committee Chair requested the Committee consider if the strategy reflected the Committee’s priorities. RSM presented the proposed audits and reasoning;</p> <ul style="list-style-type: none"> ▪ Curriculum planning processes – this audit had been part of a previous plan which had been deferred due to changes in senior management. ▪ Cyber security controls – sector experience of cyber security over the last year demonstrated the need to complete this audit. ▪ Debtor income collection – identified from the TCCG’s risk register. ▪ H&S framework – identified as an area of improvement during Committee meetings. ▪ Learner number systems – previous year strategies have included a funding audit; a change to the ACoP suggests this could be an audit to consider and would require liaison with the external auditors. <p>A Committee member reflected on cross cutting themes of the organisation; safeguarding, E,D&I and sustainability, as potential future areas for consideration. It was understood that these were</p>	

	<p>contained in a future plan along with sexual harassment and misconduct and that some of these areas could be supported by other organisations.</p> <p>The Committee reflected on the rationale for the debtor income collection audit, noting the new measures being put in place by the College which had begun to positively impact on the collection of the short and long term debt, yet acknowledged debt issues could continue due to the impact of Covid on suppliers.</p> <p>A Committee member reflected on the advisory piece of work on fraud which was concluded in 2019/20; after discussion it was agreed fraud could potentially be incorporated as part of the cyber security and curriculum planning audits. Further discussion took place on the need for a staff utilisation and group sizes audit, noting the potential links to the curriculum planning audit.</p> <p>Following a lengthy discussion it was agreed that a revised plan be presented to the Audit and Risk Committee meeting scheduled for 05/07/2021, to incorporate fraud, recording of staff utilisation and E,D&I, with the debtor income collection audit deferred to the following year.</p>	
<p>5 5.1 5.2</p>	<p>ADDITIONAL AUDIT REPORTS</p> <p>Concorde It was reported that further work has been commissioned.</p> <p>Developing Leaders project It was reported that the Projects department receive ESFA spot checks on projects; the Committee were satisfied with this report.</p>	
<p>6 6.1 6.2 6.3 6.4</p>	<p>STANDING AGENDA ITEMS</p> <p>Rolling review of High and Medium Audit recommendations from previous Audits Circulated prior to the meeting the report indicated that there were thirteen items outstanding. The majority of the recommendations were linked to the Estates audit and would be resolved with the introduction of Compliance Pod. Progress is being made on other recommendations; it was noted that the procurement strategy is under review by the new Procurement Manager and that a paper will be presented to ELT and Board on fraud training and roles and responsibilities.</p> <p>In response to a previous Committee action it was noted that two of the seven the items raised in the GDPR audit have been closed with five being implemented.</p> <p>The Committee noted the upward trend of outstanding items in this report, but were pleased with the movement on items and noted the impact of the Estates recommendations on the report.</p> <p>Business continuity plan The plan is in place and ready for review by the Operational Leadership Team (OLT). When the OLT can be together face to face, the College plan to walk through a scenario to test the plan. This will remain a regular agenda item under which to receive an update on progress.</p> <p>Additional services provided by auditors Nothing to report.</p> <p>Whistleblowing The Director of Governance reported that there had not been any disclosures since the last meeting and none were ongoing.</p>	<p>WR</p>
<p>7</p>	<p>POST 16 AUDIT CODE OF PRACTICE (ACoP)</p> <ul style="list-style-type: none"> ▪ Updated 31/03/2021 	

	<p>▪ Regularity Self Assessment Questionnaire (RSAQ), updated 31/03/2021</p> <p>The updated ACoP and RSAQ annex had been circulated prior to the meeting. The Committee reflected on the ACoP noting the guidance within the document would support the Committee to fulfil their role. A Committee member noted the need to review the training and development opportunities for the A&R Committee. After discussion with the internal and external auditors it was agreed that a training and development plan for Committee, for the academic year, will be tailored with support from the internal and external auditors.</p> <p>It was noted that a Board training and development plan will be created in the autumn term based on the outcomes from the Governor and co-opted Committee member self assessment forms and Committee review meetings.</p>	WR/CS /AG
8	COMMITTEE UPDATE	
8.1	<p>Committee membership update – It was noted that Geoff Warring (GW) has been recommended to the Board for appointment to the role of Chair of the Finance and Resources (F&R) Committee. As a result GW will stand down from the Audit and Risk Committee. GW was thanked for his significant contribution to the Committee and it was noted that a representative from the F&R Committee be identified to join the A&R Committee.</p>	WR/PN
8.2	<p>Committee Chair appointment – Patrick Newberry (PN) left the meeting and Geoff Warring took the role of Chair; the Committee noted no further nominations for Committee Chair had been received and that PN was happy to remain as Chair of A&R. The Committee agreed to recommend to Board that PN continue in the role of Committee Chair. PN returned to the meeting.</p> <p>The ‘private session with the auditors’ agenda item will be added to the 5th July meeting.</p>	WR WR
9	<p>DATES AND ADDITIONAL DATES OF NEXT MEETINGS</p> <p>The meeting dates for 2021/22 had been circulated prior to the meeting.</p>	