



AUDIT COMMITTEE

Minutes of the Audit Committee held on 18 June 2018 at Truro College.

Committee Members: Mr P Wroe (Chair)

Also Present: Mrs J Brinson (Business Manager), Mrs E Winser (Chair of TPAT Board) and Mrs A Winter (Company Secretary)

Apologies: Ms S Roby and Mr A Stittle
Also, Dr J Blunden (Chief Executive)

| Item | Decision | Action |
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| 18/01 | <p>Welcome, Introduction and Apologies</p> <p>The Chair opened the meeting and explained the absence of other trustees. As the Committee was not quorate and could not proceed as a decision-making meeting, those present agreed to continue as a discussion forum.</p> | |
| 18/02 | <p>Minutes</p> <p>The Minutes of the meeting held on 27 November 2017 were APPROVED and signed as a correct record, subject to confirmation at the next meeting.</p> | |
| 18/03 | <p>Internal Audit Report for 2017/18</p> <p>The meeting reviewed the internal audit reports for term1 and term 2 visits to undertake the necessary Controls Assurance Programme.</p> <p>The term1 review focused on payroll arrangements (data input, authorisation and claims) as well as the production of management accounts, completion of key financial controls checklist and finance support provided to academies.</p> <p>The Auditor concluded that there was Substantial Assurance with regard to payroll arrangements and there were no matters arising from the review.</p> <p>The term 2 review focused on the operation of key controls with regard to payments and compliance with the Financial Procedures. Testing of a range of processes was completed including BACS, invoices, petty cash and credit card transactions. Bank account reconciliation and payments for capital schemes were also reviewed.</p> <p>The Auditor concluded that the increased level of staffing and separation of duties in the accounting system, along with Financial Procedures provided a sound basis for payments. There were no matters arising from the review.</p> | |

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| | <p>The meeting was pleased to note the positive outcome of the audits</p> <p>In response to questions, the Director of Business and Finance outlined the procedures to prevent fraudulent requests to change supplier bank details by phishing and other means. As this was an area of potential concern, it was agreed that a review of the procedures for changing supplier details was included as part of the audit next year.</p> | AW to notify TIAA |
| 18/04 | <p>Internal Audit Strategy/Plan for 2018/19</p> <p>The meeting considered the proposed scope and programme of work to be completed during the three termly reviews in 2018/19.</p> <p>The meeting noted the term 3 work included capital schemes and discussed purchasing/tendering processes at individual schools. Although most procurement/tendering was handled centrally, it was suggested that prior to approving a contract that an academy should be asked about any potential conflicts of interest and connections to the proposed supplier/contractor.</p> <p>Those present agreed that there was no need for the Auditor to attend meetings, except where there were significant concerns or recommendations arising from the audits. The contact details of the Audit Committee Chair would be forwarded to the Auditor to enable him to make contact if the need arose.</p> | <p>JB to add checks to procedures</p> <p>AW to notify TIAA</p> |
| 18/05 | <p>Risk Register: Update</p> <p>The meeting reviewed the Risk Register setting out the key risks, actions to mitigate the risks and responsibilities. The Register was reviewed and updated on an annual basis and had been amended to reflect the new central team staffing structure.</p> <p>Trustees reviewed the issues identified and was satisfied that appropriate measures were in place. Although increasing pension costs remained high risk, there was no additional action possible to reduce the risk.</p> <p>As previously discussed, it was suggested that the measures to prevent a safeguarding matter arising and actions to mitigate this risk (such as vetting procedures, staff training, policies etc) should be set out in the Register.</p> | CEO to amend risk register |
| 18/06 | <p>Cycle of Annual Business</p> <p>The meeting considered and agreed the proposed cycle of annual business for 2018/19.</p> | |
| 18/07 | <p>Any Other Business</p> <p>It was suggested that a fourth trustee should be invited to join the Audit Committee and the TPAT Chair agreed to approach a potential member.</p> | TPAT Chair to approach trustee |
| 18/08 | <p>Date of Next Meeting</p> <p>The Committee would meet at 4.00pm on Weds 28 Nov 2018.</p> | ALL to note |

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| <p>18/09</p> | <p>Consideration of External Audit Tenders</p> <p>The Chair provided a confidential update on the outcome of the tender interviews that had taken place earlier in the afternoon by a panel of trustees: Peter Wroe, Ellen Winser and Sue Dickinson, with the Director of Business and Finance and Company Secretary in attendance. The panel's recommendation would be put to the Board and to Members for approval.</p> | <p>PW to report to Board</p> |
| <p>18/10</p> | <p>Annual Review of Appointment of Internal Auditor</p> <p>The meeting received a confidential report on the performance of TIAA Ltd who had been appointed as the Internal Auditors until 31 August 2019, subject to satisfactory annual review, and noted that senior management was satisfied with the performance of the Auditors against the agreed performance indicators.</p> <p>The meeting RECOMMENDED the continued appointment of TIAA Ltd as the Internal Auditors for 2018/19.</p> | <p>AW for Board</p> |