



Minutes of the Audit and Risk Committee meeting held on

**Monday 25 November 2024 at 10am
at the St Austell campus and on Teams**

Committee members present

Jonathan Mashen	JM	Committee Chair
Perry Baker	PB	
Michael Hambly	MH	
Ellen Winsor	EW	

In Attendance

Tian Bersey	TB	Clerk to the Governors
Rob Bosworth	RB	Principal & CE
Adrian Ford	AF	Group Deputy Principal Group Operations (DP GO)
Adam George	AG	RSM (Internal Auditors)
Louise Tweedie	LT	RSM (Internal Auditors)
Charlie Martin	CM	Bishop Fleming – BF (External Auditors)
Steve Cant	SC	Head of IT Services for Item 8
Mark Wright	MWr	Deputy Head of Estates for item 7
Aoibheann Hornbuckle	AH	PA to the Governors

		Action
1	WELCOME, APOLOGIES AND DECLARATION OF INTERESTS Apologies were received from Glayne Price and Mathew Davies.	
2	ANNUAL REVIEW OF CORPORATION REGISTER OF INTERESTS AND GIFT DECLARATION The Committee reviewed the register of interests and gift declaration of the Board, co-opted committee members and key staff. There were no additional declarations of interest.	
3	MINUTES AND MATTERS ARISING	
3.1	Minutes The minutes of the meeting held on Wednesday 26 June 2025 were agreed to be an accurate reflection of the meeting and were approved by the Committee.	
3.2	Matters arising The Committee reviewed the matters arising report distributed prior to the meeting and noted the updates. The Committee also noted that: <ul style="list-style-type: none"> Suitable IT training was still being sought. A meeting planned to review all risk actions in October 2024 had been postponed and an ad-hoc session will be rescheduled early in 2025. The Chair of the Board will be invited. The Committee discussed the need to recognise that risk can be positive and provide opportunities for improvement as well as negative and pose a threat. The Principal agreed highlighting the introduction of an opportunities and developments register to sit alongside the risk register. A presentation at the December Board meeting and the Governor Away Days will support further developments in this 	

	approach.	
4	INTERNAL AUDIT	
4.1	Internal Audit Programme 2023/2024	
4.1.1	Student Bursaries RSM reported on the outcomes of the internal audit into student bursaries processes. The internal audit opinion was of reasonable assurance and 4 medium level and 6 low level actions were identified. RSM presented the 4 medium level actions highlighting access to PayMy Student system was not restricted in line with job roles which risks the approval system, data protection and confidentiality. In the sample of 40 learners: <ul style="list-style-type: none"> ▪ 3 declarations had not been signed; ▪ there was no confirmation that 5 applicants had been informed they were eligible; ▪ 3 decision emails were sent after the 28 day timeframe; • 3 learners had been paid a bursary after they had withdrawn from college. This was due to staff absence and changes and a lack of information available on withdrawals. 	
4.2	Internal Audit Annual Report RSM reported that the overall internal audit opinion for Cornwall College for 2023/24 was that the organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. The College sits therefore in the positive second tier of a four tier system along with 75-80% of FE Colleges. Referring to the risk management section, a committee member asked how many issues were known to managers already and what work was being done to mitigate them. It was confirmed that there were no surprises and work is in progress.	
4.3	Internal Audit Programme 2024/2025 RSM reported that they were keen to arrange a meeting with the College to review the proposed programme in light of new strategies and focus following the appointment of a new Principal. The Committee reviewed and discussed proposed changes. It was agreed to use the ad-hoc session in early 2025 to drive this discussion and the audit plan for rest of year. It was agreed that student application and conversion arrangements would not continue this year. The IT strategy and investment processes should be moved to the end of the programme. The Principal requested that this audit was framed in the right way to test the big ticket items in the strategy. Some areas such as transport will need to be followed up. It was agreed to start fieldwork for the audit into Data Management and Governance Arrangements immediately in the new year in order to be able to report at the February meeting.	AF/MD
4.4	Progress Report The Committee noted the progress report and the Further Education Emerging Issues Report from RSM.	
5	CONSIDERATION OF CORNWALL COLLEGE FINANCIAL STATEMENTS FOR 2022/2023	
5.1	External audit for the year ended 31 July 2024 – Audit findings report relating to the Financial Statements and reporting on regularity – Confidential The Committee received the Key Issues for Discussion Document. Bishop Fleming thanked the Finance Team for another smooth audit process and for taking on board many of the feedback points from prior years. Bishop Fleming anticipate issuing unmodified audit reports on the financial statements and propose to issue an unmodified regularity assurance report for the period.	

5.2	<p>The main point that remains is to review the impairment assessment of the Penhaligon building. The Committee discussed the current situation with the transfer of Penhaligon and the approach to accounting for this. When the issue relating to the Penhaligon building has been resolved, the Chair will seek the agreement of the Committee to recommend approval of the accounts and external auditors' recommendations to the Board.</p> <p>Cornwall College Financial Statements including its subsidiary companies: CCMS (2000) Limited and CCES Limited for the year ending 31 July 2024 – Confidential</p> <p>The Committee received the Annual Report and Financial Statements for the College and its subsidiaries. The Committee noted the Letter of Representation and that it contained no unusual terms.</p> <p>Bishop Fleming reported that the general trajectory is good, no issues in the financial statements were flagged by the audit and no adjustments were needed post audit. Two minor housekeeping points have been raised which have been agreed by management:</p> <ul style="list-style-type: none"> ▪ A recommendation that checks are performed to ensure all suspense account codes have a nil balance at year end. ▪ A recommendation that the accounts workbook provided at the start of the audit includes all adjustments that are in the direct control of management. Where actual figures are unknown at the commencement of the audit, reasonable estimates can be used. <p>The Committee discussed the increased pension asset and the next triannual evaluation.</p>	JM
5.3	<p>Regularity Self-Assessment Questionnaire</p> <p>Bishop Fleming reported that the Regularity Self Assessment Questionnaire has been revised and approved.</p> <p>A governor asked about the Going Concern report. It was reported that the growth in 16-19 numbers will increase next year's allocation by £1.7m, niche HE provision is holding up in the market and adult numbers are also growing which should support adequate funding for the College's needs.</p> <p>A committee member asked if any impact assessment had been completed as to how the Chancellor's recent budget may impact College finances. The Group Deputy Principal reported that the College budget has been reforecast to take changes such as the rise in National Living Wage into account.</p> <p>A committee member requested that as an education institution all governors and executive leadership team members be given credit the Annual Report & Financial Statements for any academic or professional qualifications they hold.</p>	TB
6	<p>DRAFT AUDIT AND RISK COMMITTEE ANNUAL REPORT FOR THE YEAR TO 31 JULY 2024</p> <p>The Committee reviewed the draft annual report. Subject to the proposed changes highlighted in paper the Committee agreed to recommend the report to the Board.</p>	JM
7 7.1	<p>HEALTH & SAFETY Annual Report</p> <p>The Deputy Head of Estates joined the meeting to present the report and highlighted the following:</p> <ul style="list-style-type: none"> ▪ Positive impact of three new staff members. ▪ Substantial progress made in the rollout of Infraspark, the new software system to manage statutory planned and reactive maintenance work. 	

	<ul style="list-style-type: none"> ▪ Tender for fire doors at Bicton and Stoke accommodation has been prepared. ▪ Asbestos management surveys have been commissioned and will be completed across the group in the next 18 months. ▪ Fire risk assessments have been completed at Bicton and St Austell as planned. ▪ A comprehensive review of the tree surveys at Bicton to ensure that key areas of work have been completed. ▪ Fire alarm system has been replaced in Bicton Main House and a survey of all other systems at Bicton has been commissioned. ▪ The implementation of Evolve Trip Management System has been delayed due to problems with synchronisation with Pro solution. <p>The Committee reviewed the incident report data and commended the increased use of near miss reports used to mitigate hazards before they happen. A governor asked about the safety culture at the College. A regular monthly health and safety induction training has been developed with HR which is mandatory for all new staff. Staff are also now actively engaging in the risk assessment process.</p>	
8 8.1	<p>CYBER SECURITY</p> <p>Update on incidents and actions since June 2024</p> <p>The Head of IT joined the meeting and presented his paper highlighting:</p> <ul style="list-style-type: none"> ▪ The security posture across the academic arena seems to be levelling out with no increase in total number of significant cyber incidents across HE/FE sector, ongoing improvement in cyber awareness and improved cyber controls across sector. ▪ Controlled centralised IT provision puts the College in a good position. • 1 significant incident over summer where a member of staff fell victim to MFA token theft. This has resulted in the College making significant changes to how people connect to college services from outside of the organisation. • Security policy now requires members to use a college approved device and restricts access outside of the UK/Ireland and Portugal. Additional checks are also done before allowing these users to connect. • Over summer the Microsoft 365 licensing has been upgraded which includes a host of additional security tools and the ability to classify data and create policies to prevent the loss of data. • A 5-year plan to secure the College's IT infrastructure has been created and is currently being costed and reviewed by the Executive Leadership Team. <p>A committee member suggested creating a roadmap of capabilities the College is planning to use to support risk reduction. A committee member also asked for and received an update on the use of Microsoft A5 licences.</p>	SC
9	<p>RISK REGISTER</p> <p>The Group Deputy Principal Group Operations (GDPO) presented the risk register. Following discussions at this meeting the GDPO highlighted the following enhanced risks:</p> <ul style="list-style-type: none"> ▪ Focus on the estate ▪ Health and safety ▪ Environment Agency compliance at Bicton ▪ Funding windows <p>The Principal also highlighted cash flow as an enhanced risk and the Committee discussed the pressure on cash flow. It was agreed that risk 4.1 (cash flow) should be elevated at this time in addition to risk 4.2 (budget). The Chair requested a copy of the management accounts, will follow up with the Chair of Finance and Resources and elevate the risk to the Board.</p>	JM

10	STANDING AGENDA ITEMS	
10.1	Rolling review of high and medium audit recommendations from previous audits Noted.	
10.2	Board Assurance Framework The Committee noted the update to the Board Assurance Framework. The Chair reported that the framework is being used to good effect, supports audit planning and in most areas there is medium or high assurance. The Chair also noted that there is no mention of the ESFA audit, external governance review, the upcoming departure of the Head of Regulatory Compliance or the outcomes of the internal audit into cyber security in 2022.	AF/MD
10.3	Update on any compliance matters/incidents relating to cyber security, data protection, fraud, health and safety, whistleblowing etc that have not already been covered on the agenda. None.	
11	PRIVATE MEETING OF COMMITTEE WITH AUDITORS The Committee met privately with the auditors.	
12	KPIS FOR INTERNAL AND EXTERNAL AUDITORS The KPIs for internal and external auditors will be reviewed at the February 2025 meeting. REAPPOINTMENT OF EXTERNAL AUDITORS The Committee agreed to recommend to the Board the reappointment of Bishop Fleming as external auditors for the year 2024/25. The Committee noted that Bishop Fleming's contract (2+1+1) will come to an end with the audit of the 2024/25 accounts and that a tender process will need to start in January for the 2025/26 audit.	AF/MD JM AF/MD
13	DATE OF NEXT MEETING 3 February 2025 19 May 2025	