

MINUTES

Audit and Governance 4

Date: *30/06/2015 (Tuesday)*

Time: *18:00–20:00*

Venue: *Rural Business Centre*

Committee: *Audit and Governance*

Notes: *Refreshments will be available from 5.30pm*

Present: *Adrian Boreham, Garry Payne, Gerry Corless, Jean Yates, Jessica Moore and Jolyon Dodgson (Chairman)*

Attending: *Ann Turner (Principal) and Jennifer Eastham (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Guests: *Anna Spencer Gray (External Auditor), David Fletcher (Internal Auditor) and Roger Davies (External Auditor)*

Apologies: *Ishwer Tailor (Co-opted Member)*

Public Minutes

Item number: Item description:
(and category)

- 41.15** **Attendance of College Staff and Audit Representatives**
Decision Section 8.1 of the current Constitution and Terms of Reference for the Audit & Governance Committee states:
“The Principal or some other senior manager who is responsible for the College’s internal control and a representative of the Internal Auditors shall normally attend meetings at the invitation of the Committee, and the Committee shall have the power to invite such other persons to attend meetings as may be desirable or necessary.”
- Resolved:**
- That College Management and the Internal and External Audit representatives attend the meeting.**
- 42.15** **Apologies for Absence**
Record Apologies were received from Ishwer Tailor
- 43.15** **Public Minutes of Previous Meetings**
Decision The public minutes of Audit & Governance meeting number 3 held on Tuesday 21 April 2015 were confirmed and signed as a true and correct record.
- 44.15** **Declarations of Interest**
Record Committee members were asked to declare any interests they may have in respect of the items on the agenda. No declarations were received.
- The representative from Baker Tilly left the meeting prior to the item, ‘Review of the Performance of the Internal Auditors for the year ending 31 July 2015’
- 45.15** **Financial Statements and Regularity Audit Plan for the year ended 31 July 2015**
Decision Consideration was given to the Audit Plan prepared by Baker Tilly, the College Financial Statement and Regularity Auditors, for audit work relating to the year ending 31 July 2015. The external auditor was had previously met with the DP Finance & Funding and College Accountant.

The external auditor presented the report and responded to member questions.

Financial Statements - The primary responsibility of the External Auditors was to form and express an opinion as to whether the financial statements of Myerscough College prepared under UK GAAP show a true and fair view.

Regularity – The external auditors are required to express a reasonable assurance opinion that the College’s Statement of Regularity, Proprietary and Compliance is fairly stated in respect of whether the transactions underlying the College’s financial statements for the year ended 31 July 2015 are in all material respects regular under the engagement letter dated October 2014.

The Audit Plan included fee proposals for 2015. Audit & Governance Committee noted the timetable had been agreed. Following discussion Audit & Governance Committee concluded that the proposed Financial Statements and Regularity Audit Plan was satisfactory and provided value for money.

Resolved:

That the Financial Statements / Regularity Audit Plan for the Year Ended 31 July 2015 be recommended for approval by the Corporation as submitted.

46.15

Consultation

Internal Audit Report (May 2015)

Consideration was given to the Internal Audit Report (May 2015). An audit of the key controls that support the College’s Income Generation framework was undertaken. The review focused on the work of the Skills & Development Team relating to short courses for leisure and industry, external grant bids, and projects undertaken by the Team.

There was just one low priority recommendation which advised that a Policy and Procedure document be developed to encompass the whole process of identifying approving, assessing and monitoring short courses.

Resolved:

That the Internal Audit Report (May 2015) be received.

47.15

Decision

Internal Audit Reports and Summary Report

Consideration was given to the Internal Audit Progress Report and Summary Report. Out of 24 recommendations there were no items

outstanding with 17 having been implemented, 4 on-going, and 2 not yet due and 1 no longer applicable.

Resolved:

That the report on progress made in respect of the issues raised in the Internal Audit Report up to and including Internal Audit Report May 2015 be received.

48.15

Consultation

Internal Audit Assignments End of Year Summary 2014 / 2015

Consideration was given to the above Internal Audit Report for the year ending 31 July 2015.

Overall at this stage Baker Tilly had not identified any significant issues which could have an impact upon the statement that the Audit & Governance Committee would be required to make at the end of the year in relation to the College's governance, risk management and internal control systems.

There were 18 agreed actions, 3 at medium priority and the remainder low priority.

It was noted that College Management had taken, or had planned appropriate and timely action to implement the Internal Audit recommendations.

Resolved:

That Internal Audit Assignments End of Year Summary 2014 / 2015 Report be received.

49.15

Decision

Internal Audit Plan for 2015 / 2016

The Internal Audit representative presented the report and responded to Committee member questions.

The Audit Plan assignments for 2015 / 2016 were:

1. Employer Engagement - review of procedures to increase and enhance employer engagement within the College.
2. Student Accommodation – review of the College's compliance with statutory legislation and student compliance with the Accommodation code of conduct
3. Governance – review of the effectiveness of assurances provided to Corporation with linkage to the risk management process
4. Subcontracting and Partnership provision – a review linked around quality, Board awareness and justification

5. Staff Appraisal and Performance Management – the review will include links to lesson observations.

The plan also included provision to test the degree of implementation of actions from the previous academic year which would serve as a quality check on the College's own action tracking process. In addition there was an audit management allocation to be used at Partner, Manager and Assistant Manager level for quality control, liaison and preparation for and attendance at Audit & Governance Committee meetings.

Audit & Governance Committee made comment on the above and, in particular, directed to the Governance assignment where it was suggested attention be given to appraisal of all governors. The Clerk would explore this matter further and comment would be referred to a future meeting.

Resolved:

That the Internal Audit Plan for 2015 / 2016 be recommended to Corporation for approval.

50.15
Information

Baker Tilly – Change of Name

Audit & Governance Committee gave consideration to the letter from Baker Tilly advising of their name change from Baker Tilly to RSM with effect from 26 October 2015. This change was to be adopted by all members of RSM International to unite as a global brand under a common name.

Resolved:

That the name change from Baker Tilly to RSM be noted

51.15
Information

Data Returns Report

Audit & Governance Committee gave consideration to the Data Returns Report noting the completion, on time, of all statutory data returns required by the relevant funding bodies.

Resolved:

That the Data Returns report be received.

52.15

Decision

Risk Management Summary Report

Audit & Governance gave thorough consideration to the risk management summary report commenting and receiving answers to queries. There were no new risks added and changes were highlighted. The highest risk to the organisation was the impact of Government funding cuts.

Members noted the linkage in the risk register, to the action to close the Crow Wood Centre from 31 July 2015 and also the reduced numbers booking on the conferences and events impacting on commercial business. Both these items also report through to Corporation via other Governor Committees. It provided assurance to see they were captured on the Risk Register.

The risk 'Inability to appoint high quality Governors' received comment in light of failure to appoint after the June interviews though specific desirable skills background had been cited in the advertisements which may have impacted on applications for the voluntary posts.

On a general note Governors who had attended PREVENT training reported positively on this event which was aimed at preventing and identifying risk of radicalisation within organisations. There was a request for a brief role out of this training prior to a Corporation meeting, or similar, facilitated by the external trainer. It was thought College may not have further allocation to this resource for such a purpose at present but Governors were welcome to book onto the sessions that had been arranged for staff. The Clerk would make enquiries.

Resolved:

That the Risk Management Summary Report be approved.

53.15

Decision

Governor Vacancies

Further to consideration of this matter at the last Audit & Governance Committee considered the report of the Selection / Interview Panel. The report indicated that following interviews of three potential candidates none of them appeared to be sufficiently experienced to be recommended for appointment as a Governor or Co-opted Governor.

Members expressed concern regarding succession planning and Committee membership should the Board not appoint and discussed the way forward. It was agreed that the Clerk would advertise the vacancies again but without the emphasis of land-based experienced. Board Members were asked to inform the Clerk and the Principal of potential

candidates. The interview and selection panel would remain as previous.

Resolved:

That the above course of action together with a governor recruitment advertisement be agreed.

54.15

Student Governor Appointments

Decision

The Student Body had followed due procedure and had appointed Megan Cook as its Student President who would take her place as Student Governor according to the Student Union Constitution and Terms of Reference, and had recommended Rachel Lawson as its second Student Governor. The appointments were for the academic year 2015 / 2016. Both students were studying on Equine honours degree programmes.

In recent years the Student President had been a sabbatical post, any amendments required to the Student Union Constitution would be considered by Corporation.

Resolved:

- i. **That Megan Cook and Rachel Lawson's appointments to the Board be ratified by Corporation.**
- ii. **That Megan Cook's appointment as Student President be noted**
- iii. **That the Student Union Constitution and Terms of Reference be considered by Corporation**

55.15

Governance Quality Improvement Plan 2014 / 2015

Consultation

Audit & Governance Committee gave consideration to the Governance Quality Improvement Plan noting all actions had been completed.

Resolved:

That the governance Quality improvement Plan update be received.

56.15

Timetable of Meetings 2015 / 2016

Decision

Audit & Governance Committee gave consideration to the report presented by the Clerk on proposals for the Timetable of Meetings for 2015 / 2016 which had been compiled along previous lines.

The Clerk informed members that he would survey Governors to ascertain their availability for the proposed Away Event in January 2016.

Members made reference to poor attendance at some of the recent Governor Training Events. It was suggested that, apart from the SAR training event in November / December each year, that the remaining two training events be cancelled and training be delivered prior to each Corporation meeting starting in September with a possibility of providing PREVENT training for Governors, earlier minute 49.15 refers.

Resolved:

That the timetable of meetings be commended to Corporation for approval subject to the removal of the separate training events, excluding the November / December event, and that any necessary training be delivered prior to each Corporation meeting.

57.15

Committee Membership 2015 / 2016

Decision

The proposal was that the current Committee membership remain without change as stated in the report except for the two proposed new Student Governors and the removal of Governor Tony Hindle following his retirement.

Resolved:

That the existing Committee membership, as amended above be submitted to Corporation for approval.

58.15

Review of the Performance of the Internal Auditors for the year ending 31 July 2015

Decision

Consideration was given to the work of Baker Tilly, the Internal Auditors, for the financial year ending 31 July 2015 along with the General Qualitative Performance Indicators Questions Applicable to all Audit Providers. Audit & Governance Committee expressed satisfaction with the service received and agreed that the DP Finance and Funding return a completed performance indicator questionnaire to Baker Tilly.

Resolved:

That the review of the performance of the Internal Auditors be agreed.

59.15

Appointment/Re-appointment/Dismissal and Remuneration of the Internal Auditors for the Year Ending 31 July 2016

Decision

Having regard to the previous item and Baker Tilly's contract, Audit & Governance Committee agreed their re-appointment to provide Internal

Audit Services for the year 2015 / 2016 at the remuneration indicated in their tender documentation.

Audit & Governance Committee noted that Baker Tilly had been appointed as internal auditors for a three year period commencing 1 August 2013 and as such a decision would need to be made concerning an internal audit service for the College from August 2016. This matter would be an agenda item at the February 2016 Audit & Governance Committee meeting.

Resolved:

That Baker Tilly be reappointed as the College's Internal Auditors for the year ending 31 July 2016.

60.15

Decision

Audit & Governance Committee Annual Cycle of Business 2015 / 2016

Consideration was given to the proposed Annual Cycle of Business for 2015 / 2016 which would be amended to include an item on the provision of an internal audit service commencing 1 August 2016 at the February meeting.

Resolved:

That the Audit & Governance Committee Annual Cycle of Business for 2015 / 2016 be received as submitted.

Confidential Minutes (no items available)

Strictly Confidential Minutes (no items available)

Chairman: Jessica Moore and Jolyon Dodgson

Signed:

Date: