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| **MINUTES** |
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| *Audit and Governance Committee No 21* |
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| Date: |   | *10/11/2020 (Tuesday)* |   | Time: |   | *18:00–20:00* |
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| Venue: |   | *Via Teams* |   | Committee: |   | *Audit and Governance* |
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| Notes: |   | *The meeting will be held via video conference.* |
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| Present: |   | *Barbara Godby, Debbie Clayton, Jane Booker (Chairman), Robert Wallace and Robin Newton-Syms* |
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| Attending: |   | *Alison Robinson (Principal) and Joanne Sherrington (Deputy Principal)* |
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| Clerks: |   | *Ron Matthews (Clerk)* |
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| ***Public* Minutes** |
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| Item number: | Item description: |
| (and category) |   |
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| **35.20** | ***Attendance of College Management Staff*** |
| ***Decision*** | Section 8.1 of the current Constitution and Terms of Reference for the Audit & Governance Committee states:"The Principal or any other senior manager who is responsible for the College's internal control and representatives of the External and 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 and necessary".**Resolved:****That the Audit & Governance Committee confirm the attendance of College Management staff.** |
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| **36.20** | ***Apologies for Absence*** |
| ***Record*** | Apologies had been received from Rob Wallace. |
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| **37.20** | ***Appointment of Chair and Vice Chair of Audit and Governance Committee*** |
| ***Decision*** |

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| The Committee considered the appointment of a Chair and Vice-Chair for the coming academic year.**Following due process it was****Resolved:****1.  That Jane Booker be appointed Chair of the Audit and Governance and Governance Committee for the Academic Year 2020-2021.** |

**2.  That Rob Wallace be appointed Vice-Chair of the Audit and Governance Committee for the Academic Year 2020-2021.** |
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| **38.20** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Audit and Governance Committee meeting number 20 held on Tuesday 16 June 2020, published on the Extranet, were signed and agreed as a true and correct record.  |
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| **39.20** | ***Declarations of Interest*** |
| ***Decision*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **40.20** | ***Internal Audit Progress and Summary Report*** |
| ***Decision*** | The Committee received and noted the above report, which contained information detailing progress to date on all recommendations made. In 2017/18 a total of 21 recommendations were made of which 18 (86%) had been implemented, 1 (5%) partially completed, 1 (10%) no longer applicable and none outstanding.In 2018/19 a total of 10 recommendations were made of which 9 (90%) had been implemented, 1 (10%) partially completed and none outstanding.In 2019/20 a total of 20 recommendations were made of which 13 (65%) had been implemented, 7 (35%) partially completed and none outstanding.Governors recognised Covid and the lockdown had impacted on some of the 2019/2020 completion dates and requested all outstanding recommendations be reviewed with a revised and achievable completion date.The Committee also sought assurance that the new Internal Auditor would include all recently completed and outstanding recommendations in their follow up report.It was agreed that all implemented and no longer required recommendations could be removed from the report. **Resolved:****That the report be received.** |
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| **41.20** | ***Review of the College Risk Appetite and Risk Register*** |
| ***Decision*** |

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| Audit & Governance Committee considered the College’s Risk Management Framework, which comprised the risk appetite statement, risk assessment and risk heat map. Members recognised that risk management is a key enabler to the delivery of the Strategic Objectives and supports the assurance statement in evidencing that all risks are considered. |

**Risk Appetite** - The section in the Risk Management Policy referring to this states: ''The College recognises that, whilst it must take steps to manage and monitor all risks, it must not allow an aversion to risk to prevent it from taking opportunities, which will aid its successful and innovative development in line with the Strategic Plan. Its appetite for particular risks will depend not only on the likelihood and effect of the risk (before and after controls) but also on the effects of the risk on its core business, if the risk materialises. It will therefore be risk averse in core activities which, if they failed, might jeopardise the solvency of, or seriously undermine the reputation of the College, but will be risk tolerant in activities where failure would not cause serious financial or reputational damage but where success would lead to significant advantages to the College in achieving its Strategic Plan.  In all cases risk tolerance will be enhanced for developmental activities, which will assist the College to develop new markets or enhance reputation even if their full objectives are not achieved.''**Risk Assessment** - Audit & Governance Committee gave attention to the full risk register, a live document that is continuously updated.  The current register was dominated by reference to Covid and the Cyber-attack which had severely impacted on the College's operations. The risk register was sub-divided into seven areas, these being: Strategic, Financial, Curriculum, Governance, Estates, Cross College and Human Resources. The College’s committees, at each meeting, reviewed the risk registers appropriate to their respective terms of reference and the Corporation reviewed the Highest Operational Risks. Risk was measured by considering both **likelihood** and **effect** using a scale of 1 to 5.

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| **Risk Heat Map** - a tool used to present the results of a risk assessment process visually, and in a meaningful and concise way, by using colours to draw attention to those risks that have the highest residual risk score. The residual risk score is calculated as the multiplication of the residual risk assessment for Likelihood and Effect. All proposals were agreed and reportswould be presented to Corporation at its meeting in December 2020.The Deputy Principal, Finance and Corporate Services, intended, when time permitted, to reconfigure the register in line with the new Strategic Plan. |

**Resolved:****1.   That the College Risk Appetite remained fit for purpose**  **and commended to Corporation for approval.****2.   That the definitions for the College’s Risk Assessment remain fit**  **for purpose and commended to Corporation for approval.****3.   Governors noted the use of the risk heat map and the addition of**  **the colour coding to support review and maintenance of the risk**  **register.****4.   That the full College Risk Register be commended to Corporation**  **for approval.** |
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| **42.20** | ***ESFA Subcontracting Control Report*** |
| ***Decision*** |

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| The ESFA requires providers who subcontract a defined level of provision to obtain a report from an external auditor on the arrangements in place to manage and control their subcontractors. Myerscough falls into this category. Following the resignation of RSM, the previous Internal Auditors, a tender was sought specifically for this work. Tiaa won this tender and undertook the audit to provide the necessary report and external assurance. |

One level 2 recommendation was made relating to an incorrect figure in the original submission of documentation to the ESFA. This was later resubmitted with the correct figure and action taken to ensure a similar mistake does not happen in the future.Governors sought assurance that this mistake would not impact on future provision of subcontracting and was assured that it would not.The certificate of compliance was also attached to the agenda.**Resolved:****That the ESFA Subcontracting Report be received.** |
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| **43.20** | ***Data Returns Report*** |
| ***Decision*** | Audit and Governance Committee considered the report, which listed the completion and timing of statutory returns required by the relevant funding bodies for the year end 2019/2020 and the completed returns for the current year 2020/2021.All returns had been submitted on time.**Resolved:****That the Data Returns Report be received.** |
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| **44.20** | ***Teachers Pension Report*** |
| ***Decision*** | Audit & Governance Committee received the Teachers' Pension Report.The Committee noted that RSM had provided an independent reasonable assurance report in connection with the Teachers’ Pensions Contributions for the year ended 31 March 2020, which had been submitted to the ESFA in accordance with their time frame.**Resolved:****That the Teachers' Pension Report be noted.** |
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| **45.20** | ***Governance Quality Improvement Plan 2020/2021*** |
| ***Decision*** |

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| Governance received a Grade 2 'Good' following validation of its self-assessment report. The Clerk had drawn up a Governance Quality Improvement Plan for 2020/2021. Members noted that in the coming year attention would be given to:* Lack of diversity on the Board
* Difficulty in appointing Student Governors to the Board
* The need for a Training Needs Analysis with Governors
* The need to undertake a Skills Audit with Governors
* Reintroduce, expand and explain the Governors Engagement Programme

**Resolved:**  |

**That the Governance Quality Improvement Plan 2020/2021 be received.** |
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| **46.20** | ***Annual Review of the Decision-Making Process of Corporation*** |
| ***Decision*** |

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| The Provider Financial Assurance (PFA) review of the effectiveness of financial management and governance at Myerscough, undertaken in January 2003, recommended that the Corporation carry out a full review of its decision-making processes annually. This requirement arises from the press release issued by Baroness Blackstone in April 1999, which stated that each college must review annually its decision-making process and such reviews must be recorded in the Corporation minutes.Audit & Governance Committee was therefore asked to consider the following items, which made up part of the overall decision-making process and recommend for approval.**Corporation Structure, Standing Orders and Code of Conduct for Governors.**The Instrument and Articles of Government were updated following the March Corporation meeting. They are usually considered under this item but following their update, are not currently accessible due to the recent cyber-attack. They have therefore not been included on this occasion.   During this cycle of meetings all Committees are asked to consider their Terms of Reference to ensure they remain fit for purpose. The Terms of Reference for the Audit and Governance Committee will be considered in January as part of the Annual Report to Corporation.  |

**Resolved:****That the Committee express its satisfaction with the above and agreed that the documents attached to the decision-making processes remained fit for purpose.** |
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| **47.20** | ***Governor Training*** |
| ***Decision*** | The Clerk reported that arrangements had been made to hold a Governor training session on the College Self-Assessment Report on Tuesday 24 November 2020 commencing at 6.00pm. This date was included in the timetable of meetings agreed earlier in the year.In addition it was intended to hold a training session on Safeguarding /Prevent on the evening of 8 December commencing at 6.00pm. Arrangements were also in hand to hold a Governor Briefing on the outcomes of the recent cyber-attack.Governors would be notified of the above in the near future.  **Resolved:****That the Governors training update be received.** |
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