

MINUTES

Audit & Governance No 35

Date: 07/11/2023 (Tuesday)

Time: 18:00–20:00

Venue: Bowland Suite

Committee: Audit and Governance

Present: Barbara Godby, Debbie Clayton, Jane Booker (Chair), Robert Wallace, Robin Newton-Syms and Tyler Cockerill

Attending: Joanne Sherrington (Deputy Principal) and Wes Johnson (Principal)

Clerks: Ron Matthews (Clerk)

Guests: Jane Butterfield (Internal Auditor) and Karen Musgrave (External Auditor)

Public Minutes

Item number:
(and category)

50.23 *Attendance of College Management*

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 and the Internal and External Audit representatives.

51.23 *Apologies for Absence*

Record There were no apologies for absence all the Committee being present. The Chair and Committee welcomed the new FE Student Governor to his first meeting.

52.23 *Co-opted Governor Rosie Bryson*

Record The Clerk informed the meeting that due to her failure to provide the relevant documentation, despite frequent reminders, and reference it had been decided to release Rosie Bryson from her role as Co-opted Governor. This was a requirement in order to meet the College's safeguarding requirements. The Clerk had written to Rosie explaining the decision.

Resolved: That the report be noted.

53.23 *Appointment of Chair and Vice Chair for 2023/2024*

Decision 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 Committee for the Academic Year 2023/2024.**
- 2. That Robin Newton-Syms be appointed Vice-Chair of the Audit and Governance Committee for the Academic Year 2023/2024.**

54.23 *Minutes of Previous Meeting*

Decision The public minutes of the Audit and Governance Committee meeting number 34 held on Tuesday 7 June 2022, published on the Extranet, were agreed and signed as a true and correct record.

55.23 *Declarations of Interest*

Record There were no declarations of interest made in respect of items on the public agenda.

56.23 *Financial Statements Auditors Report and Financial Statements for the year Ended 31 July 2023 and the Audit Finding Report*

Decision RSM's Karen Musgrave attended the meeting and presented the Audit Findings Report, together with draft Letters of Representation in respect of the Financial Audit and the Regularity Audit, to the Committee and responded to questions. The external audit of the financial statements for the year ended 31 July 2023 was almost complete. The letters of representation would be signed after the Corporation meeting on 12 December 2023. The Audit Findings Report highlighted several control issues and one potential audit misstatement. Karen took the Committee through each item and explained each of the issues in greater detail.

Resolved:

- 1. That the External Audit Findings Report for the year ended 31 July 2023 be commended to Corporation for approval.**
- 2. That the Letters of Representation be commended to Corporation for signature by the Chair and Principal.**

57.23 *Internal Audit Plan 2023/2024*

Decision The Clerk informed the Committee that a small number of internal audit reviews had taken place but the reports were not available for the meeting. The Deputy Principal, Finance and Corporate Services, reported that due to a number of current issues, the suggestion that the 6 days allocated to Admissions and Enrolment in the Audit Plan be retained but the focus of the review be amended to meet current needs. Jane Butterfield, the Internal Auditor, confirmed that there was no difficulty in the implementation of the proposed amendment.

Resolved: That the Internal Audit Plan for 2023/2024 be amended as proposed.

58.23 *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 2020/21 two recommendations remained outstanding, one of which was not yet due and the other was currently in progress. The Clerk reported that the refresh of Governors Acceptance of Office was almost complete and requested that it was now removed from the list of outstanding recommendations. Of the 8 recommendations made for 2022/2023, 5 (62%) had been implemented and 3 (38%) were currently in progress with none outstanding.

Resolved:

- 1. That the recommendation regarding Governors Acceptance of Office be removed from the update list.**
- 2. That the report be received.**

59.23 *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 2023. This had been submitted to the ESFA in accordance with their time frame.

Resolved: That the Teachers' Pension Report be noted.

60.23 *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 2022/2023 and the completed returns for the current year 2023/2024. All returns had been submitted on time.

Resolved: That the Data Returns Report be received.

61.23 *Draft Annual Report of the Audit and Governance Committee to the Principal/Chief Executive and Corporation*

Decision The Committee considered the Draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and the Corporation for the year 2022/2023. Audit & Governance Committee noted that the report, apart from Audit matters, also reflected Governance matters according to its Terms of Reference. In accordance with the Joint Audit Code of Practice, the Audit & Governance Committee was required to give assurance to the Board. Members noted that the report stated:

‘The Audit & Governance Committee is of the view that it has operated effectively and fulfilled its obligations as identified in its Terms of Reference.

It was also of the opinion that the College’s audit arrangements, the internal control systems, value for money policy and procedures, financial controls, framework of governance, risk management and control are adequate, operating effectively and its processes secure economy, efficiency and effectiveness and can be relied upon.’

The report was required, similar to the narrative to the final accounts, to address any major issues that occurred after the end of the year in question and before the report was approved.

The report would be signed by the Chair of Audit & Governance Committee and commended to Corporation for approval and onward transmission to the funding body.

Members considered the Audit & Governance Committee terms of reference, attached as an appendix to the report, and agreed they remained fit for purpose.

Also circulated with the report was the progress report on the Governance Quality Improvement Plan 2023/2024.

Resolved:

1. That the draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and Corporation for the year ended 31 July 2023 be accepted and commended to the Corporation.

2. That the Audit & Governance Committee Constitution and Terms of Reference remained fit for purpose.

62.23 *Annual Review of the Decision-Making Process of Corporation*

Decision 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 therefore considered the following items, which made up the majority of the overall decision-making process and recommended for approval:

Instrument and Articles of Government, Corporation Structure, Code of Conduct and Standing Orders.

Only minor changes had been made to the documents during the review. During the current cycle of meetings all Committees were asked to consider their Terms of Reference to ensure they remained fit for purpose. The Terms of Reference for the Audit and Governance Committee were considered under the previous item 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.

63.23 *Governor Training*

Decision The Clerk reported that annual training session for Governors on the Draft Self-Assessment Report 2022/2023 would take place, in person, in the Bowland Suite on Tuesday 14 November 2023. The Clerk would also undertake a short presentation on the day in relation to the module training now provided by the ETF which was currently free of charge and allowed Governors to undertake the

training in their own time. It was also noted that, with the new Principal now in post, arrangements would be made to arrange a Governors Away Event early in the new year. **Resolved: That the report be received.**

