

MINUTES

Audit & Governance No 39

Date: *12/11/2024 (Tuesday)*

Time: *18:00–20:00*

Venue: *Via Teams*

Committee: *Audit and Governance*

Present: *Barbara Godby, Debbie Clayton, Richard Morris, Robert Wallace (Chair) and Robin Newton-Syms (Vice Chair).*

Attending: *Joanne Sherrington (Vice Principal) and Wes Johnson (Principal)*

Clerks: *Ron Matthews (Clerk)*

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

Public Minutes

Item number: (and category)	Item description:
53.24 Decision	<i>Attendance of College Management</i> Section 8.1 of the current Constitution and Terms of Reference for the Audit & Governance Committee states: " <i>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</i> ". Resolved: That the Audit & Governance Committee confirm the attendance of College Management staff and the Internal and External Audit representatives.
54.24 Record	<i>Apologies for Absence</i> There were no apologies for absence received. Tyler Cockerill, FE Student Governor, was not in attendance.
55.24 Record	<i>Declarations of Interest</i> There were no declarations of interest made in respect of items on the public agenda.
56.24 Decision	<i>Appointment of Chair and Vice Chair for 2024/2025</i> The Committee considered the appointment of a Chair and Vice-Chair for the coming academic year. Following due process it was Resolved: 1. That Rob Wallace be appointed Chair of the Audit and Governance Committee for the Academic Year 2024/2025. 2. That Robin Newton-Syms be appointed Vice-Chair of the Audit and Governance Committee for the Academic Year 2024/2025.
57.24 Decision	<i>Minutes of Previous Meetings</i> The public minutes of the Audit and Governance Committee meeting number 38 held on Tuesday 4 June 2024, published on the Extranet, were agreed and signed as a true and correct record.
58.24 Decision	<i>Financial Statements Auditors Report, Financial Statements for the Year Ended 31 July 2023 and the Audit Finding Report</i> Karen Musgrave, RSM auditor, 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. She reported that the external audit of the financial statements for the year ended 31 July 2024 was almost complete. The letters of representation would be signed after the Corporation meeting on 10 December 2024. The Audit Findings Report highlighted three control observations but nothing of significance within the accounts. Karen took the Committee through each item and explained each of the issues in greater detail. The Governors expressed their thanks to the Finance Team for their work ensuring the findings indicated above.

Resolved:

- 1. That the External Audit Findings Report for the year ended 31 July 2024 be commended to Corporation for approval.**
- 2. That the Letters of Representation be commended to Corporation for signature by the Chair and Principal.**
- 3. That the Finance Team be thanked for their work in ensuring the audit outcome as presented by RSM.**

59.24 ***RSM Emerging Issues Report Autumn 2024***

Decision The Committee considered a report produced by the External Auditors RSM on Emerging Issues in Further Education 2024. The report included details of the future closure of the ESFA in March 2025, Colleges Financial Handbook, Office for Students - Audit, Bursary and Free Meals in FE, the future Apprenticeship Landscape, Ofsted Updates, Financial Health Assessment, Emerging Threats and Cyber Security. Governors thanked RSM for a very useful and informative document.

Resolved: That the report be received.

60.24 ***Internal Audit Report***

Decision The Internal Auditor, Jane Butterfield, presented an Assurance Review of Lesson Observations. There were two routine and two operational recommendations. The first routine recommendation was that the Teaching, Learning and Assessment Strategy be updated, ensuring the accuracy of titles, posts and dates. The second was that the planned review of the Teaching, Learning and Assessment Strategy include the documentation of the methods used by the College to focus lesson observations on "at-risk" staff or curriculum areas. The first operational recommendation was that whilst the objective of replicating Ofsted's outcome based approach to lesson evaluation was understood, the College might wish to consider whether, in some circumstances, the use of full lesson observations would be beneficial in identifying root causes of outcomes. It was noted that each of the three sampled Supported Improvement Plans included actions regarding lesson structure or planning. The second operational recommendation was that consideration be given to the development of targets for lesson observations, for example in different curriculum areas and to monitor performance against these. Management accepted all the recommendations above and

Resolved: That the report and management responses be noted.

61.24 *Internal Audit Progress and Summary Report*

Decision The Committee received and noted the above report which contained information detailing progress to date on all Internal Audit recommendations made. Of the 13 recommendations made for 2022/2023, two of which were operational, 9 (62%) had been implemented, 3 (38%) were currently in progress with one under consideration. The Vice Principal reported that the completion date for one of the IT Cyber Security recommendations had been moved from September 2024 to December 2024.

Resolved: That the report be received.

62.24 *Teachers Pension Report*

Decision 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 2024 which included one minor amendment to the figures. This had been submitted to the ESFA in accordance with their time frame.

Resolved: That the Teachers' Pension Report be noted.

63.24 *Risk Register (full) 2024/2025*

Decision Audit & Governance Committee considered the full Risk Register for 2024/2025, a live document that was continuously updated. The risk register was sub-divided in line with the current Strategic Plan - Learning, People and Sustainability.

At each meeting the College's committees reviewed the Risk Registers appropriate to their respective Terms of Reference and the Corporation reviewed the top 5 Operational Risks at each meeting.

Risk was measured by considering both likelihood and effect using a scale of 1 to 5. Governors pointed out that Emerging Risks had been highlighted in the Emerging Issues report from RSM and indicated that the current Risk Register was a complex document. In the light of the RSM document they questioned whether there should be a full review of the register. The Vice Principal indicated that the Strategic Plan was scheduled to be refreshed and therefore it would be appropriate to review the Register once this had been agreed.

Resolved:

1. That the full College Risk Register be commended to Corporation for approval.

2. That a full review of the Risk Register be undertaken once the new Strategic Plan had been agreed.

64.24 *Data Returns Reports*

Decision Audit and Governance Committee considered the above reports which listed the completion and timing of statutory returns which were required by the relevant funding bodies for the year ended 2023/2024 and the completed returns for the current year 2024/2025. All returns had been submitted on time.

Resolved: That the Data Returns Reports be received.

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

Consultation The Committee considered the Draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and the Corporation for the year ended 2023/2024. They 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.

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 2024 be accepted and commended to the Corporation.

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

66.24 *Skills Audit 2024*

Decision The Audit and Governance Committee considered a report of the Clerk on the review of Governors skills. The report included a 'heat map' setting out the level of skills of the Governing Body assessed following the Skills Audit conducted during the summer cycle of meetings. Only seven Governors responded although there were three vacancies at the time the survey was undertaken. The results indicated a generally good level of skills across the board and did not point to any one area where there is a clear deficiency. However, whilst the following three areas still show a satisfactory level of skill amongst Governors, they are also the areas where Governors recorded the lowest level of a 'High' knowledge of the subject:

- Health and Safety Matters;
- Industry Knowledge of the Land based Sector;
- Industry Knowledge of the Sports Sector and the College offer in this area.

The latter two also do not have many Governors with 'Good' knowledge of the subject.

The Clerk reported that a further Governors Away Day had been planned for 18 March 2025. This would present an opportunity for Governors to discuss the number of Independent Governors on the Board should there be a need to address a shortfall of skills in certain areas. With the recent Governor appointments and two applications currently pending interview it was suggested that the Skills Audit be undertaken again in the early part of 2025.

Resolved: That the report be received and the Skills Audit be undertaken again in the early part of 2025.

67.24 *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 documents, 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.

