

Board of Management

Meeting	Chairs Committee
Date and time	Thursday 17 August 2017 at 8.30 a.m.
Location	Board Room, 1 Inverness Campus

College Secretary
10 August 2017

AGENDA

Welcome and Apologies

Declarations of Interest

1. MINUTES

- a) Meeting of The Committee held on 13 June 2017

2. GOVERNANCE – OUTSTANDING ACTIONS

Copy of action list

3. GOOD GOVERNANCE

Covering Report by Secretary to the Board

- a. Audit Committee best practice – Audit Committee annual reports
- b. A Good Practice Self-Evaluation Tool for the Audit Committee
- c. A Good Practice Self-Evaluation Tool for the Finance Committee

4. BOARD OF MANAGEMENT AND COMMITTEES – PROPOSED SCHEDULE OF DOCUMENT SUBMISSIONS/ APPROVALS : FOCUS FOR COMMITTEES – 2017/18

Covering report by Secretary to the Board

5. CHAIRS COMMITTEE – DISCUSSION ON ROLE

Terms of reference

6. DATE OF NEXT MEETING

Thursday 14 September 2017- 8.30 a.m.

MINUTES of the MEETING of the CHAIRS COMMITTEE held in the Board Room, 1, Inverness Campus on Tuesday 13 June 2017

PRESENT: Hazel Allen, Brian Henderson (by VC), Neil Stewart, John Wilson
CHAIR: Neil Stewart
APOLOGIES: -
ATTENDING: Acting Principal
Secretary to the Board of Management

The Chair thanked everyone for attending this meeting which had been rescheduled from Thursday 8th June.

1. MINUTES

The minutes of the Meetings of the Committee held on 23 February and 30 March were **ACCEPTED** as a correct record, were **APPROVED** and signed by the Chair

2. SUCCESSION PLANNING – CONSIDER POSTIONS OF SIM, CHAIRS AND VICE CHAIRS

The Committee considered the role of the Senior Independent Member, the requirement to fill the vacant Chair's position on Learning and Teaching and the appointment of Vice Chairs to all the committees for succession planning purposes. In addition, the committee membership had been updated to include the new member Ollie Bray and co-opted member, Tom Speirs.

The Committee **AGREED** that

1. Steve Walsh be asked to take on the role of Senior Independent Member
2. That Hazel Allen be appointed to the New Campus Project Board and that with this addition, the Committee membership, as outlined in the report be approved.
3. Sarah Burton be asked to take on the role of Chair of the Learning and Teaching Committee
4. That the following Members be asked to take on the position of Vice Chair of the committees as follows
 - Audit – Jaci Douglas
 - Human Resources – Lindsay Mitchell
 - Learning and Teaching – Ollie Bray
 - Finance and General Purposes – Gavin Ross

and if all members accepted the roles offered, to recommend this to the Board of Management for approval.

3. **CODE OF GOOD GOVERNANCE CHECKLIST – OUTSTANDING ITEMS**

A report by the Secretary to the Board of Management highlighted a number of actions which had to be completed to ensure that the College fully complied with the Code of Good Governance for Scotland's Colleges.

The Committee **AGREED** that an action list identifying timelines and the responsible person be developed in order to take this forward.

The Chair advised that there was an AOB item to be discussed and he suggested that it be taken as the next item on the agenda. This was agreed.

The VC link with Brian Henderson ended midway during discussion of the following item.

4. **NATIONAL BARGAINING**

The Acting Principal provided an update on the national bargaining negotiations which were changing on a daily basis.

The cost to the College of paying the first instalment of 25% to promoted and unpromoted lecturers was estimated to be around £297K. The Committee **AGREED** that any pay deal had to be fully funded and that the Board of Management would be failing in its governance role if it sanctioned any pay deal which resulted in the College having to record a deficit budget.

Any agreement for class contact time of 23 hours plus 1 (plus 1 being for a maximum of 8 weeks) would mean a substantial decrease in the number of teaching hours available. The College would be required to review the local remission framework in light of this change.

The Committee **AGREED** to mandate the Acting Principal that, in future discussions, the position of the College was that any pay deal could not be approved unless it was fully funded.

5. **PUBLICATION OF AGENDAS, PAPERS AND MINUTES**

The Secretary to the Board advised that the CDN Secretary to the Board Steering Group had produced a paper which provided recommendations on a way forward in relation to the publication of papers, to enable colleges to take a broadly consistent approach, and one that was manageable for Board Secretaries. This was a requirement under the Code of Good Governance for Scotland's Colleges.

The Secretary to the Board had accessed a report showing the amount of web traffic in terms of page views to the Board and Committee agendas and papers over the last 6 month period. The page views were minimal but would be kept under review.

The Committee discussed the paper and **AGREED** that it was appropriate for the papers to be published as one combined pdf and that where any paper was exempt from publication, the whole paper be withheld, rather than redacting relevant parts.

6. BUDDY/MENTORING OF NEW BOARD MEMBERS

A report by the Secretary to the Board of Management outlined the main benefits of a buddy arrangement between an established and a new board member.

The Committee **AGREED** that the following buddy arrangements be put in place.

Sarah Burton	Neil Stewart
Andy Gray	John Wilson
Carron McDiarmid	Hazel Allen
Innis Montgomery	Brian Henderson
Fiona Neilson	Mick Longton
Ollie Bray	Steve Walsh
Tom Speirs	Gavin Ross

7. DATE OF NEXT MEETING

It was agreed to cancel the meeting scheduled for Thursday 13th July 2017

Signed by the Chair: _____

Date: _____

Code Principal	Action required	Responsible person	Timescale/ Comments	
Section C: Accountability				
Risk Management				
C11	The board must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.	Process to set the risk appetite to be undertaken	Chair of Audit Committee	Process to be undertaken at October Board meeting
Audit Committee				
C17	The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide.	Include in review of terms of reference	Board Secretary	Audit Committee – September 2017
Remuneration Committee				
C19	Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.	Provide link to Training module on Governance Hub All members of PR&R to complete the training module	Board Secretary Neil Stewart, John Wilson, Brian Henderson, Hazel Allen Sarah Burton, Steve Walsh	By end June 2017 COMPLETE By end July 2017 (Neil complete, John 25% complete, Brian 87% complete) By end August 2017 (Sarah Complete , Steve 57% complete)
C20	The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.	Glasgow Kelvin College procedure to be adapted for use by IC	Board Secretary	End August 2017 for approval by the board of Management at its meeting in October. Procedure adapted and with Director of Organisational Development for review
Staff Governance				
C27	The board must comply with the nationally agreed college sector <u>Staff Governance Standard</u>.	Board of Management needs to confirm that it will comply	Board Secretary	Include on Agenda of Board meeting in October
Section D: Effectiveness				
Board Members				
D9	The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.	Glasgow Kelvin procedure to be adapted for use by IC	Board Secretary	End August 2017 for approval by the board of management meeting in October Procedure adapted and with Director of Organisational Development for review
Board Secretary				
D14	Where the board secretary is unable to attend every board and committee meeting, while the board secretary retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.	Arrangements to be put in place to cover role of Board Secretary	Acting Principal in discussion with Chair	End July 2017 PA to the Principal to cover

Code Principal		Action required	Responsible person	Timescale/ Comments
D16	The board must ensure arrangements are in place to deal with a board secretary's potential or real conflicts of interest.	Role to be covered if Board Secretary declares conflict of interest	Chair in discussion with Acting Principal	By end July 2017 PA to the Principal to cover
Board Member Appointment, Induction and Training				
D20	The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs.	Progress as necessary once development needs identified from annual appraisal exercise,	Chair + Board Secretary	By end December 2017
Board Evaluation				
D22	Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.	Board chair to carry out appraisals per D25 and submit to Board Secretary for recording	Chair	By mid August
D23	The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. The board must send its self-evaluation to its funding body and publish them online.	Adapt evaluation process used by West Highland College All Board members to complete Chair to consider combined response. Send to RSB and publish online Submit to Board for ratification	Board Secretary All Board Members Chair Board Secretary Board Secretary	End June 2017 Complete End July 2017 4 Board members have completed – 8 outstanding By first week in August By mid August October Board meeting
D25	The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.	Chair to complete evaluations – Hazel Allen, Helen Miller, Lindsey Mitchell, Steve Walsh, Mick Longton, Jaci Douglas, Gavin Ross, Gabbi Starr	Chair	By end July 2017

BOARD OF MANAGEMENT

Subject/Title:	Governance documents – best practice guides		
Meeting and date:	Chairs Committee –17 August 2017		
Author:	Fiona Ambrose, Secretary to the Board		
Link to Strategic Plan:			
Cost implications:	No		
Risk assessment:	Yes If yes, please specify: Financial: Operational: Organisational: required for the proper Governance of the College		
Status – Confidential/Non confidential	Non Confidential		
Freedom of Information Can this paper be included in “open” business	Open		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation

It is recommended that the Committee

1. agree to the use of the Best Practice Guide for the preparation of the annual audit report to the Board of management
2. Consider whether it would be beneficial to adopt the two CIPHA best practice guides on Audit and Finance Committee self evaluation

Purpose of report

To present the three papers to the Committee for discussion

Background**Audit Committee best practice – Audit Committee annual reports**

The Chair of the Audit Committee will recall that at the audit Committee meeting held in November 2017, there was some discussion on the content of the annual audit report to the Board of Management. The Chair requested that in future, the report should refer to the areas of risk identified in the audit plan and strategic plan rather than simply list the reports which had been considered.

The paper attached as item 2a – “Audit Committee best practice – Audit Committee annual reports” was sent to all Board Secretaries by the Head of Internal Audit at UHI. The paper was to have been considered at the joint meeting of Chairs of UHI and Academic Partner Audit Committees in May but this meeting was cancelled.

The paper seeks to assist in identifying audit committee annual report best practice and to suggest the adoption of a model reporting format such as the one included at paragraph 1.11.

CIPHA guides

CIPHA have circulated two guides which provide a good practice self-evaluation tool for the Finance and Audit Committees. The CIPHA documents are very comprehensive in their approach.

Members will be aware that Inverness College already uses a tool similar to the CIPHA tool for the evaluation of each of its main committees. The evaluation tools currently used by the College for the Audit and Finance and General Purposes committees are attached hereto for ease of comparison.

Audit Committee Evaluation – to be completed by the Audit Committee collectively

Date:

	Yes	No	Comments/Action
Terms of Reference			
Does the Audit Committee have written terms of reference that are approved by the Board?			
Do the written terms of reference allow the Audit Committee to maintain their independence from the management of the College?			
Do the terms of reference include all aspects of the Committee's role?			
Are the terms of reference adopted by the full Board and reviewed annually?			
Does the membership of the Committee need to be changed?			

Composition and Establishment			
Does the Committee meet regularly in accordance with the Board Standing Orders?			
Does the Committee consistently have a quorum?			
Do all Committee members attend meetings regularly?			
Does the Committee have enough members?			
Does at least one of the Committee members have a background relevant to the remit of the Committee?			
Have new Committee members received all necessary, including mandatory training?			
Does the Committee report regularly to the Board?			

ITEM 2

Duties of the Committee	Yes	No	Comments/Action
Does the Audit Committee produce an annual report for the Board advising them on the adequacy of the internal control systems operating at the College?			
Does the Audit Committee monitor the effectiveness of the service provided by both internal and external audit?			
Does the Audit Committee review and recommend to the Board for approval the internal audit needs assessment and the internal audit annual plan?			
Do the internal auditors produce an annual report for the Audit Committee that includes an overall assessment of the adequacy and effectiveness of operation of the College's internal control systems?			
Is the management letter from the external auditors clearly laid out, identifying significant issues arising out of their audit work, with practical recommendations for improvements?			
Does the SMT assess the risk associated with all aspects of the College's activities and report as required to the Committee?			
Does the Audit Committee ensure that the risks associated with delivery of the Strategic Plan are assessed prior to approval of the Plan by the Board?			
Does the Audit Committee review the risk register at least annually, including reviewing the effectiveness of actions taken to mitigate or monitor risk, and the monitoring by other Board Committees, and report as required to the Board?			
Does the College have written procedures on the action to take if a case of suspected or known fraud or irregularity is reported?			

ITEM 2

Is the Audit Committee satisfied that the external auditors have planned and conducted their audit work so that they have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, including fraud and corruption, or breach of regulations?			
Is there a mechanism for internal and external auditors to report directly to the Audit Committee Chair, should the need arise?			
Does the Audit Committee meet both the internal and external auditor at least annually without the presence of any of the executive teams?			
Does the remit of the Audit Committee include any subsidiary companies or trading arms?			

Good Practice	Yes	No	N/A	Comments/Action
Compliance with the Law and Regulations				
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues?				

Good Practice	Yes	No	N/A	Comments/Action
Administrative arrangements				
Does the Committee have an independent secretary?				
Are Committee papers distributed in sufficient time for members to give them due consideration?				
Are Committee meetings scheduled prior to important decisions on specific matters being made?				
Is the timing of Committee meetings discussed with all involved?				

Finance and General Purposes Committee Evaluation (to be completed by the F&GP committee collectively).

Date:

Financial and Asset Management

Good practice	Yes	No	N/A	Comments/Action
Quality Statement				
The financial strategy derives, forms, informs and integrates with the College's Strategic Plan				
The College's financial resources are controlled and protected.				
The College's assets are identified, optimised and safeguarded				
Financial management ensures prudent conduct, control, financial viability, and the proper use of public funds.				
The Board, F&GP Committee, Principal, Director of Corporate Services and other staff involved in managing the finances of the College are in a position to fully and properly discharge their various roles.				

Good Practice	Yes	No	N/A	Comments/Action
Composition, Establishment and Duties of the Committee				
Does the Committee meet regularly in accordance with the Board Standing Orders?				
Does the Committee consistently have a quorum?				
Do all Committee members attend meetings regularly?				
Does the Committee have enough members?				
Does at least one of the				

ITEM 2

Committee members have a background relevant to the remit of the Committee?				
Have new Committee members received all necessary, including mandatory training?				
Does the Committee report regularly to the Board?				

Good Practice	Yes	No	N/A	Comments/Action
Terms of reference				
Does the Committee have written terms of reference?				
Do the terms of reference include all aspects of the Committee's role?				
Does the membership of the Committee need to be changed?				
Are the terms of reference adopted by the full Board and reviewed annually?				

Good Practice	Yes	No	N/A	Comments/Action
Compliance with the Law and Regulations				
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues?				

Good Practice	Yes	No	N/A	Comments/Action
Internal Control				
Does the Committee monitor to ensure that risk is controlled?				
Does the Committee regularly review relevant strategic plans?				
Does the Committee consider the level of detail and information it receives appropriate?				
Are appropriate internal performance measures monitored by the Committee?				
Is the Committee addressing all matters delegated to it by the Board and under its terms of reference?				

ITEM 2

Good Practice	Yes	No	N/A	Comments/Action
Administrative arrangements				
Does the Committee have an independent secretary?				
Are Committee papers distributed in sufficient time for members to give them due consideration?				
Are Committee meetings scheduled prior to important decisions on specific matters being made?				
Is the timing of Committee meetings discussed with all involved?				

University of the Highlands and Islands

Committee	JOINT MEETING OF CHAIRS OF UHI AND ACADEMIC PARTNER AUDIT COMMITTEES
Subject	Audit Committee Best Practice – Audit Committee Annual reports
Action requested	<input checked="" type="checkbox"/> For discussion To assist in identifying audit committee annual report best practice and to consider adopting a model report format such as the one included at paragraph 1.11. To note the specific guidance for assigned incorporated colleges from the Scottish Government Audit Committee Handbook when preparing audit committee annual reports.
Brief summary of the paper	At its meeting in November 2016, Chairs confirmed a preference to receive and share guidance/resources via email. The following paper seeks to assist audit committees in applying best practice in the preparation of annual reports to their boards.
Resource implications (If yes, please provide detail)	None.
Risk implications (If yes, please provide detail)	A failure to provide an appropriate audit committee annual report. <ul style="list-style-type: none"> • reduces the audit assurances available to the board; • reduces the Audit Committee's ability to demonstrate that it has fulfilled its remit; and • hinders compliance with UHI and SFC requirements.
Date paper prepared	2 June 2017
Date of committee meeting	In the absence of an earlier meeting the 15 November 2017
Author	Jason Thurlbeck, Head of Internal Audit
Link with strategy Please highlight how the paper links to, or assists with:	Contributes to compliance and partnership services to assist audit committees in applying best practice in the preparation of annual reports to their boards.
	<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan/enabler
Equality and diversity	There are no equality and diversity implications.
Status (eg confidential)	Open
Freedom of Information Can this paper be included in "open" business?	Yes

Audit Committee Annual Reports - Best Practice

1.1. Background

1.2. It is recognised best practice that as part of the annual cycle ahead of the production of the institutions annual report and financial statements that the audit committee should produce an annual report for the governing body and the head of institution.

1.3. Academic Partner Annual Audit Committee Reports

1.4. As part of the partnership assurance process, the Head of Internal Audit provided to the UHI Audit Committee (March 2017) a summary of the assurances available from Academic Partner Annual Audit Committee reports. The UHI Audit Committee recognised an opportunity through the Joint Meeting of the Chairs of UHI and Academic Partner Audit Committees to identify audit committee annual report best practice and to promote the adoption of a standard reporting template. This would assist Academic Partner Audit Committees in producing annual reports that cover all the key areas and in the provision of opinions to their respective College Boards.

1.5. Requirements for Annual Audit Committee Reports

1.6. The Scottish Funding Council (SFC) Financial Memorandum with the College Sector sets out among other things a requirement that the Audit Committee must produce an annual report to the governing body of the institution. UHI has put in place a Financial Memorandum between itself and each of the assigned colleges, which reciprocates this requirement.

1.7. Sabhal Mòr Ostaig UHI receives further education funding directly from the SFC and therefore has to comply with the SFC Financial Memorandum with the College Sector and as a result is subject to the same requirement.

1.8. Furthermore, for the Assigned Incorporated Colleges the Financial Memorandum makes it a term and condition of grant from UHI as Regional Strategic Body that Assigned Incorporated Colleges comply with the requirements of the [Scottish Public Finance Manual](#) (SPFM). The SPFM includes the [Scottish Government Audit Committee Handbook](#). The Audit Committee Handbook helpfully sets out the following good practice for Audit Committee Annual Reports.

ANNUAL REPORTS

The Audit Committee should also provide an Annual Report, as part of the annual review cycle of annual accounts and the wider governance framework, timed to support preparation of the Statement on Internal Control. This internal report needs to be open and honest in presenting the Audit Committee's views if it is to be of real benefit to the Board and Accountable Officer.

The Annual Report should summarise the Audit Committee's work for the year past, and present the Audit Committee's opinion about:

- the comprehensiveness of assurances in meeting the Board and Accountable Officer's needs;
- the reliability and integrity of these assurances;
- whether the assurance available is sufficient to support the Board and Accountable Officer in their decision taking and their accountability obligations;
- the implication of these assurances for the overall management of risk;
- any issues the Audit Committee considers pertinent to the Statement on Internal Control and any long term issues the Committee thinks the Board and/or Accountable Officer should give attention to;
- financial reporting for the year;
- the quality of both Internal and External Audit and their approach to their responsibilities; and
- the Audit Committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed.

1.9. Best Practice for Annual Audit Committee Reports

- 1.10. The Committee of University Chairmen [Handbook for Members of Audit Committees in Higher Education Institutions](#) provides some very useful good practice for audit committees in general. It identifies the following principle for communication and reporting as well as a model format for Annual Audit Committee Reports shown at paragraph 1.11.

The audit committee should produce an annual report for the governing body and the head of institution. This report should include the committee's opinion of the adequacy and effectiveness of the institution's arrangements for risk management, control and governance, and for economy, efficiency and effectiveness (value for money). The report should describe how the audit committee has discharged its duties, and should include any significant issues arising during the financial year and the period up to the date of the report.

1.11. Audit committee annual report: model format

- 1.12. The audit committee annual report should be supported by the internal audit annual report, which would therefore normally accompany it. The annual report should be prepared as early as possible after the end of each financial year, with the aim of it being available before the annual financial statements are signed. The report should be signed and dated by the chair of the committee. This model indicates what could be included in the annual report.

Title	Full name of institution, audit committee annual report, financial year. Addressed to governing body and head of institution.
Introduction	Period covered; this should relate specifically to the audit committee's work on the relevant financial year. However, any additional issues should be covered where appropriate, particularly if they affect the opinion (for example, where the previous year's annual report could not include something because of timing, or issues have arisen since the year end).
Membership	Names; details of changes and dates thereof; terms of office; identity of chair; also separately give details of the clerk to the committee.
Meetings	Dates of meetings, note of members attending, and a general statement about who else is normally in attendance).
Terms of Reference	If applicable, details of changes and their effect on the work of the committee.
Internal Audit	<ol style="list-style-type: none"> 1. Name of provider; details of any changes made or due; fee basis; audit committee's assessment of performance for the year (including the use of performance measures and obtaining the views of the external auditors). 2. Review of appointment; when market testing is due for consideration. 3. Review of internal audit annual report (which may be attached to the audit committee annual report); achievement of planned work; consideration of and comment on internal auditors' overall opinion of risk management, control and governance arrangements, and VFM arrangements, as necessary. 4. Review of audit risk assessment and strategy as appropriate. Number of audit days last year/next year (compare); inclusion of VFM studies. Details of any restrictions placed on the work of the internal auditors. 5. Review of audit reports (may appropriately focus on only the more significant issues); audit committee's view of management responses to audit findings and recommendations; resolution of issues arising.

	<ol style="list-style-type: none"> 6. Review of unplanned or special reports; audit committee's view of management responses to the findings and recommendations; details of any significant recommendations outstanding. 7. Review of VFM studies; summary of important findings and recommendations. 8. Confirmation that the audit committee has held one or more closed meetings with the internal auditors during the course of the year.
External audit	<ol style="list-style-type: none"> 1. Name of provider; details of any changes made or due; fee basis; audit committee's assessment of performance for the year (for example, audit planning, timetable set and met); confirmation to governing body of recommendation of annual re-appointment (or deferral to next meeting); when market testing is due for consideration. 2. Details of any non-audit services provided. 3. Review of the external auditors' management letter (draft and final versions where appropriate); significant points arising; audit committee's view of management responses to the findings and recommendations. 4. Confirmation that the audit committee has held a closed meeting with the external auditors following completion of the audit.
Other work done	<ol style="list-style-type: none"> 1. Where undertaken, review of specific parts of the annual accounts (preferably between finance committee and governing body), including members' responsibility and statement of internal control, any relevant issue raised in management letter, and external auditors' formal annual opinion. 2. Review of assurances received from management and other significant assurance providers. 3. Review of the institution's risk management strategy. 4. Other work, including funding council reports, letters and other requirements (such as HEFCE Assurance Service report, student number audit if undertaken, VFM studies; review or changes to codes of audit practice and CUC guidance); special reports or investigations not dealt with elsewhere (e.g. on major fraud or irregularity); significant changes to the institution's risk management, internal control and governance systems; review of relevant reports from the 5. NAO and its counterparts throughout the UK, other formal certificates or returns seen; review of financial regulations, including amendments, communication or recommendations made; issues arising on trusts, joint ventures, subsidiary or associated companies; other VFM work such as review of VFM strategy. Recommendations made not dealt with elsewhere.
Other	Issues not relevant to the reporting year, such as forthcoming events and issues relating to prior years.
Opinion	<p>Audit committee's opinion on the adequacy and effectiveness of institutional arrangements (up to date of its report) for the following:</p> <ul style="list-style-type: none"> • risk management, control and governance (risk management element includes accuracy of statement of internal control included with annual statement of accounts) • economy, efficiency and effectiveness (value for money). These opinions should be based on the information presented to the committee.

	New arrangements coming into effect on 1 August 2008 may require audit committees to consider whether quality control of their institutional returns is adequate.
Circulation	Copy to the Board and auditors once approved by the governing body.

CIPHA - A Good Practice Self-Evaluation Tool for the Audit Committee

The audit committee is a governance group, independent of management, charged with providing oversight of the adequacy of the risk management framework, the internal control environment, and the integrity of financial reporting¹.

Introduction

Academies, colleges and universities receive significant public funding and it is of paramount importance that they adhere to the highest standards of governance. Audit committees are responsible for forming an opinion and reporting on the internal control and financial reporting arrangements within an institution. As such, they play an essential part in the governance process. Further and higher education institutions are required to appoint an audit committee by their memorandum of assurance and accountability; financial memorandum or funding agreement with their funding body. Academies, depending on their circumstances, are required by the *Academies Financial Handbook* either to establish a dedicated audit committee or ensure that an existing committee covers the functions of an audit committee (see below).

The audit self-evaluation tool is intended to help audit committee members assess the effectiveness of their own committee and will also provide a useful basis for future actions. Institutions may find that not all the questions are directly applicable to their circumstances - for example, Scottish further education colleges do not appoint their external auditors – and this will need to be taken into account when using the self-evaluation tool.

Regulatory background

The funding bodies may make specific requirements for the operation of audit committees in their sectors including :

- Membership
- Regularity of meetings
- Terms of reference and duties.

The documents detailing sector specific requirements are listed on page four of this briefing. It is essential that committee members are aware of the documents relevant to them and to their content.

The situation with regard to audit committees in academies is different to that for colleges and universities. The *Academies Financial Handbook 2016* notes that :

“...taking into account the differing risks and complexity of their operations:

- all trusts with an annual income over £50 million **must** have a dedicated audit committee
- all other trusts have flexibility to establish either a dedicated audit committee, or to include the functions of an audit committee within another committee. ”

In some academies, therefore, the role of the audit committee is combined with that of the finance committee. Similarly, some small institutions do not have a finance committee and the governing body undertakes this role. In such instances, there may be members of the audit committee present when issues associated with the finance committee role

¹ International Framework : Good Governance in the Public Sector (CIPFA, IFAC 2014)

are being discussed. In both such cases, the potential for conflicts of interest need to be very carefully thought through and addressed appropriately.

Audit committees responsibilities : overview

A brief description of an audit committee's key responsibilities is set out below :

- providing assurance to the governing body on the effectiveness of :
 - arrangements for control, governance and risk management
 - arrangements for economy, efficiency and effectiveness
 - management of data quality
- overseeing the institution's policy on fraud
- advising the governing body on the appointment and remuneration of external auditors and (where appropriate) internal audit and their performance and scope
- considering and advising the governing body on the audit aspects of the financial statements including the external auditor's opinion and monitoring management action in response to issues raised by external audit.

Benefit of a good audit committee

Effective audit committees bring many benefits to the academies, further and higher education sectors. They:

- reduce the risk of illegal or improper acts and help ensure the institution's compliance with laws and regulations
- make an important contribution to ensuring that effective assurance arrangements are in place
- reinforce the objectivity, importance and independence of internal and external audit and therefore their effectiveness, as the audit function comes under scrutiny in a high level arena and has to respond accordingly
- increase public confidence in the objectivity and fairness of financial and performance reporting and in the quality of the institution's governance
- seek to ensure that value for money is being obtained
- help improve the adequacy and effectiveness of risk assessment, risk management and internal control
- provide advice to the accounting officer or equivalent (normally the principal/vice-chancellor/chief executive)
- provide a channel for the institution's auditors to communicate directly with members of the governing body/board of trustees.

Strict internal control and the establishment of an audit committee can never eliminate the risks of serious fraud, misconduct or misrepresentation of the financial position. However, an audit committee:

- gives additional assurance through a process of independent and objective review
- raises awareness of the need for sound control and the implementation of recommendations by internal and external audit
- offers a route for a 'whistle blower' to report irregularities.

The self-evaluation tool

The self-evaluation tool is a questionnaire that looks at the following themes that underpin the effectiveness of an audit committee:

- The **role of audit committee members**
- Their **skills and expertise**
- **Behavioural and operational aspects** of the committee
- The **information and support** provided to audit committee members
- The **activities and functions** undertaken by audit committee members
- The **review** of the committee's effectiveness.

Each question included in the evaluation tool provides an opportunity to reflect on a particular aspect of the audit committee's operation and on the institution's practice and performance, resulting in an assessment of areas for development. In general, negative assessment against the question posed should result in some consideration of the impact of the assessment on the system of governance. It may lead to appropriate action for further developing this aspect of the institution's arrangements.

The judgement can be expressed as a score from 1 – 3 based on the response to the question where:

1. No, not at all
2. Yes, partly
3. Yes, strongly.

Using the self-evaluation tool in practice

The tool can be used in a number of ways, by:

- audit committee members singularly or jointly to assess their own performance
- chief financial officers to assess the adequacy of the institutions arrangements
- clerks to the audit committee to assess the adequacy of the institutions arrangements
- internal auditors.

The tool poses various questions which in formulating assessments require both subjective and objective responses, the degree of subjectivity or 'opinion' varies between questions – so the tool could be completed by the groups above and give varying responses for the same institution. This itself is a strength of the tool as it allows those with different responsibilities to reflect their judgement in an assessment.

Where committee members are using the tool, it is important that the chair of the audit committee agrees the arrangements for its use and that the forum is one that allows them to feel free to express their views. It therefore may be appropriate for members to meet without officers of the institution to review the questionnaire and then feed back the issues they have identified for future development to the clerk and chief financial officer.

If agreed with the chair of the committee, it may be appropriate for the clerk or chief financial officer to pre complete some aspects of the questionnaire with some of the factual aspects of the institution's arrangements (eg training arrangements for new committee members) but ensuring that drawing conclusions on the effectiveness should be left to committee members.

Frequency of use

It is recommended that the tool is used as part of a cycle of governance effectiveness review and ideally should be considered on at least a three year cycle. In addition, the tool can be used when establishing new or revised arrangements by clerks and chief financial officers to evaluate models prior to their implementation and may prove useful for internal auditors as part of reviews of governance arrangements.

A GOOD PRACTICE SELF-EVALUATION TOOL FOR THE AUDIT COMMITTEE

Ref	Good practice	Evaluation level 1 to 3	Further action required? Y/N	Evidence for assessment and improvement actions
1	<p>Role of audit committee members</p> <p>Does the audit committee have written terms of reference (TOR)?</p>			
2	<p>Are the TOR adopted by the governing body and reviewed periodically?</p>			
3	<p>Does the role and operation of the audit committee comply with funding body requirements?</p>			
4	<p>Is the role and purpose of the audit committee understood and accepted across the institution?</p>			
5	<p>Is the audit committee's role clear in respect of other committees with responsibility for financial matters within the institution?</p>			
6	<p>Are the audit committee's authorities</p>			

7	<p>properly constituted and specified in the institution's financial regulations?</p> <p>Do the audit committee members clearly understand their roles and responsibilities? Do they understand the part they play individually?</p>			
8	<p>Do the committee members clearly understand the interface between the committees with financial responsibilities including the audit committee and the finance committee, and with the governing body and how they relate to each other?</p>			
9	<p>Is the audit committee's role defined in respect of the following?</p> <ul style="list-style-type: none"> • good governance • assurance • risk management and internal control • internal audit • external audit • financial reporting • value for money . <p>Skills and expertise</p>			
10	<p>Do the audit committee members have the right skills and expertise to enable them to challenge effectively?</p>			
11	<p>Are there any qualified accountants amongst the members?</p>			

12	Does the committee have an appropriate mix of knowledge and skills among the membership?			
13	Does the chair of the committee have appropriate knowledge and skills?			
14	Do the committee members demonstrate appropriate commitment?			
15	Do members understand the financial regime in which the institution operates?			
16	Are the audit committee members familiar with, and do they understand, their institution's financial memorandum or funding agreement and articles of government			
	Behavioural and operational aspects			
17	Does the audit committee meet regularly eg termly?			
18	Are audit committee meetings scheduled in good time in respect of important decisions and financial deadlines?			
19	Are members attending meetings on a regular basis and if not is appropriate action taken?			
20	Is an audit committee meeting scheduled to discuss proposed adjustments to the			

	accounts and issues arising from the audit where appropriate?			
21	Is the timing of audit committee's meetings discussed with all the parties involved?			
22	Has each member declared his or her business interests?			
23	Is the register of interests checked on a regular basis? Is the register easily accessible?			
24	Are audit committee members independent of the management team and other committees?			
25	Are there at least three members of the governing body on the committee?			
26	Do co-option arrangements include the involvement of the governing body's search or nominations committee?			
27	Are arrangements in place to rotate governing body membership?			
28	Are all the committee members fully engaged and participative in meeting discussions?			
29	Do the audit committee members ask 'tough questions'?			

30	Does the audit committee demonstrate an independent and challenging approach to its role?			
31	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?			
32	Does the audit committee hold periodic private discussions with the chief internal auditor?			
33	Does the audit committee hold periodic private discussions with the external auditor?			
34	Do the audit committee members draw and reflect on their experiences of other organisations in discussions?			
35	Do the audit committee members have access to the chief financial officer and vice versa?			
36	Does the chief financial officer attend meetings of the audit committee?			
37	Are the activities of the audit committee reported to the governing body after each meeting?			
38	Does the audit committee produce an annual report for the governing body?			

	<p>Information and support</p>			
39	Are there appropriate training and induction procedures for the audit committee members?			
40	Does the audit committee have an independent secretary/clerk?			
41	<p>Do the clerking arrangements for the audit committee ensure that the members' time is used effectively? eg :</p> <ul style="list-style-type: none"> • is there a good reason for each item being on the agenda? • Are all papers circulated sufficiently in advance (and none tabled?) and distributed in sufficient time for members to give them due consideration? • Do the reports prepared for the audit committee members make it clear what they are being asked to do/agree? 			
42	Does the audit committee have a mechanism to keep them aware of topical legal and regulatory issues and institutional developments, for example, by receiving circulars, training or briefing papers? Are they briefed on significant changes?			

43	Do the audit committee members receive reports that are comprehensive but concise and tailored to their needs? Is the information they receive robust and objective?			
44	Has the audit committee considered the information it wishes to receive from internal audit?			
45	Does the audit committee receive periodic reports from the internal audit service?			
46	Are audit committee members encouraged to increase their familiarity with risk management, control and governance issues by visiting various departments within the institution?			
<p>Activities and functions</p>				
<p><i>Governance</i></p>				
47	Does the audit committee's TOR include oversight of governance arrangements?			
48	Does the audit committee provide support to the institution in meeting the requirements of good governance?			
49	Does the audit committee oversee an assessment of the governance arrangements of the institution and advise the governing body on their effectiveness?			

50	Does the audit committee consider whether the annual governance statement reflects the institution's risk environment?			
51	Does the audit committee consider whether the annual governance statement demonstrates how the institution's governance arrangements support its objectives?			
52	Does the audit committee consider reports and recommendations from external audit and regulators/agencies as appropriate and their implications for governance, risk management and control?			
53	Does the audit committee monitor arrangements for ensuring value for money and for managing exposure to the risk of fraud and corruption?			
54	Does the audit committee scrutinise and challenge the finance committee effectively?			
55	Is the audit committee's role in relation to whistle blowing clear?			
56	Is the audit committee's role in relation to the institution's fraud and corruption procedures clear?			
<i>Assurance</i>				

57	Does the audit committee seek to ensure that assurance is planned and delivered?			
58	Does the audit committee understand what assurance is available to support the annual governance statement?			
59	Does the audit committee seek clarity regarding what assurance is required?			
60	Does the audit committee gain assurance that the institution's risk management, control and governance arrangements are adequate and effective?			
	<i>Risk management</i>			
61	Does the audit committee's TOR include oversight of risk management processes?			
62	Does the audit committee keep risk management on its agenda throughout the year?			
63	Does the audit committee monitor how the institution assesses risk?			
64	Does the audit committee review the institution's risk register on a regular basis?			

65	Is the committee made aware of the role of risk management in the preparation of the audit plan? <i>Internal audit</i>			
66	Does internal audit have a direct reporting line to the audit committee?			
67	Does the audit committee approve, annually and in detail, the internal audit strategic and annual plans?			
68	Are follow up audits by internal audit monitored by the audit committee?			
69	Does the committee consider the adequacy of implementation of internal audit recommendations?			
70	Does the audit committee receive regular progress reports from the internal audit service summarising internal audit activity?			
71	Do the reports describe major audit issues and compare activity to date against the audit plan?			
72	How does the audit committee ensure that a professional relationship is maintained between internal and external audit?			

73	Does the audit committee review the adequacy of internal audit staffing and other resources?			
74	Has the audit committee evaluated whether its internal audit service complies with the Government Internal Audit Standards?			
75	Does the audit committee, in conjunction with the internal audit service and management, have a role in establishing and maintaining appropriate performance indicators to measure the work of the internal audit service?			
76	Are audit committee members aware of the key issues to take into account when selecting or reviewing their internal audit function?			
	<i>External audit</i>			
77	Are follow up audits by external audit monitored by the audit committee?			
78	Does the committee consider the adequacy of implementation of external audit recommendations?			
79	Does the audit committee seek the views of senior managers, the CFO, vice chancellor/principal/chief executive and internal audit service when considering			

	whether to recommend the external auditors for reappointment?			
80	Do the external auditors present their audit plans and strategy to the audit committee for review?			
81	Does the audit committee assess the performance of external audit?			
82	Is the audit committee clear regarding its role in the rare event of external audit qualifying the institution's financial statements?			
83	Are audit committee members aware of the key issues to take into account when selecting or reviewing external audit? <i>Financial reporting</i>			
84	Does the audit committee review the external auditor's management letter when considering the institution's financial statements?			
85	Do the institution's financial statements include a description of the audit committee's establishment and activities?			
86	Does the audit committee consider whether the financial statements satisfy all statutory and regulatory requirements to which the institution is subject?			

87	<p>Is the role of the audit committee with regard to the financial statements compatible/clear/ consistent with that of the finance committee?</p>			
88	<p>Does the audit committee review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit?</p> <p><i>Value for money</i></p>			
89	<p>Does the audit committee include reference to its responsibility for overseeing value for money arrangements in its annual report to the governing body?</p>			
	<p>Review</p>			
90	<p>Does the audit committee assess its performance and effectiveness on a regular basis?</p>			
91	<p>Do the members assess how they could carry out their business more effectively? eg improved meeting time table</p>			
92	<p>Are there KPIs in place against which the members can assess their performance?</p>			

93	Has the audit committee evaluated whether and how it is adding value to the institution?			
94	Does the audit committee have an action plan to improve any areas of weakness?			
95	Has the committee obtained feedback on it from those interacting with the committee or relying on its work?			
96	Does the audit committee benchmark its performance against good practice for audit committees in its sector and more widely as appropriate?			

CIPHA - A Good Practice Self-Evaluation Tool for the Finance Committee

Introduction

The governing body has clear responsibility for an institution's finances, but often delegates specific powers to committees. Monitoring and planning for the institution's financial position and financial control systems is normally undertaken by a finance committee (or a finance and general purposes, an employment and finance or a resources committee). In 2015, CIPFA's Academies, Colleges and Universities Panel published *Guide for Finance Committee Members in Academies, Colleges and Universities* to provide advice on establishing and promoting good financial governance. The guide describes finance committee members' roles and responsibilities in detail and provides the context in which such committees operate.

A *Good Practice Self-Evaluation Tool for Finance Committee Members* builds further on the Panel's work by providing a practical way for finance committee members to review periodically their effectiveness and identify areas for future development. It provides a simple way for the executive officer with lead responsibility for financial matters to test the design and organisation of the interface between financial management and financial governance. It is also a mechanism for clerks to finance committees to satisfy themselves that the arrangements for the annual cycle of committee business enables and supports the achievement of good practice.

Users of this tool are recommended to read the key financial documents in use in their own institutions, such as the funding agreement or financial memorandum and audit code of practice. Relevant documents are listed on page three of this briefing.

In some academies the role of the finance committee is combined with that of the audit committee. Similarly, some small institutions do not have a finance committee and the governing body undertakes this role. In such instances, there may be members of the finance committee present when issues associated with the audit committee role are being discussed. In both such cases, the potential for conflicts of interest need to be very carefully thought through and addressed appropriately.

The self-evaluation tool

The *Guide for Finance Committee Members in Academies, Colleges and Universities* considers in detail the establishment and operation of the finance committee and its responsibilities in an institution for the following:

- Financial strategy
- Annual budget
- Budget monitoring
- Financial management
- Fees and charges
- Third party transactions
- Financial results.

The guide includes questions for committee members to ask to assist them in their role in relation to the above areas and to guide improvements in the future in their institution.

The self evaluation tool is a questionnaire that looks at the following themes that underpin the effectiveness of finance committee members in the areas outlined above:

- The **role of finance committee members**
- Their **skills and expertise**
- **Behavioural and operational aspects** of the committee
- The **information and support** provided to finance committee members

- The **activities and functions** undertaken by finance committee members
- The **review** of the committee's effectiveness.

Each question included in the evaluation tool provides an opportunity to reflect on a particular aspect of the finance committee's operation and on the institution's practice and performance, resulting in an assessment of areas for development. In general, negative assessment against the question posed should result in some consideration of the impact of the assessment on the system of financial governance. It may lead to appropriate action for further developing this aspect of the institution's arrangements.

The judgement can be expressed as a score from 1 – 3 based on the response to the question where:

1. No, not at all
2. Yes, partly
3. Yes, strongly.

Using the self-evaluation tool in practice

The tool can be used in a number of ways, by:

- finance committee members singularly or jointly to assess their own performance
- chief financial officers to assess the adequacy of the institutions arrangements
- clerks to the finance committee to assess the adequacy of the institutions arrangements
- internal auditors.

The tool poses various questions which in formulating assessments require both subjective and objective responses, the degree of subjectivity or 'opinion' varies between questions – so the tool could be completed by the groups above and give varying responses for the same institution. This itself is a strength of the tool as it allows those with different responsibilities to reflect their judgement in an assessment.

Where committee members are using the tool, it is important that the chair of the finance committee agrees the arrangements for its use and that the forum is one that allows them to feel free to express their views. It therefore may be appropriate for members to meet without officers of the institution to review the questionnaire and then feed back the issues they have identified for future development to the clerk and chief financial officer.

If agreed with the chair of the committee, it may be appropriate for the clerk or chief financial officer to pre complete some aspects of the questionnaire with some of the factual aspects of the institution's arrangements (eg review of financial regulations and training arrangements for new committee members) but ensuring that drawing conclusions on the effectiveness should be left to committee members.

Frequency of use

It is recommended that the tool is used as part of a cycle of governance effectiveness review and ideally should be considered on at least a three year cycle.

In addition, the tool can be used when establishing new or revised arrangements by clerks and chief financial officers to evaluate models prior to their implementation and may prove useful for internal auditors as part of reviews of financial management arrangements.

A GOOD PRACTICE SELF-EVALUATION TOOL FOR THE FINANCE COMMITTEE

Ref	Good practice	Evaluation level 1 to 3	Further action required? Y/N	Evidence for assessment and improvement actions
1	<p>Role of committee members</p> <p>Has the governing body set the tone for the institution indicating that finance matters?</p>			
2	<p>Does the finance committee have written terms of reference (TOR)?</p>			
3	<p>Are the TOR adopted by the governing body and reviewed periodically?</p>			
4	<p>Is the role and purpose of the finance committee understood and accepted across the institution?</p>			
5	<p>Is the finance committee's role clear in respect of other committees with responsibility for financial matters within the institution?</p>			
6	<p>Are the finance committee's authorities properly constituted and specified in the institution's financial regulations?</p>			
7	<p>Are the members clear about the outcomes</p>			

	the institution is aiming to achieve?			
8	Do the finance committee members clearly understand their roles and responsibilities? Do they understand the part they play individually ?			
9	Do the finance committee members clearly understand the interface between the committees with financial responsibilities including the audit committee and the finance committee, and with the governing body and how they relate to each other?			
	Skills and expertise			
10	Do the finance committee members have the right skills and expertise to enable them to challenge effectively?			
11	Are there any qualified accountants amongst the members?			
12	Does the finance committee have an appropriate mix of knowledge and skills among the membership from the specific sector, the public services and the private sector?			
13	Does the chair of the committee have appropriate knowledge and skills?			
14	Do the finance committee members demonstrate appropriate commitment?			
15	Do the finance committee members understand the financial regime in which the institution operates?			

16	Do the finance committee members have an understanding of the accounting policies in use in the institution			
17	Are the finance committee members familiar with, and do they understand, their institution's financial memorandum or agreement and articles of government?			
18	Do the finance committee members understand the key financial risks currently facing the institution?			
19	Do committee members have an understanding of the key challenges and risks facing the institution over the medium to long term and the institution's environment and strategy ?			
20	Do the finance committee members understand the health of the institution relative to the sector including performance trends, productivity, benchmarks and assurance that value for money is being achieved ?			
21	Do the finance committee members understand the financial health and sustainability of the institution as perceived by funding bodies and financial institutions?			
	Behavioural and operational aspects			
22	Does the finance committee meet on a regular basis, at least three times in each financial year?			

23	Are meetings scheduled in good time in respect of important decisions and financial deadlines?			
24	Are members attending meetings on a regular basis and if not is appropriate action taken			
25	Is the timing of finance committee's meetings discussed with all the parties involved?			
26	Has each member declared his or her business interests?			
27	Is the register of interests checked on a regular basis? Is the register easily accessible ?			
28	Are committee members independent of the management team and other committees?			
29	Are all the committee members fully engaged and participative in discussions at the meetings?			
30	Do the committee members ask 'tough questions'?			
31	Do the finance committee members scrutinise decisions effectively and offer constructive challenge?			
32	Do co-option arrangements include the involvement of the governing body's search or nominations committee?			

33	Are arrangements in place to rotate governing body membership?			
34	Do the committee members draw and reflect on their experiences of other organisations in discussions?			
35	Do the committee members have confidence in the financial management of the institution			
36	Are arrangements in place to enable the approval of urgent items of business?			
37	Do the committee members have confidence in the leadership of the finance department			
38	Do the members and in particular the chair of the committee have a respectful and constructive relationship with the chief financial officer?			
39	Do the committee members have access to the chief financial officer and vice versa			
40	Does the chief financial officer attend meetings of the finance committee?			
41	Is the chief financial officer a member of the senior decision making team?			
42	Is the chief financial officer involved in strategic level debates about the institution's aims and priorities?			
	Information and support			

43	Are there appropriate training and induction procedures for the committee members?			
44	Does the finance committee have an independent clerk/secretary?			
45	<p>Do the clerking arrangements for the committee ensure that members' time is used effectively? eg :</p> <ul style="list-style-type: none"> • is there a good reason for each item being on the agenda ? • Are all papers circulated sufficiently in advance (and none tabled ?) and distributed in sufficient time for members to give them due consideration • Do the reports prepared for the members make it clear what they are being asked to do/agree? 			
46	Do committee members have a mechanism to keep them aware of topical legal and regulatory issues and institutional developments, for example, by receiving circulars, training or briefing papers? Are they briefed on significant changes?			
47	Do the finance committee members receive reports that are concise and tailored to their needs			
48	<p>Is the information they receive robust and objective?</p> <p>Activities and functions</p>			

	<i>Financial strategy</i>			
49	Do the finance committee members feel that they know and understand the challenges facing the institution in the next five to ten years, the aims of the institution, the priority areas for action to achieve those aims in the context of the challenges, the resource constraints on taking action and how those resource constraints will be tackled?			
	<i>Annual budget and budget monitoring</i>			
50	Do the finance committee members have the opportunity to review and challenge the budget ?			
51	Does the budget report supplied to finance committee members identify major risks and financial consequences?			
52	Do the finance committee members understand the institution's management accounts?			
53	Are the members able to challenge aspects of the management accounts report that give them cause for concern in a timely manner?			
54	Does the information supplied to finance committee members include financial reports on balance sheet items and clearly distinguish between capital and revenue ?			

	<i>Financial management</i>			
55	Do the finance committee members receive costing information to support decision making?			
56	Do the finance committee members understand the real financial position of the institution and prospects for sustainability?			
57	Do the finance committee members understand the priority areas in order to achieve the institution's agreed outcomes and the resources required?			
58	Do the finance committee members have an appreciation of how the finance function operates?			
59	Does the committee consider and approve the financial regulations of the institution, paying particular attention to the authority delegation levels that are set out within them?			
60	Is the finance committee aware of the responsibilities of the governing body in relation to value for money and how it impacts upon the decisions made by the finance committee?			
61	Is the committee aware of the audit committee's views on the institution's arrangements for securing value for money?			
62	Do the finance committee members			

	<p>reflect on how financial management operates in the institution compared with their experience in other organisations?</p> <p><i>Financial results</i></p>			
63	<p>Is the role of the finance committee with regard to the financial statements compatible/clear/ consistent with that of the audit committee?</p>			
64	<p>Does the finance committee obtain an early view of the draft financial statements in advance of them being signed?</p>			
65	<p>Does the finance committee ask the simple and obvious questions about the financial information which they, as a committee, do not understand ? (Such questions are also likely to be the questions raised by the users of accounts)</p> <p>Review</p>			
66	<p>Do the committee members assess their collective performance on a regular basis ?</p>			
67	<p>Do they assess how they could carry out their business more effectively ? eg improved meeting time table</p>			
68	<p>Are there KPIs in place against which the committee members can assess their performance?</p>			

69	Has the committee evaluated whether and how it is adding value to the organisation?			
70	Does the committee have an action plan to improve any areas of weakness?			
71	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			

BOARD OF MANAGEMENT

Subject/Title:	Schedule of document submissions - approvals		
Meeting and date:	Chairs Committee –17 August 2017		
Author:	Fiona Ambrose, Secretary to the Board		
Link to Strategic Plan:			
Cost implications:	No		
Risk assessment:	Yes If yes, please specify: Financial: Operational: Organisational: required for the proper Governance of the College		
Status – Confidential/Non confidential	Non Confidential		
Freedom of Information Can this paper be included in “open” business	Open		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation

The Committee is invited to consider the schedule of document submissions and to discuss whether these documents are likely to provide the correct focus for each of the committees for the next academic year.

Purpose of report

The attached schedule of document submissions has been drawn up by looking through each of the board and committee agendas over the past two years and identifying the standing items which are considered at each meeting and the reports which are required to be considered at a particular time each year. There are of

ITEM 3

course further reports which are submitted to the Board and to the Committees on an ad hoc basis.

The Board and Committees have in the past year tried to move away from reports and discussions on operational matters. With the adoption of the Strategic Plan for 2017-20, there can be much greater focus on the strategic plan objectives and the key themes which have relevance to each of the standing committees and ensure the mitigation of those risks which sit within the area of responsibility of each of the committees. In addition, it is timely that the Board has just completed an exercise to agree a methodology for the Board to monitor appropriately and effectively progress towards the achievement of the strategic aims by way of identifying high level KPIs.

Schedule of document submissions – Board and Committee meetings

Committee	Meeting dates	Standing items	Sept/Oct	Nov/Dec	Feb/March	May/June
Board of Management	26 Oct 2017 19 Dec 2017 22 March 2018 21 June 2018	Minutes Committee Minutes Principal's report Demolition / Disposal of the Longman Campus <i>Policies as required</i>	Terms of Reference SFC Financial forecast return Student recruitment Student performance indicators Health and Safety annual report Health and Safety Annual statement (Annual report on progress against strategic plan)	Audit Committee annual report to the Board of Management Audited accounts and annual audit report Half yearly strategic plan update	Equality outcomes annual report Schedule of board and committee meetings	Revenue Budget Capital Expenditure plan Proposed Fees Risk register annual review Board Chair evaluation Strategic plan progress report
Audit	19 Sept 2017 28 Nov 2017 27 Feb 2018 29 May 2018	Minutes Internal Audit reports Outstanding internal audit recommendations Risk register (and business continuity) Health and safety report <i>Policies</i>	Terms of Reference Risk appetite Internal audit annual report Internal audit annual plan Health and safety annual report Health and Safety Annual Statement Sum's Audit Bursary, Childcare And Hardship Funds Audit	Audit Committee annual report to the Board of Management VFM and Procurement annual report Report on meeting of Audit Chairs	Data protection, FOI , Complaints and Public Interest disclosure annual report	External Audit annual plan Annual review of Internal Auditors performance Meeting with internal auditors Report on meeting of Audit Chairs Committee and committee chair evaluation

<p>Human Resources</p>	<p>21 Sept 2017 30 Nov 2017 1 March 2018 31 May 2018</p>	<p>Minutes HR PI report</p> <p><i>Policies Audit report recommendations Employee relations - JCC and JNC minutes</i></p>	<p>Terms of Reference IIP gold annual review Staff Survey External support annual report</p>	<p>HR Annual report Safeguarding annual report Diversity annual report Staff development/succession planning annual report Half yearly employment law update</p>	<p>Equality outcomes annual report</p>	<p>Risk register annual review Half yearly employment law update Committee and committee chair evaluation</p>
<p>Learning and Teaching</p>	<p>26 Sept 2017 5 Dec 2017 6 March 2018 5 June 2018</p>	<p>Minutes Student recruitment Quality enhancement Student partnership agreement Students association report</p> <p><i>Policies Audit report recommendations</i></p>	<p>Terms of Reference Key objectives/Strategic themes Annual report on PIs Programme evaluation External verification summary Complaints annual report National student survey results Red button report</p>	<p>Key objectives/Strategic themes Early student retention/withdrawal Early student experience Curriculum development Half yearly research report</p>	<p>Key objectives/Strategic themes College sector performance indicators Curriculum planning</p>	<p>Key objectives/Strategic themes End of year student survey Student recruitment Outcomes report for looked after children and care leavers Half yearly research report Risk register annual review Committee and committee chair evaluation</p>

<p>Finance and General Purposes</p>	<p>28 Sept 2017 7 Dec 2017 8 March 2017 7 June 2017</p>	<p>Minutes Finance Monitoring report Capital Expenditure report Business Development/International – Planned Income & Expenditure Business Development report GTFM and Estates and Campus Services report Debt write off report</p> <p><i>Policies</i> <i>Audit report recommendations</i></p>	<p>Terms of Reference SFC Financial forecast return Update on accounts and external audit process Banking annual report Research and centres finance annual report Finance Strategy Annual report</p>			<p>Revenue Budget Capital Expenditure plan Proposed Fees Risk register annual review Committee and committee chair evaluation</p>
<p>Joint Audit/Finance and General Purposes</p>				<p>Audited accounts and annual audit report Annual review of External Auditors performance Meeting with External auditors</p>		
<p>Performance, Review and Remuneration</p>	<p>14 Sept 2017 24 May 2018</p>	<p>Minutes</p>	<p>Terms of Reference Final appraisal report on Principal's performance</p>			<p>Review of the Principal's performance against targets at 6 month stage.</p>
<p>Search and Nomination</p>	<p>14 Sept 2107 24 May 2018</p>	<p>Minutes</p>	<p>Terms of Reference</p>			<p>Review the skills matrix of current board members</p>

Chairs	17 Aug 2017 14 Sept 2017 23 Nov 2017 22 Feb 2018 24 March 2018	Minutes				
New Campus Project Board	As required	Minutes				
Longman Disposal Project Board	As required	Minutes Project Manager's report				

Previous quarterly reports

ICT reports

Complaints reports

Strategies – Annual progress report

Chairs Committee Terms of Reference

Membership

The Chair and Vice Chair of the Board of Management, the Chairs of each of the Standing Committees of the Board, and the Principal who is a member *ex officio*.

Quorum

Three members of the Group entitled to vote upon the items before the meeting.

Frequency of Meetings

The Group shall meet no less than four times each year.

Remit

Review the membership and terms of reference of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

Ensure effective self-evaluation of the Board, its members, its Standing Committees and its Chairs.

Develop the annual Board development day programme.

Oversee the planning of the Board's training and development programme.

Oversee development of the Board's stakeholder engagement.

At the special request of the Board, to consider matters of special interest which are not within the remit of another Standing Committee.

To exercise the functions of the Board in any cases of urgency of which the Chair of the Board, the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the Board of Management.