

Board of Management

Meeting	Chairs Committee
Date and time	Thursday 13 September 2018 at 8.30 a.m.
Location	Board Room, 1 Inverness Campus

Board Secretary
6 September 2018

AGENDA

Welcome and Apologies

Declarations of Interest

1. MINUTES

Meeting of the Committee held on 23 May 2018

2. OUTSTANDING ACTIONS

- a. Ambassadorial Role – feedback and future meetings
- b. Director of Finance post – dual role
- c. New Depute Principal

3. GOVERNANCE

- a. Corporate Governance Statement
 - b. Board members evaluation – progress and feedback
 - c. Online Training Modules
 - d. Succession planning
- Report by Board Secretary

4. RISK

Consider including risk as standing item on Board of Management agendas

5. STANDING ITEM – ISSUES FROM CHAIRS

6. AOCB

7. DATE OF NEXT MEETING

Thursday 22 November 2018- 8.30 a.m.

**MINUTES of the MEETING of the CHAIRS COMMITTEE held in the Board Room,
1 Inverness Campus on Thursday 24 May 2018**

PRESENT: Sarah Burton, Brian Henderson (by VC), Neil Stewart,
Steve Walsh, John Wilson

APOLOGIES:

CHAIR: Neil Stewart

ATTENDING: Secretary to the Board of Management

1. MINUTES

The minutes of the Meeting of the Committee held on 22 February 2018 was **ACCEPTED** as a correct record, was **APPROVED** and signed by the Chair.

2. OUTSTANDING ACTIONS / 2017-18 DEVELOPMENT PLAN

The Committee considered the outstanding actions within the action list and within the 2017-18 development plan.

The Committee was pleased to **NOTE** that the majority of actions had been completed in both the action list and the development plan and both documents would be updated accordingly.

The Committee had a wide-ranging discussion on the Risk Appetite exercise, which had been carried out as part of the Board Development Day at the end of April. The exercise had highlighted that the Board was not risk averse and this was contrary to a perception held by the SMT. It was the role of the board to both challenge and scrutinise proposals from Management but this did not mean that by doing so, it was risk averse. Challenge should not be seen as a criticism. For any proposals put forward to the board, there was a need for clear evidence to be provided on which the Board would base its decision.

3. GOVERNANCE

a. Board member appraisal 2018

The Committee considered the requirement within the Code of Good Governance for Scotland's Colleges that all Board members be subject to an appraisal of their performance, conducted at least annually, normally by the Chair of the Board. This had been a very onerous task for the Chair to complete and it had been agreed previously that the Board Chair would continue to carry out the appraisal of the Committee Chairs, and that the Chairs would carry out appraisals of the board members sitting on their committee.

The Chairs Committee **NOTED** the ongoing requirement for appraisals to be carried out in 2018-19.

b. UHI Integration Process

A meeting had been held with Shirley-Anne Somerville, Minister for Further Education, Higher Education and Science on Friday 18 May. The Chair advised that she had acknowledged that the Partnership had to change but had asked the Integration Board to begin a new process of consultations with staff and students across the whole partnership.

SFC were still in support of integration and would still commit funding to the process, specifically the role of Project Manager and to communication and marketing.

The Chairs expressed concern that the integration proposals had not been supported and **AGREED** that it was critical that Inverness College begin working on “Plan B” - in the event that integration did not happen.

4. STANDING ITEM – ISSUES FROM CHAIRS

Learning, Teaching and Research – Sarah Burton advised that Jaci Douglas had indicated that she wished to step down from the Committee because of pressure of work.

Finance and General Purposes Committee – Brian Henderson advised that he found the new agenda setting process to be very useful. He **REQUESTED** an update on when the Director of Finance would take on more or her dual role at Moray College as there was still a considerable amount of work to be progressed with the Finance Team within Inverness College.

5. NEW DEPUTE PRINCIPAL POST

The Committee **REQUESTED** an update on the timescale and an indication of the critical path re the appointment to this post.

6. PRINCIPAL’S UPDATE INCLUDING PRIZEGIVING AND GRADUATION 2018

The Committee **NOTED** the report.

7. DATE OF NEXT MEETING

Thursday 13 September 2018 - 8.30 a.m.

Signed by the Chair: _____

Date: _____

Outstanding Actions - Chairs Committee

22 February 2018				
Item	Action	Responsibility	Time line	Actioned
Ambassadorial role	Principal to guide board members on this role without becoming involved in operational issues Hold meetings with groups of Board Members	Principal	For next meeting May 2018 By end August 2018	Part complete
Board Member induction	Include proposals as part of board induction process	Board Secretary	Ongoing/ for next induction	Part complete
24 May 2018				
Item	Action	Responsibility	Time line	Actioned
UHI Integration	College to begin working on Plan "B"	Principal	immediate	
Director of Finance	Update on when post holder would take on more of the dual role in Moray College	Principal / Director of Finance	immediate	
New Depute Principal Post	Provide Chairs with timeline and critical path re appointment	Principal / D of Org Dev	immediate	

Board of Management

Subject/Title:	Governance
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Chairs Committee
Meeting Date:	13 September
Date Paper prepared:	5 September
Brief Summary of the paper:	To ask the Committee to consider a number of governance issues including the corporate governance requirements within the SFC Accounts Direction, board member evaluation, the online training modules and succession planning
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance with the Code of Good Governance for Scotland's Colleges
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: membership and skills of the board Organisational: Reputational – compliance with the 2016 Code
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Governance

Executive summary

This report brings to the attention of members a number of governance issues including

- a. Compliance with the Code of Good Governance for Scotland's Colleges
- b. Board members evaluation – progress and feedback
- c. Online Training Modules – GDPR and Information Security
- d. Succession planning

Background information

a. Corporate Governance Statement

The College has received from SFC the Accounts Direction for Scotland's Colleges 2017-18. This document sets out what information has to be included in the annual accounts. Within this guidance, there is a section on what is required to be included on corporate governance. An excerpt from the Accounts Direction is shown in Appendix A. The text highlighted in yellow are additions to this year's Accounts Direction.

An important addition this year is the wording for the statement of compliance with the 2016 Code of Good Governance for Scotland's Colleges, shown at Appendix 3a. The Council's External Auditors, Ernst and Young, in auditing the annual accounts will look for evidence that the corporate governance statement is factually correct. Once the accounts are approved and submitted to SFC, they will also review the statement for accuracy.

There are two areas where we need to confirm progress, namely,

1. board member evaluation
2. evaluation of the Board Chair by the Regional Strategic Body.

b. Board Member evaluation – progress and feedback

See reference to board evaluation above

c. Online Training Modules

You will recall that it was agreed at the Board Meeting in June, that all board members would complete online training modules on Data Protection and Information Security and members of the Audit Committee would complete the CDN online Audit module.

As far as I am aware, only one Board member has completed all modules.

d. Succession Planning

The Board has had a year of stability in its non-executive membership and still has the full complement of members (18) plus one co-opted member. However, there have been some changes to Board members circumstances which may impact on the work of the board. It is important to be aware of these matters and to plan for the future as appropriate.

There is a vacancy on the LT&R committee as Jaci Douglas resigned from this committee in May 2018.

Although formal notification has not been received, it is very likely that Ollie Bray, Vice Chair of LT&R will step down as a board member within the next two months. Ollie has accepted a job in Denmark. This would mean a vacancy on the Board, a second vacancy on the LT&R committee and a vacancy in the position of Vice Chair of LT&R.

Tom Speirs was appointed as a co-opted member in June 2017. The University Court agreed that if a vacancy arose within a 12-month period, a co-opted member could be appointed to the board without the need for a full recruitment process. We are just outside this timescale.

Carron McDiarmid has been seconded to the Scottish Police Authority for 9 months (from 3 September) to be the Interim Chief Operating Officer and Deputy Chief Executive. She will be based in Glasgow 4 days a week. Although she has indicated that she should still be able to fulfil her board duties, attendance at meetings may be impacted by other diary commitments.

One of the questions within the annual evaluation of the F&GP committee is “Are there any qualified accountants amongst the members?” Currently the Committee does not have a qualified accountant amongst its membership. It may be appropriate to seek one or two co-opted members to address this omission.

Corporate governance

Corporate Governance Report

As a minimum, the Corporate Governance report must include a directors' report, a statement of the Board of Management responsibilities and a governance statement. These elements should be clearly identified.

Directors' report

The directors' report should set out the membership of the Board of Management and also those members of the senior management team who influence the decisions of the college as a whole. Details should be given of any directorships or other interests which the members have or a link provided to the relevant Register of Interests. Any information on personal data-related incidents reported to the Information Commissioner's Office should also be disclosed.

Statement of Board of Management's responsibilities

The FReM requires government bodies to provide a Statement of Accounting Officer's responsibilities. However, the SFC Chief Executive is the Accountable Officer for the college sector and is required to provide a governance certificate of assurance covering all colleges to the Principal Accountable Officer of the Scottish Government, based upon certificates of assurance provided by colleges. In light of this unique arrangement, colleges are required to continue to provide a Statement of Board's responsibilities within their Corporate Governance report.

Governance Statement

We require colleges to include in their annual report and accounts a statement covering the responsibilities of their governing body in relation to corporate governance. This statement is required to indicate how the college has complied with good practice in this area.

It is a condition of the FM with SFC or the Regional Strategic Body (for assigned colleges) that governing bodies comply with the principles of good governance set out in the 2016 Code of Good Governance for Scotland's Colleges (the Scottish Code). All colleges are required to include a statement confirming compliance with the Scottish Code. In line with the principles of comply or explain, an explanation should be provided in the event that the college's practices are not consistent with particular principles. A form of wording for the compliance statement is included at Appendix 3(a). The FM also requires compliance with the Scottish Public Finance Manual (SPFM) and, in preparing the corporate governance statement, colleges must comply with the guidance set out in the [Governance Statement section of the SPFM](#).

We recognise that each college will have its own system of corporate governance, reflecting its particular objectives and management processes.

However, in preparing their corporate governance statement, colleges should give due regard to the guidance contained in Appendix 3

Colleges should be aware that their external auditors are required to read the information in the Performance Report and the corporate governance statement and express an opinion in the independent auditor's report on whether:

- The information given in the Performance Report and corporate governance statement is consistent with the financial statements.
- The Performance Report and corporate governance statement has been prepared in accordance with the accounts direction.

As required by the SPFM, details of the college's estates strategy should also be in the Corporate Governance report.

Appendix 3

Corporate Governance Statement Guidance for Colleges

1. Colleges are required to include in their annual report and accounts a statement covering the responsibilities of their governing body in relation to corporate governance. This statement is required to indicate how the college has complied with good practice in this area.

2. It is a condition of the Financial Memorandum with the SFC or the Regional Strategic Body (for assigned colleges) that governing bodies meet the principles of good governance, set out in the 2016 Code of Good Governance for Scotland's Colleges. **All colleges are required to include a statement in their corporate governance statements confirming compliance with the Scottish Code.** In line with the principle of comply or explain, an explanation should be provided in the event that the college's practices are not consistent with particular principles. **The template to be used for the compliance statement is at Appendix 3(a).**

3. Colleges are required to demonstrate robust governance, maintain a sound system of internal control and to ensure that the following key principles of effective risk management have been applied. Effective risk management:

- Covers all risks – including those of governance, management, quality, reputation and finance – but focuses on the most important risks.
- Produces a balanced portfolio of risk exposure.
- Is based on a clearly articulated risk appetite, policy and approach.
- Requires regular monitoring and review, giving rise to action where appropriate.
- Needs to be managed by an identified individual and involve the demonstrable commitment of the governing body and the executive leadership.
- Is embedded into normal business processes and aligned to the strategic objectives of the organisation.

4. Colleges are required to review at least annually the effectiveness of their system of internal control.

Format of Governance statement

We recognise that each college will have its own system of corporate governance, reflecting its particular objectives and management processes, and the corporate governance disclosures in the annual report will differ accordingly. It is expected that each college will tailor its corporate governance statement to reflect its own individual circumstances. However, good practice suggests that a corporate governance statement should include the following sections:

Introduction, which shows the context and purpose of the corporate governance statement.

Governing body, outlining the governance structure and the role of college committees, and their effectiveness based on in-year reviews.

Statement of compliance with the Scottish Code or explanation for any non-compliance with code principles.

Corporate strategy, outlining the arrangements for strategic development.

Risk management and internal control, setting out the arrangements for identifying, evaluating and managing risks and the arrangements for monitoring internal controls. Include details of any significant risk-related matters arising during the period.

Details of any significant lapses of data security.

Going concern, confirming that the college is a going concern, with supporting assumptions and qualifications as necessary. This disclosure provides support for the use of the going concern accounting policy and should not be inconsistent with the disclosures regarding going concern either in the annual report and accounts or the auditors' report thereon.

Conclusion, providing any concluding observations or messages.

Appendix 3 (a)

Template for statement of compliance with the 2016 Code of Good Governance for Scottish Colleges

The College complies with all the principles of the 2016 Code of Good Governance for Scottish Colleges, and it has complied throughout the year ended 31 July 2018.

or

The College complies with all the principles of the 2016 Code of Good Governance for Scottish Colleges with the exception of xxxx. The college is taking action to address this by xxxx and xxxx and expects to be fully compliant by xxx