AUDIT & RISK COMMITTEE

30 November 2023

Committee Self-Evaluation Outcomes

1.0 PURPOSE OF PAPER
For discussion

1.1 The purpose of this paper is to present to the Committee the results of the Committee Self-Evaluation carried out at the end of the previous academic year.

2.0 EXECUTIVE SUMMARY

2.1 Part of the Committee Terms of Reference is that the Committee carry out a self-evaluation each year.

2.2 Four members of the Committee responded to the questionnaire and the scores and comments have been collated and anonymised.

2.3 The lowest scoring statement was statement 7 'Audit Committee members receive reports that are comprehensive but concise and tailored to their needs, and the information they receive robust and objective' which scored an average score of 2.75. Since the evaluation was carried out work has been undertaken around the presentation of papers and the format of the papers. The Vice Principal Finance and Corporate Services has now been in post for more than a year and, along with the Director of Finance, is able to provide more comprehensive reports.

2.4 The Committee composition was relatively new at the time of the questionnaire being carried out and it may be that some of the items highlighted have been resolved as a result of increasing experience of Committee members.

2.5 Risk has been the subject of Board discussion and debate and the Board's risk appetite was explored as part of the most recent Board Development Day. The Risk Register has also been revised in terms of both layout and content and the effectiveness of this will be assessed over the remainder of the academic year.

2.6 Board Member training is regularly promoted as part of the Board Secretary's report. The specific Audit Committee training included in the free, self-paced training from CDN is recommended for all Audit Committee members. It highlights the importance of the role the Committee takes and provides examples of best, and worse, practice.

2.7 Committee membership has been addressed but with a relatively small number of independent members it is often a perpetual issue which the Board Chair and Board Secretary aim to stay on top of.

3.0 RECOMMENDATION

3.1 It is recommended the Committee note the results and discuss any actions to be taken.

4.0 IMPLICATIONS AND CONSIDERATIONS

4.1 Financial Implications
There are no direct financial implications from the contents of this report.

4.2 Learner Implications
There are no direct learner implications from the contents of this report.

4.3 Staff Implications
There are no direct staff implications from the contents of this report.

4.4 Equality and Diversity Implications/Equality Impact Assessment
There are no direct equality implications from the contents of this report.

4.5 Sustainability/Environmental Implications
There are no direct sustainability implications from the contents of this report.

5.0 RISK COMMENTARY

5.1 There are a number of implications and risks associated with Board Committees not operating as effectively as they could, not least non-compliance and reputational damage.

6.0 CONCLUSION

6.1 Members are asked to discuss the results and identify areas for improvement.

I Earp, Board Secretary

Previous Board or College Committee Approvals:

None

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Appendix 1

Audit Committee Self-Assessment Review

Results

Self-assessment of the work of the Audit Committee is an important part of the whole College's continuous improvement and quality agenda. The results of this questionnaire will be collated and findings reported

Please answer each of the following questions using the rating scale shown.

Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4	Not sure 5

A	**The Role of Members**	Mem 1	Mem 2	Mem 3	Mem 4	Av Score
1	Audit Committee members clearly understand their roles and responsibilities and the part they play individually in the Committee.	4	4	3	3	3.5
2	There is training and mentoring available to help Committee Members fulfil their role.	3	4	4	3	3.5
B	**Committee Member Skills and Expertise**					
3	Audit Committee members have the right skills and expertise to enable them to challenge effectively.	3	4	4	2	3.25
4	The Chair has the appropriate skills and experience, and encourages open discussion and effective scrutiny.	4	4	4	4	4
C	**Behavioural and Operational Aspects of the Committee**					
5	The Audit Committee demonstrates an independent and challenging approach to its role.	4	4	4	3	3.75
6	Committee business is adequately reported to the College Regional Board both	4	4	4	4	4

	following each meeting and in an annual report.					
D	**Information and Support**					
7	Audit Committee members receive reports that are comprehensive but concise and tailored to their needs, and the information they receive robust and objective.	3	3	3	2	2.75
8	All papers are circulated sufficiently in advance (and none tabled) and distributed in sufficient time for members to give them due consideration, and papers make it clear to Committee members what they are being asked to do or agree.	3	4	4	4	3.75
E	**Activities and Functions**					
9	The Audit Committee considers reports and recommendations from external audit and regulators/agencies as appropriate and their implications for governance, risk management and control.	4	4	4	4	4
10	The Committee has an adequate and clear role in the review and compliance with all relevant legal and regulatory matters as well as corporate governance requirements and good practice guidance.	4	4	4	2	3.4
F	**Review of Committee Effectiveness**					
11	The Audit Committee assess its performance and effectiveness on a regular basis.	5	4	4	4	4.25
12	The Committee reviews and advises the Board of the internal and external auditors' assessment of effectiveness of the College's financial and other internal control systems.	4	4	4	3	3.75

If you have answered not sure or disagree to any statement, please provide a short explanation as to why to assist in finding a way forward to improve the Committee's performance.

Comment - Having only been on the committee for a short time I cannot say if it has assessed performance and effectiveness in the past, but not in my time on committee and no mention of or reference to previous assessments.

Although training is available, members could perhaps be made more aware of it and its usefulness in helping them understand the work of the committee and the best way to help the committee be effective.

Comment - Question 7 – reports are concise but if they are fully comprehensive why do we still have questions to ask? Can they be both concise and comprehensive?

Comment - I have answered the questions based on where we are at this moment in time (February 2023). Work has started in the committee to make improvements in the areas scored below 3.

I think an area which still requires more work is risk management.

Please use this space if you would like to provide any further comments.

Comment - Papers generally circulated in advance of meetings but have been a couple of late papers which make it hard to give good responses at the meeting. Also there have been a high level of typos, not just spelling mistakes which is not the best when dealing with audits and finances. Everyone makes mistakes and no one expects 100% accuracy 100% of the time, but perception could be that, if those writing the papers (most of which go on to be public documents) cannot be bothered to check their work, the why should anyone else? Does not give as good impression of how College is run. Tendency for papers to include too many acronyms without explanations/definitions.

I know that Dir of Finance has only been in post for a short time but her response to challenge has seemed a bit defensive, almost dismissive at times. Hopefully it will improve as she gets to grips with her role.

Very disappointed in new Board Member declaring that they were “not right” for this committee at their first meeting and then not turning up for next meeting without any notice of absence. Showed a complete lack of respect for the committee, not even being prepared to give it a try, and a lack of understanding of Board Member roles as the committee could easily have been left inquorate. Committee really needs a couple of new members who are prepared to get involved.