

PRESENT

Mr Andrew Baird	Independent Member	
Mrs Margaret Davey	Independent Member	
Mr Ray Elgy	Independent Member	
Dr Andrew Gilchrist	Independent Member	
Mr Ron Searle	Independent Member	
Dr Barbara Spittle	Independent Member	Chair
Mr Lorne Benham	Business Support Staff Member	
Mr Roger Kent	All Staff Member	
Ms Frances Wadsworth	Principal	

IN ATTENDANCE

Mrs Jayne Dickinson	Deputy Principal
Mrs Ann-Christine Harland	Vice Principal

APOLOGIES FOR ABSENCE

Ms Rosemary French	Independent Member
Ms Kay Hammond	Independent Member

CLERK

Mr Melvyn Cass	Clerk to the Corporation
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C.28.10 MEMBERSHIP OF THE CORPORATION BOARD

The Clerk presented a report which identified issues relating to the membership of the Corporation for consideration.

Independent and External Co-opted Members

The Board was advised that, following an extensive advertising campaign, the Search and Governance Committee, on 10 November 2010, had interviewed four applicants for membership of the Board.

Members were reminded of the emphasis given to seeking individuals with financial and accountancy backgrounds.

Members were advised that, as a consequence of the interviews, the Committee had agreed to recommend the appointment of three individuals, each of whom has extensive financial and accountancy experience, on the following basis:

- Mr Brian Smith - Independent Member
- Mr Michael Woodall - Independent Member
- Mr Michael Axelrod - External Co-opted Member: Audit Committee

Academic Staff Member

Members were informed that, following the retirement from the Board of Mrs Janet Robinson and following an election among academic staff, Mr Joseph Main had been elected and nominated for appointment.

Student Member

Members were advised that Mr Darren de Souza had been nominated for appointment.

Resignation of All Staff Member

Members were advised that Mr Roger Kent had secured an appointment on promotion to Guildford College and had submitted his resignation with effect from 31 December 2010.

Membership of Committees

Members noted that two vacancies would exist in the membership of the Audit Committee with effect from 1 January 2011 and that it would be appropriate to consider the appointment of two new Independent members to the Committee.

Constitution of the Corporation Board

The Board was informed that, as a consequence of the resignation of Mr Roger Kent, it would be appropriate to review the constitution of the Board in the light of recently expressed Inspectorate concern at the need to ensure the presence of a good majority of Independent members relative to other members at meetings of the Board.

In the light of this, members were invited to consider the revision of the number of Independent members from 10 to 11 and to reduce the number of other members from 6 to 5.

RESOLVED

The Board approves

- the appointment of Mr Brian Smith as Independent Member of the Corporation Board during the period 1 January 2011 to 31 December 2014
- the appointment of Mr Michael Woodall as Independent Member of the Corporation Board during the period 1 January 2011 to 31 December 2014
- the appointment of Mr Michael Axelrod as External Co-opted Member of the Audit Committee during the period 1 January 2011 to 31 December 2014
- the appointment of Mr Joseph Main as Academic Staff Member during the period 1 January 2011 to 31 December 2014
- the appointment of Mr Darren De Souza during the period 1 January 2011 to 31 July 2011
- the appointment of Mr Brian Smith and Mr Michael Woodall to the Audit Committee with effect from 1 January 2011
- the revision of the constituent membership of the Corporation Board to
 - 11 Independent members
 - 2 Student members
 - 1 Academic Staff Member
 - 1 Business Support Staff Member
 - 1 Principal

C.29.10 DECLARATION OF INTERESTS

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

C.30.10 APOLOGIES FOR ABSENCE

Apologies for absence were received from two members of the Corporation:

Ms Rosemary French	-	travel difficulties
Ms Kay Hammond	-	business commitments

AGREED

The Board accepts the apologies for absence.

C.31.10 NOTIFICATION OF ANY OTHER BUSINESS

Members agreed that there was no other business for consideration.

C.32.10 UNCONFIRMED MINUTES OF THE MEETING OF THE CORPORATION HELD ON WEDNESDAY 7 JULY 2010

The minutes were approved and signed as a correct record.

C.33.10 MATTERS AND ACTION POINTS ARISING FROM THE MINUTES OF THE MEETING

Members agreed that there were no matters arising from the minutes of the meeting.

Members noted the satisfactory completion of the Action Point arising from the meeting.

C.34.10 ANNUAL REVIEW OF THE MINUTES OF THE RESTRICTED MEETINGS OF THE CORPORATION BOARD: 2009/2010

The Clerk advised members that each of the restricted meetings of the Board held during 2009/2010 had been restricted in accordance with Section 40 of the Freedom of Information Act and that it would not be appropriate to consider any de-restriction of the minutes.

RESOLVED

The Board approves the continuing restriction of the minutes of restricted meetings of the Board held during 2009/2010.

C.35.10 EAST SURREY COLLEGE SELF ASSESSMENT REPORT: 2009/2010

The Deputy Principal presented the draft Self Assessment Report Summary: 2009/2010.

Members considered the detail of the Summary, noting

- The self assessment process 2009/2010
- Key Questions
- Overall Effectiveness – Good (Grade 2)
- Capacity to Improve – Outstanding (Grade 1)
- Section A: Outcomes for Learners – Good (Grade 2)
- Section B: Quality of Provision – Good (Grade 2)
- Section C: Leadership and Management – Good (Grade 2)
- Every Citizen Matters
- Summary of Curriculum SAR Grades

Members were advised of the excellent progress made against the Inspection Plan and the Quality Improvement Plan.

RESOLVED

The Board approves the draft East Surrey College Self Assessment Report: 2009/2010.

C.36.10 INTERNAL AUDIT ANNUAL REPORT: 2009/2010

The Vice Principal presented the Annual Internal Audit Report to the Board of Governors: 2009/2010, advising that detailed consideration had been given to the Report by the Audit Committee at its meeting held on 13 December 2010.

The attention of members was brought to key sections of the Report, in particular

- 2 - Internal Audit Planned Coverage and Output
- 4 - Management Action on Recommendations
- 5 - Operational Assurance
- 6 - Overall Assurance
- 7 - Opinion

- 8 – Performance of the Internal Audit Service

Members noted that it was the opinion of the Internal Auditor that

‘.....East Surrey College has adequate and effective risk management, control and governance processes to manage its achievement of the College’s objectives.’

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the Annual Internal Audit Report to the Board of Governors – 2009/2010.

C.37.10

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010

The Vice Principal presented the Report and Financial Statements for the Year Ended 31 July 2010.

Members were advised that the Audit Committee, at its meeting held on 13 December 2010, had given detailed consideration to key aspects of the Report, including

- Operating and Financial Review
- Professional Advisers
- Statement of Corporate Governance and Internal Control
- Statement of Responsibilities of the Members of the Corporation
- Independent Auditor’s Report to the Corporation of East Surrey College

Members were further advised that the Finance and Resources Committee, at its meeting held on 25 November 2010, had given detailed consideration to

- Income and Expenditure Account
- Statement of Historical Cost Surpluses and Deficits
- Statement of Total Recognised Gains and Losses
- Balance Sheet
- Cash Flow Statement
- Notes to the Financial Statements

The specific attention of members was drawn to issues arising from the Report, including

- Statement of Corporate Governance and Internal Control
- Statement of Accounting Policies
- Pensions and similar obligations, in particular Financial Reporting Standard (FRS 17) Retirement Benefits

Members noted that it was the opinion of the Financial Statements Auditor that

‘the financial statements give a true and fair view.....of the state of affairs of the College as at 31 July 2010 and of the College’s surplus of income over expenditure for the year then ended; and the financial statements have been properly prepared in accordance with the 2009/10 Accounts Direction issued jointly by the Skills Funding Agency and the Young People’s Learning Agency.....’

Members also noted that it was the opinion of the Regularity Auditor that

‘In all respects, the expenditure disbursed and income received during the year ended 31 July 2010 has been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.’

Members were informed that the Chair of the Audit Committee had been advised by the External Auditor that the College is 'a going concern'.

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves

- the Report and Financial Statements for the Year Ended 31 July 2010
- the Statement of Accounting Policies

C.38.10

AUDIT FINDINGS REPORT FOR THE YEAR ENDED 31 JULY 2010

The Vice Principal presented the draft External Audit Findings Report: Year Ended 31 July 2010.

The Board was advised that, at the meeting of the Audit Committee held on 13 December 2010, detailed consideration had been given to the Report, in particular

- Qualitative Aspects of Earnings
- Audit, accounting and regulatory issues identified at planning stage
- Audit and accounting issues identified during the audit
- Unadjusted/adjusted misstatements
- Significant deficiencies in internal control
- Fees
- Independence
- Updated financial reporting developments
- Emerging issues

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the draft External Audit Findings Report: Year Ended 31 July 2010.

C.39.10

APPENDIX A: LETTER OF REPRESENTATION – FINANCIAL STATEMENTS AUDIT

The Vice Principal presented the Letter of Representation: Financial Statements Audit – Year Ended 31 July 2010.

Members were advised of the detailed consideration given to the Letter of Representation by the Audit Committee at its meeting held on 13 December 2010.

Members were also apprised of the particular consideration given by the Committee to any outstanding issues relating to fraud.

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the Letter of Representation: Financial Statements Audit – Year Ended 31 July 2010.

C.40.10

APPENDIX B: LETTER OF REPRESENTATION – REGULARITY AUDIT

The Vice Principal presented the Letter of Representation: Regularity Audit – Year Ended 31 July 2010.

Members were advised of the detailed consideration given to the Letter of Representation by the Audit Committee at its meeting held on 13 December 2010.

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the Letter of Representation: Regularity Audit – Year Ended 31 July 2010.

C.41.10

REGULARITY AUDIT SELF ASSESSMENT QUESTIONNAIRE

The Vice Principal presented the College's Regularity Audit Self Assessment.

The Board was advised that Self Assessment formed the basis of the separate External Audit review for the purpose of Regularity Audit.

Members were informed of the detailed consideration given to the Questionnaire by the Audit Committee at its meeting held on 13 December 2010 and noted, in particular

- the Self Assessment contains the responses to the questions required to ensure that the College undertakes and applies its expenditure in a regular fashion
- the Self Assessment has been reviewed by the External Auditor as part of their year-end audit function

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the Regularity Audit Self Assessment Questionnaire: Year Ended 31 July 2010.

C.42.10

ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE CORPORATION BOARD AND TO THE PRINCIPAL AND CHIEF EXECUTIVE: 2009/2010

The Chair of the Audit Committee presented the Annual Report of the Audit Committee on the work of the Audit Committee during 2009/2010.

Members were reminded that the Audit Committee is required to provide an annual report to the Board and to the Principal and Chief Executive which outlines the work undertaken by the Committee and how the Committee has fulfilled its responsibilities as set out in its Terms of Reference and Standing Orders.

The attention of members was drawn to specific aspects of the Report, in particular

- Clause 8 – Internal Audit
- Clause 9 – Financial Statements Audit
- Clause 10 – Regularity Audit
- Clause 11 – Risk Management
- Clause 14 – Conclusion

Members noted that, following the meeting of the Audit Committee held on 13 December 2010, it was necessary to amend two sections of the Report

- Paragraph 13 'Tendering for Audit Services' in the light of progress considered at the meeting
- Paragraph 14 'Conclusion' in the light of the outcome of the meeting

RESOLVED

The Board approves the Annual Report of the Audit Committee to the Corporation Board and to the Principal and Chief Executive of East Surrey College: 2009/2010, subject to the agreed amendments.

C.43.10

FINANCIAL MANAGEMENT AND CONTROL EVALUATION: 2009/2010

The Vice Principal presented the Financial Management and Control Evaluation (FMCE): 2009/2010.

The Board was advised that detailed consideration had been given to the document by the Audit Committee at its meeting held on 13 December 2010 and noted

- the basis on which the 'long' version of FMCE has been completed and is presented for approval
- the measures being taken to improve the overall assessment of the FMCE to 'Outstanding'
- the evaluative work undertaken by Tenon and the basis on which it is considered that certain of the categories can be moved to 'Outstanding' subject to the provision of suitable evidence

- the further reviews by Tenon and by the External Quality Adviser to the College

RESOLVED

The Board endorses the recommendation of the Audit Committee and approves the Financial Management and Control Evaluation: 2009/2010.

C.44.10

ANNUAL PAY RECOMMENDATIONS: 2010/2011

DECLARATION OF INTERESTS

Mr Lorne Benham

Mr Roger Kent

The Principal presented a report which updated members on the AoC proposed pay award for 2010/2011 and which made recommendations for consideration.

Members were advised that detailed consideration had been given to the report by the Finance and Resources Committee at its meeting held on 25 November 2010 and noted

- the AoC has completed its annual negotiations with member colleges and the unions representing college staff nationally
- UCU, one of the College's recognised unions, has rejected the AoC final pay recommendation and has intimated its intention to ballot its members with regard to strike action
- the Board has previously sought to follow AoC recommendations in order to ensure a competitive salary to attract and retain good staff.

Members considered the options available

- no pay rise for 2010/2011, noting the consequences of this action
- implementing the AoC recommended pay proposals – 0.2% with effect from 1 August 2010 or the sum of £50 whichever is the greater.

Members were further advised that

- the College budget has been set with an allowance for a pay award of 0.5% for all staff
- the pay award would affirm the priority of the College to secure and retain good staff capable of achieving further quality improvement and taking the college forward to outstanding status
- the outcome of the UCU ballot is likely to be known in January 2011

Members noted that the financial implications of implementing the AoC pay proposals would be £21k including on costs.

RESOLVED

The Board endorses the recommendation of the Finance and Resources Committee and approves the implementation of the AoC pay proposals of 0.2% on all salaries or the sum of £50, whichever is the greater, with effect from 1 August 2010.

COMMITTEES OF THE CORPORATION

The Corporation received reports on meetings of its committees, with a view to considering for approval any issues not dealt with elsewhere in the agenda, noting that the unconfirmed minutes of the meetings would be available on the College intranet.

C.45.10

SEARCH AND GOVERNANCE COMMITTEE

The Corporation noted the unconfirmed minutes of the meeting held on 7 October 2010.

C.45.10.01 REPORT OF THE CHAIR AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair reported on the key issues considered at the meeting, not otherwise considered at this meeting:

- Membership of the Corporation;
- Governors' Development and Training Programme: 2010/2011;
- Governors' Quality Improvement Plan: 2010/2011;
- Governors' Self Assessment;
- Financial Management and Control Evaluation: 2009/2010.

The Chair submitted the following report for consideration and approval:

- **Annual Report of the Search and Governance Committee: 2009/2010.**

C.46.10 LEARNING AND QUALITY COMMITTEE

The Corporation noted the unconfirmed minutes of the meeting held on 21 October 2010.

C.46.10.01 REPORT OF THE CHAIR AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair reported on the key issues considered at the meeting, not otherwise considered at this meeting:

- Engagement with Employers;
- Training Quality Standard;
- Enrolment: 2010/2011;
- Employer Engagement Report;
- Annual Complaints Analysis: 2009/2010;
- Quality Improvement Plan: 2009/2010;
- Governors' Quality Improvement Plan: 2010/2011;
- KPI Dashboard.

The Chair submitted the following report for consideration and approval:

- **Business Engagement Strategy: 2010/2011;**
- **Annual Report of the Learning and Quality Committee: 2009/2010;**
- **East Surrey College Strategic Plan: 2010-2012;**
- **Risk Management: Autumn Term 2010.**

C.47.10 FINANCE AND RESOURCES COMMITTEE

The Corporation noted the confirmed minutes of the meeting held on 23 September 2010 and the unconfirmed minutes of the meeting held on 25 November 2010.

C.47.10.01 REPORT OF THE CHAIR AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair reported on the key issues considered at the meetings, not otherwise considered at this meeting:

- Property Report;
- College Policies: Business Continuity and Disaster Plan;
- Approval of Signatories;
- Management Accounts: Period Ending 31 July 2010;
- Enrolment: 2010/2011;
- Health and Safety Report: June 2010 – September 2010;
- KPI Dashboard: July 2010;
- College Policies: Data Protection Policy; Financial Regulations; Health and Safety Policy;
- Risk Management Register: Autumn Term 2010;
- Health and Safety Report: September 2010 – November 2010;

- Human Resources Report: Autumn Term 2010;
- Management Accounts: September 2010;
- Funding Update: Three Year Financial Forecasts 2010/2011 to 2012/2013;
- Framework for Excellence;
- Enrolment 2010/2011;
- Property Report;
- KPI Dashboard: September 2010;
- Annual Review of the Restricted Minutes of the Meetings of the Finance and Resources Committee : 2009/2010;
- Annual Review of the Business of the Finance and Resources Committee: 2009/2010

The Chair submitted the following reports for consideration and approval:

- **Approval of Contracts Over £50k;**
- **Risk Management: Autumn Term 2010;**
- **Annual Report of the Finance and Resources Committee: 2009/2010;**

C.48.10 AUDIT COMMITTEE

The Corporation noted that the unconfirmed minutes of the meeting held on 13 December 2010 would be available on the intranet in due course.

C.48.10.01 REPORT OF THE CHAIR AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair reported on the key issues considered at the meeting, not otherwise considered at this meeting:

- Review of Outstanding Internal Audit Items;
- Annual Risk Management Report: 2009/2010;
- KPI Dashboard: September 2010;
- Annual Review of the Restricted Minutes of the Meetings of the Audit Committee: 2009/2010;
- Annual Review of the Business of the Audit Committee: 2009/2010;
- LSIS Project: Collaboration and the Development of Shared Services

The Chair submitted the following reports for consideration and approval:

- **Internal Audit Strategy and Annual Plan: 2010/2011;**
- **Annual Risk Management Report: 2009/2010**
- **Risk Management: Autumn Term 2010.**

RESOLVED

The Board

- notes the reports of the Chair of each of the committees of the Board;
- approves each of the reports submitted by each committee for consideration and approval.

C.49.10 PRINCIPAL'S REPORT

The Corporation received the Principal's Report, noting issues not covered elsewhere in the agenda, including:

- The FE Landscape;
- Application and Enrolment Update;
- Quality;
- Employer Engagement;
- Finance and Property;
- Funding;

In her concluding paragraph, the Principal reflected briefly on her period in post at the College.

AGREED

The Corporation receives and notes the Principal's Report.

C.50.10

KPI DASHBOARD

Members reviewed the latest version of the KPI Dashboard.

C.51.10

ANY OTHER BUSINESS

There was no other business.

C.52.10

SCHEDULE OF MEETINGS: 2010/2011

Thursday 3 February 2011 commencing at 18.00

Thursday 7 April 2011 commencing at 18.00

Saturday 18 June 2011 commencing at 09.00

Thursday 7 July 2011 commencing at 18.00

At the conclusion of the meeting, the Chair expressed thanks to Roger Kent for his service to the Board and its committees and expressed good wishes for the future.

The Chair also expressed the profound thanks of the Board to Frances Wadsworth for her service to the College and for her success in guiding the College to its current successful position. Members were reminded of the progress made during Frances' period in post – in particular the enhanced profile of the College – all of which was testament to Frances' imagination and ability.

On behalf of the Board, the Chair wished Frances well in her new appointment as Principal and Chief Executive of Croydon College.

At the end of the meeting, the Corporation moved into restricted session.

SIGNED AS A CORRECT RECORD: 

DATE: 7 April 2011