

## **Meeting of the ETF Board**

Date: Thursday 5 November 2020

Time: 1.30-3.30pm

Venue: Video conference via Microsoft Teams

### **Present**

Sally Dicketts CBE

Jon Graham

Prof. Peter Latchford OBE (Chair)

Andrew McConnell OBE

Rachel Musson

Florence Orban

Ruth Spellman OBE

### **Apologies**

Zayn Azam

Mick Ord

### **In attendance**

Mike Harvey, Director of Business Strategy

Dr Gina Hobson, Governance Director and Company Secretary

Jenny Jarvis, DCEO

Kate Jones, Governance Officer

Adrien Laure, Director of Finance and Business Intelligence

Alison Morris, Director of Delivery

David Russell, CEO

### **Minutes**

#### **PART A: GOVERNANCE**

##### **A1. Welcome and apologies for absence**

Apologies for absence were received from Zayn Azam and Mick Ord.

##### **A2. Queries under Part E (Information Pack)**

The Board received the Business Performance Reports and supplementary information within the Information Pack. The Company Secretary confirmed that no queries had been raised by Trustees in advance of the meeting.

**With regard to the materials and policies presented to the Board for approval, these were approved, which included the minutes of the July 2020 Board meeting and the revised Anti-Fraud Policy.**

#### **PART B: GOVERNANCE**

##### **B1. 2019-20 Audit and Trustees' Report & Financial Statements**

The Board received the Auditor Completion Report and 2019-20 Trustees' Report and Financial Statements. The Audit Chair provided an update on the audit; she confirmed that the process had not been straightforward as a result of shortcomings on the Auditor's part (which had been acknowledged by the Auditor) and that there were a small number of queries which continued to be pursued. The Board noted that the Trustees' Report and Financial Statements were being presented for approval subject to no major changes. The FD provided further detail regarding the focus of the audit on ETF as a going concern

(linked to new requirements as a result of Covid-19) and confirmed that the Auditor was happy with ETF's position and had acknowledged ETF's financial strength in the past year and in the longer term.

The Board thanked the Executive for the high quality Trustees' Report. **Subject to no material changes as a result of the outstanding Auditor enquiries, the Board approved the 2019-20 Trustees' Report and Financial Statements.**

The Board received the 2019-20 Directors' Report and Financial Statements for ETF Services Ltd (ETFS). The Board noted that ETFS operated the Society for Education and Training (SET).

Having received the accounts, the Chair of ETF (Peter Latchford) temporarily passed the chair of the meeting to the chair of ETFS (David Russell) to allow the AGM of ETFS to take place. The Board noted that it had received an update on the future of the subsidiary and the FD reported that given the original purpose for establishing ETFS was no longer relevant, the ETFS board had agreed (subject to ratification by the ETF Board) to wind up the subsidiary at the end of 2020-21. **On behalf of the charity, the ETF Chair confirmed the adoption of the ETFS accounts, and the Board ratified the decision to wind up the subsidiary at the end of 2020-21.**

[The Chair of ETF reassumed the chair]

**Subject to no major changes as a result of the outstanding Auditor enquiries, the Board received and approved its representation letters to BDO.**

## **B2. Annual Reports of the ETF Committees**

The Board received the annual reports from its committees.

The Audit Chair provided an overview of the key matters discussed and progressed by the Audit & Risk Committee. The Board noted that the Committee had reviewed and been reassured by the charity's financial controls. The Chair reported on the activities of the Remuneration and Search Committee. The Board noted that a recruitment exercise for two new trustees was in process, and it approved the membership of the Recruitment Panel.

The CEO provided an overview of the work of the SET Management Board. The Board noted that the membership of the SMB and the Practitioner Advisory Group had been strengthened over the year.

**The Board noted the annual reports of its committees.**

## **PART C: STRATEGY & RISK**

### **C1. ETF strategic objectives and priorities**

The Board received an update on the progress of setting out ETF's objectives and priorities following the Board away day in February 2020. The CEO confirmed the focus on the medium and long term priorities for the charity, while the DCEO outlined the planning and delivery processes. Trustees' feedback was sought on the priorities, strategic risks to consider, and cross cutting themes.

The Board discussed: the nature of the relationship between ETF and SET and the link to ETF's 'licence to operate'; ETF's engagement with the FE sector and the importance of building strategic partnerships with other organisations; the dependencies, interdependencies and potential tensions between the priorities and the impact this had on how they would be tackled; the proposed number of priorities and how achievable they

would be; and the continued importance of being able to demonstrate the impact of ETF on the FE sector and the development of a Self-Improving System. The Executive welcomed the discussion and confirmed it would incorporate the feedback into its implementation of the priorities and longer term planning, which would be followed up at the upcoming Board away day.

**The Board noted the update on ETF's strategic priorities.**

### **C2. Upcoming AGM and Board Away Day**

The Board received an overview of the plans for the upcoming AGM and Board away day. It noted that there were two main areas of focus for the away day i) taking a longer horizon view of issues affecting the sector (including Government plans for funding FE reform, financial model and DfE) and ii) reflecting on Board accountability and assurance. **The Board agreed the areas of focus for the away day.**

The Board was asked to consider the recommendation that no new members be put forward to the ETF Member Group for appointment. **The Board agreed that no new Members would be recommended to the Members at the AGM.**

### **C3. Risks escalated by the A&R Committee**

The Board received the Q2 risk report. The Audit Chair presented the top business risks to the Board for consideration and the Board noted that a full discussion had taken place at the recent A&R Committee meeting. The Board noted that work regarding establishing an agile risk appetite framework which would empower the Executive in a way which was acceptable to the Board was taking place and that this would be brought back to the Board at a future meeting.

**The Board noted the current risks and that the new risk appetite framework would be considered at a future meeting.**

## **PART D: REVIEW & WRAP UP**

### **D1. Board and Committee dates, plus review of the meeting**

The Board received the dates for 2021 meetings and was asked to review the meeting. The group discussed the length of the meetings and what activity could be dealt with in between Board meetings. It recognised that there were pros and cons from having to hold meetings entirely virtually, and that engagement in between meetings would be beneficial for both Trustees and the Executive.

**Feedback from the meeting was noted, and the Board also noted the meeting dates for 2021.**

### **D2. Any other business**

The Board congratulated Ruth Spellman for her Lifetime Achievement Award from the TES FE Awards 2020.