

In confidence

BCB(17)4th meeting

Tuesday 11 July 2017

## **MINUTES**

### **Present**

Christopher Rodrigues                      Chair  
Gareth Bullock  
James Cronin  
Yasmin Diamond  
Kirsty Lang  
Ros Marshall  
Usha Prashar  
Willy Roe  
Tom Thomson

### **In attendance**

Ciarán Devane, Chief Executive  
Nigel Arthur, Interim Chief Financial Officer  
Alison Coutts, Secretary  
Adrian Chadwick, Director Global Business Change (item 4)  
John Yates, Head of Planning and Reporting (items 4 and 7)  
Paul Fairclough, Head of Corporate Planning (item 7)  
John Dubber, Head of External Relations (item 11)  
Audrey Haaxman, Director Internal Audit (items 13 and 14)  
Siobhan King, Head of Child Protection (items 13 and 14)

### **1. Apologies for absence & declarations of interest**

Janet Beer, Deborah Bronnert, Rohan Gunatillake, Oliver Laird and David Verey had sent apologies for their absence. The Chair welcomed Yasmin Diamond to her first meeting.

There were no declarations of interest.

### **2. Minutes of the Board meeting of 6<sup>th</sup> June 2017 and matters arising**

All matters arising from the meeting had been actioned or were scheduled for a future meeting.

The Minutes were approved.

### **3. Chief Executive's Report**

Ciarán updated trustees on an on-going employment tribunal as well as on a range of discussions with government. These included conversations about funding and a review of the empowerment fund. He noted that we are also waiting for final government approvals for the 2020 London premises move. He referred to progress on updating the IELTS partnership structure and agreement. A paper will come to the Board on this once it's at a further stage. He also informed the Board that the overall exams strategy will be reviewed by the Executive Board in the next week before coming to the Board later in the year.

#### **4. Chief Operating Officer's report**

The Chair welcomed Adrian Chadwick and John Yates to the meeting.

Ciarán drew Trustees' attention to the results of the Heads of Mission survey. When you look at the underlying detail it demonstrates that the metrics are going in the right direction particularly in relation to our priority countries. Trustees commented on the importance of building up a bank of feedback from a range of partners, including overseas governments, so we have a comprehensive set of data. Ciarán also alerted trustees to a further fraud that had been picked up by Internal Audit. The team is doing a lessons-learned on this for review by the Management Board.

Adrian Chadwick described his new role and priorities and talked through the current change portfolio which is still in development. He noted the need to include significant opportunities going forward in addition to improving what we're already doing. Trustees agreed it's going in the right direction though they would like to see a greater sense of urgency. They also asked for an overview of skills sets and progress towards having the right teams in the right place to be included in discussions going forward. Finally they stressed the importance of culture change as a core part of the programme and the need to be specific about what this means and entails.

Trustees agreed that the format and content of the COO report is improving but needs to go further. They commented that the language should be more focused on outcomes rather than activities, with clearer tracking of progress from one report to the next based on consistent data sets in order to give a clearer sense of how it all fits together.

They asked for an update of progress on the Triennial Review before the end of the year.

#### **5. Chief Financial Officer's report**

Nigel noted that the management accounts for Q1 are not yet ready but will be circulated to the Audit & Finance Committee at the beginning of August and then to the rest of the Board. He reported on planning progress, including the challenges of delivering the savings and improvement initiatives planned in 2017/18. The trustees noted the risks and the potential need for further tough decisions if the above do not go to plan.

#### **6. Reports from Committees**

##### **6.1 Contracts Committee**

The Chair reported on the meeting of 13<sup>th</sup> June. The Committee had reviewed the Education and Society plan to 2020 including the pipeline. He noted that the EC remains our third largest client. In relation to this a colleague from the Brussels office had briefed the Committee on the European 'Pillar Assessed Grant or Delegation Agreement' (PAGoDA). The Chair informed Trustees that our PAGoDA status means we can be invited to deliver programmes without further tendering, using our own processes, systems and delivery mechanisms. Notably PAGoDA status bodies do not have to be in the EU.

##### **6.2 Annual Report from Audit & Finance Committee**

In David Verey's absence, Nigel briefed Trustees on the main points covered in the Audit & Finance Committee meeting of 27<sup>th</sup> June. These included a review of the financial transparency project, the Internal Audit programme and the Annual Report and Accounts. The Committee had also reviewed and made some amendments to the Committee's Terms of Reference as noted in the report. The trustees approved the revisions.

## **7. Annual Report and Accounts**

The Chair welcomed John Yates and Paul Fairclough to the meeting.

John and Paul summarised changes made since the draft circulated to Trustees on 16<sup>th</sup> June.

The Board approved the 2016-17 annual report and accounts and authorised the signing of the annual report and accounts by the Chair on behalf of the Board, and by the Chief Executive as Accounting Officer. The Board agreed to delegate authority to make final changes to Nigel Arthurs and David Verey unless significant, in which case they should come back to the Board. The final version will be sent to Trustees by email.

The Trustees thanked the team for their work on producing a good document.

## **8. British Council's branch in Australia**

Nigel requested Trustees to approve the 2016-17 report and financial statements of the British Council's Australian branch, and to authorise the Chair to sign, on behalf of the Board, the report and trustees' declaration contained within the 2016-17 report and financial statements of the Australian branch of the British Council.

The Board approved.

## **9. Tunisia status**

The Chair proposed and James Cronin seconded a motion to approve the establishment of a new status in Tunisia as a separate not-for-profit legal entity. The Board approved.

## **10. Chair's notes**

The Chair informed the Board that he is reviewing Board agendas with the Secretary to the Board to ensure the right issues are coming to the Board at the right times. He is also looking at the subcommittees and Nominations committee will review whether we have the right ones with the right terms of reference in the autumn. He will also discuss thinking with trustees individually in meetings over the summer with the aim of agreeing an updated agenda structure with the Board in the autumn.

## **11. Shaping Strategy**

The Chair welcomed John Dubber to the meeting.

Ciarán introduced the session noting the importance of being cognisant of relevant trends over the next 10 years and beyond, partly to inform long-term strategy but also to how we deliver our current plans.

John presented some trend data produced by MoD and other organisations and its potential relevance and implications for the British Council. Trustees agreed the importance of developing this work and of ensuring that we are using the data that we ourselves have from our work on the ground. They also suggested that the organisation identify a couple of areas where we can lead on future thinking based on our experience and knowledge. This could be an opportunity for building partnerships with other partners and thought leaders who we could invite into a dialogue.

Trustees agreed that the key will be to focus down on the few issues which are most likely to change our future, and think through how these will affect our core areas so we can plan and prioritise our approach in order to ensure we are still relevant in 15 years' time. They agreed it would be useful to have a short document laying out this approach.

## **12. Risk**

### **12.1. Report from the Risk Committee**

Tom Thomson reported on the meeting of 27<sup>th</sup> June. The Committee had reviewed risks and mitigations related to the future of Erasmus+. It had also looked at improvements to incident management being put in place, and had an in-depth focus session on legal risk. The Committee had noted that areas of particular risk from a legal compliance point of view are in our exams model and digital delivery. The Committee also looked at the top 10 strategic risks ahead of the Board's discussion at today's meeting.

### **12.2 Risk Register**

The Chair welcomed Audrey Haaxman and Siobhan King to the meeting.

Audrey introduced the refreshed strategic risk profile explaining that the Executive Board had prioritised these after an externally facilitated focus session. She confirmed that there will be more detail behind each risk describing mitigations and tracking progress. However this is work in progress. Finally she informed the Board that an approach to risk appetite will be developed for each risk to make it meaningful.

Overall Trustees agreed that the descriptions are good and this is making progress. However they asked for Child Protection to be identified as a separate risk as it is such a complex, sensitive and high priority area for the organisation. They also questioned whether there was enough rigour on applying the likelihood/impact axes. Management agreed to review and tighten up on this.

## **13. Child Protection Risk**

Siobhan provided a progress update on our strategy and implementation plan for child protection across the organisation as well as on our preparation for the Inquiry. She went through the 3 top risks for the organization in this area, i.e. safer recruitment, third party working and inconsistent implementation.

Trustees agreed with the mitigations in place to improve rigour in these areas and noted that a pre-screening policy will be coming to the Executive Board for approval the following week. They stressed the importance of this and that appropriate screening is put in place. They commented that although there are further process and compliance improvements to be made, as also observed in the Audit and Finance Committee Annual report, overall they are extremely impressed with the approach we've taken on Child Protection and the significant progress in evidence over the last few years. They noted that 35 child abuse reports relating to staff and/or third parties were made in 2016/17, a significant increase on the previous reporting year. This in part reflects a much raised level of awareness, and the organisation has a strong system in place for case management.

## **14. Any other business**

There was no other business and the meeting ended at 13.00.

## Summary of action points arising

### Updated from previous meetings

16(04)6	Include a review of diversity targets and progress on the Board's agenda	2017
16(04)12	Include a review of child protection on the Board's annual agenda	2017
16(05)5	Include in-depth sessions on people issues on the Board's 2017 annual agenda	2017
16(05)7	Strategy for the UK, partnerships strategy and follow up on stakeholders and communications to each come to the Board in 2017	2017
16(05)8	Send China strategy to Trustees by email	2017
17(01)9	Proposal on refresh of subcommittees	2017
17(03)4	In depth session on teaching and schools to come to board	2017
17(03)8	UK strategy update to come back to the board	2017
17(03)9	A proposal to be shared on Board effectiveness review	2017

### Current meeting

17(04)3	IELTS partnership to come back to Board as part of exams deep dive	2017
17(04)4	Update on Triennial Review to come to the Board	2017
17(04)10	Share new structure and focus of Board agendas for agreement: will take into account outstanding agenda items above	Autumn 2017
17(04)10	Noms to review subcommittees, their focus and membership, with changes to come to the board for approval	2017
17(04)13	Separate child protection into a separate risk on the register	2017