

Minutes of the Board meeting held by conference call to sign off the Annual Report and accounts at 09.00 on Tuesday 12<sup>th</sup> June 2018 at CITB Carthusian Court, 12 Carthusian Street, London, EC1M 6EZ.

#### **PRESENT**

Peter	Lauener ( <b>Chair</b> )	:	Board Trustee
Maureen	Douglas	:	Board Trustee
Diana	Garnham	:	Board Trustee
Maria	Pilfold	:	Board Trustee

#### **STAFF IN ATTENDANCE**

Sarah	Beale	:	Chief Executive Officer
Craig	Pemberton	:	CFO & Corporate Performance Operations Director
David	Stonehouse	:	Finance Manager (Item 4)
Patrick	Makoni	:	Assistant Board Secretary (minutes)

**APOLOGIES** David Harris (Board Trustee), Karen Jones (Board Trustee).

#### **ITEM 1: CHAIRS INTRODUCTION AND WELCOME**

- 1.1 The Chair welcomed members and staff in attendance.
- 1.2. Apologies were received from David Harris and Karen Jones.

#### **ITEM 2: DECLARATION OF INTEREST**

- 2.1. There were no declarations of interest.

#### **ITEM 3: AUDIT AND RISK COMMITTEES CHAIRS VERBAL REPORT TO THE BOARD ANNUAL REPORT & ACCOUNTS 2017/18**

3.1. The Board received a verbal report from the Chair of the Audit and Risk Committee on its meeting that had been held on the 7<sup>th</sup> of June 2018 and to **recommend approval** of the CITB 2017/18 Annual Report and Accounts.

3.2. The Committee had reviewed the 2017/18 Annual Report and Accounts in great detail to identify any issues. The Chair of the Committee commended the work that had been put in by the Teams involved in the preparation of the accounts, noting that the process had improved significantly than the previous year. There were a few areas of discussion with the National Audit Office (NAO) around the accounts which were yet to be finalised. This included Training Plans where CITB did not verify with training providers that each individual employee had completed their training as per the training grants. CITB's Verification Team had been carrying out its own sampling and there was risk that in a worst case scenario, the error rate would leave a potential exposure of circa £1.5m. NAO's extrapolation had been buffering up the materiality limit but extra work in this area had proved that this was not the case and thus not material. Timeous resolution of some of the issues under discussion had been affected by NAO's resourcing challenges. The NAO wanted assurance that CITB were confident with their processes around the training plan provision. However, the Board noted that in the recently launched new Training Model, the grant system would no longer be available as part of Training Plans. It was unlikely that there would be a note in the final accounts to explain this although there was a possibility of some text changes to the narrative and some figures in the accounts. The Chair of the Audit and Risk Committee would be delegated to review and agree these on behalf of the Board.

3.3. The Audit and Risk Committee **recommended** that the Board **approve** the 2017/18 Annual Report and Accounts subject to agreeing further text and numbers amendments that were not material but recommended by the NAO.

#### **ITEM 4: ANNUAL REPORT & ACCOUNTS 2017/18**

4.1. The Board received the 2017/18 Annual Report and Accounts from the Director of Finance for **consideration** and **approval**.

4.2. The NAO's key theme to their external audit had been centred on work to validate CITB's provision on income debt and grant payment where some errors had been noted. There was some verification work that was still being carried out. Some modifications had been agreed which had seen £840k being added to the grant provision and bringing the numbers of brought forward reserves in line with the Business Plan. Hence, there was no risk. However, the NAO had been satisfied with CITB's modelling of levy debt. There were some typographical errors that had been identified by Trustees and the NAO that would be addressed in the final set of accounts. Overall, the Board noted the positive working relationship that had been established between the CITB and the NAO. Constructive lessons had been learned to further improve the process for the next round of CITB's Annual Report and Accounts preparation.

4.3. The Board **approved** the 2017/18 CITB Annual Report and Accounts **subject to** addressing any further amendments; in particular error rates raised by the NAO provided they were not material.

#### **ITEM 5: ANY OTHER BUSINESS**

##### **Carillion**

5.1. Members noted that reactive press statements were ready in preparation for any questions that would arise around the Carillion issue.

##### **Annual Review**

5.2. The Industry Relations Director was producing a CITB Annual Review for 2017/18 with forward looking plans for each GB Nation. Its publication was imminent and would be timed to coincide and align with the publication of the 2017/18 Annual Report and Accounts. This would aid stakeholders who had a desire to review the 2017/18 Annual Report and Accounts in greater detail.

##### **CPCS Divestment**

5.3. A paper would be submitted to the Board to consider a recommended preferred bidder in the following weeks. Included with the paper would be backdated documentation on how the approval for the divestment had been arrived at for the benefit of new Trustees. The Assistant Board Secretary would arrange a conference call for early July 2018.

5.4. The Chair commended all the Teams that had been involved in the preparation of the 2017/18 Annual Report and Accounts noting the tight timescales to which they had delivered. There being no further business, the meeting was declared closed at 09:40am.

#### **ITEM 6: DATE OF NEXT MEETING**

6.1 The next Board meetings would be held in Scotland on the 29<sup>th</sup> of August 2018 and in Wales on the 14<sup>th</sup> of November 2018.

**\*Secretary's note:** Post meeting, it was agreed that in order to align the August Board date with the CWIC launch in Wales, Board venues be swapped with Scotland being moved to the November date. The Assistant Board Secretary would circulate a new Board meeting date for Wales.

**6.2. ACTION: The Assistant Board Secretary to circulate a new date for the Wales Board meeting**