Approved Minutes

Present

Mrs Emma van der Lugt (Committee Chair)	Independent Governor	EvdL
Mr Stephen Criddle, OBE	Independent Governor	SC
Mrs Vicky Hatton	Co-opted Member of Audit Committee	VHa
Mrs Victoria Holbrook	Independent Governor	VH
Rev'd Prof Gina Radford	Independent Governor	GR

In attendance

Prof Rob Warner	Vice-Chancellor	RW
Mr Simon Arthurs	Director of Finance & IT	SA
Mr Stephen Plant	University Secretary & Registrar	SP
Mrs Heather Ancient	Internal Auditor, PricewaterhouseCoopers	HA
Mr Charlie Martin	Internal Auditor, PricewaterhouseCoopers	CM
Mrs Jessamie Thomas	Governance Officer (note taker)	JT

1.   **Reserved Business** (No Staff in attendance)
2.   **Reserved Business** (No Staff in attendance)
3.   **Reserved Business** (No Staff in attendance)

MAIN MEETING – all in attendance

4.   **Welcome, Apologies & Declaration of Conflicts of Interests**
4.1   Opening the main part of the meeting, Committee Chair, Emma van der Lugt, welcomed colleagues, particularly Vicky Hatton to her first meeting. At EvdL's invitation, VHa had introduced herself at the start of the meeting, summarising her professional background, governance experience and the declarations which would be included going forward within the Register of Interests.
4.2   No apologies were received; all members were in attendance.
4.3   EvdL wished to put on record the Committee's appreciation of John Searson's tremendous contribution to the work of Audit Committee. He had been appointed Chair of Estates Project Group, which precluded his membership of this committee going forward. A proposal regarding the appointment of a new Dep Chair of Audit Committee would be presented to members in due course.
4.4   EvdL thanked Governance Officer, Jessamie Thomas, for her work supporting this Committee.
4.5   No conflicts of interest were declared. The Register of Interests was included in Part B.
4.6   EvdL invited colleagues to 'unstar' items in Part B. None were identified.

5.   **To receive and consider the Internal Audit Progress Report**
5.1   The Internal Audit Progress Report, Cyber Security Review and Data Quality Review were received.

5.2 Head of Digital and IT Services, Peter Waterfield, was welcomed to the meeting to discuss key findings of the advisory review, which sought to explore the potentially heightened cyber security risk following Covid-19.

5.3 Internal Auditor, Heather Ancient, invited her colleague Charlie Martin to summarise the auditors' findings. CM noted the focus of the review and noted gaps, risks, recommendations and management response. These would support the University's cyber review, initiated at the start of the year, by identifying good practice and key observations. PW confirmed that steps were being taken to address the findings. Senior Management Team (SMT) received regular updates on progress and how this related to the digital strategy.

5.4 The University's response to the shift to digital ways of working and the associated communications that had gone out to staff regarding cyber-security were noted. CM recommended there be ongoing cyber awareness training to promote this culture and awareness. SA noted that regular updates from external organisations on cyber-security were received and assessed.

5.5 EvdL commended the team on a positive report. Noting the sector-wide challenge of functioning effectively in the digital environment, EvdL sought assurance that the team had sufficient capacity. Vice-Chancellor, Prof Rob Warner, confirmed that the intended digital integration should lead to a rebalancing of the staffing profile. Notwithstanding Covid-19-induced financial challenges, there were positive signs that future strategic investment may be feasible.

5.6 In response to a question on when the recommendations would be implemented, PW confirmed how these would be prioritised. PW noted that some core elements of the infrastructure and services would come to their end of life relatively soon, at which point new services could be introduced.

5.7 SA confirmed that the business plan included a digital section, incorporating workforce development and a stakeholder engagement plan for IT to instil a cyber-security mindset and share communications around online safety.

5.8 A question was raised as to whether the training and awareness-raising also took into account the needs of the student body. PW confirmed this applied to all service users. It was recommended that this be made more explicit for students as well as staff and involve the student body in devising the training so it was appropriate. RW asked that this audit response be taken to SMT; PW would liaise with Marjon Student Union (MSU) and with Pro Vice-Chancellor (Student Success) Katy Willis to set up sessions for each year group during induction week in September. **ACTION: PW**

5.9 In response to a question as to how the position would be kept under review, PW explained that the digital strategy (currently in its infancy) would pull in a range of stakeholders and regular reviews would focus on it remaining fit for purpose and complementary to the community's way of working.

5.10 SA noted, in terms of security and controls, that more work would be done to reinforce awareness of the importance of data as a resource.

5.11 EvdL thanked PW for his great work and his helpful contributions to the meeting.

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Peter Waterfield left the meeting.

5.12   EvdL invited HA to summarise the Internal Audit Progress Report. HA confirmed that progress was on track against the plan. A number of terms of reference had been agreed. Three reports would come to the Committee in June/September. EvdL was pleased to see the plan spread across the year and reviews in progress for those considered to be key risks; she thanked HA and CM for their analysis.

5.13   HA focused attention on the PwC 'thought leadership' pieces included in the progress report, on prevalent themes in the sector, regional priorities, risk register benchmarking and changing risk profiles in light of the pandemic. HA invited the Committee to reflect on the risks relevant to Marjon.   HA echoed the point that HEIs should consider rebalancing the cost base, targeting efficiency and cost reduction and also areas needing investment.

5.14   RW summarised key risks which he believed might potentially escalate elsewhere in the sector.

5.15   EvdL invited CM to summarise the Data Quality (HESA offshore return) review, 'low risk' overall.

5.16   CM noted that returns to regulators were reviewed on a cyclical basis. This had been the first review of HESA offshore return, analysing data of students enrolled with international partner organisations (500 students in 2019/20).   CM confirmed that the University's collection of data was working well, CM commended the effective systems and knowledgeable staff. CM went through the three recommendations which had been agreed with management.

5.17   SP was congratulated on his work and that of his team. SP highlighted the effective liaison between CM and the University's Registry team. SP provided further background to the finding in the report, by way of context, including advice from HESA regarding enrolments, which was noted.

5.18   The Committee was satisfied with the position.

6.   To consider the Outstanding Audit Recommendations

6.1   The report was received. EvdL invited SA to summarise and to review the action log.

6.2   SA reminded the Committee of the role of MAG (Marjon Audit Group). Outstanding audit recommendations were shown in this overarching document; SMT updates were incorporated.

6.3   SA went through each of the key outstanding high and medium items and steps being taken to address these. SA responded to questions on each of these to the Committee's satisfaction.

6.4   The Committee **AGREED** to recommend the closure of the four items at 3.1.

6.5   EvdL thanked SA for the reporting format and was pleased to see progress in all areas. The positioning and broad remit of the role of Director of Sport and Physical Activity was discussed in detail. EvdL thanked RW for providing additional context.

6.6   The timescale for asset verification was queried; SA provided an update of how this was being implemented, to manage the lifecycle replacement planning and move to proactive

maintenance of equipment. HA asked whether a cyclical review of 'other fixed assets' would be picked up.   SA confirmed that the external auditors reviewed this as part of the financial accounting asset register.

6.7   With regard to the PDR (personal development review) internal audit review update, the Committee was provided with further benchmarking context. Assurance was sought as to non-commencement of some PDRs and any system issues which may have prevented their completion. HA confirmed that issues which had led to PDRs being marked as incomplete had been addressed. The Committee was satisfied with the response; SA confirmed SMT oversight of the position.

6.8   The team was commended on the considerable improvement in the position. It was asked whether this had encouraged a positive culture amongst staff towards completing PDRs and if there were other positives to be taken from this. A report would be presented in due course, to include the tracking of performance over several years. **ACTION: SA**

6.9   SP explained a quick system update which should make the process of submission of PDRs clearer.

6.10   SA confirmed he was working on the development of KPIs as part of business planning, which would then be integrated into staff members' goals and objectives and echoed in the People Strategy.

6.11   RW commended the Director of People & Organisational Development, Lucy Pengelly, on taking the University from paper-based to online PDRs, with associated improvement in completion and quality.

7.   To review the Strategic Risk Register

7.1   The report was received. EvdL invited SA to present a summary.

7.2   SA reminded the Committee of the purpose of the Register and the importance of this Committee's scrutiny. He highlighted the four stated key risks and assured the Committee of SMT's regular discussion around each of these. Updated commentary was included within the paper.

7.3   The contextual risk at 2.2 was noted.

7.4   Other notable risks were noted. SA reminded the group of the Register's Covid-19 section. Where these risks gave rise to a potential longer-term impact on the main risk register, the main risks would be updated. SA would bring a monitoring update to the next Board of Governors (BoG) meeting.

7.5   SA reminded the Committee that a prudent approach had been taken in setting the budget. A firm commitment had been made to prioritising support of students.

7.6   It was noted that the emerging risk around Salix funding grant was being monitored closely and being mitigated by SA and Director of Finance, John Bailey, who met regularly to review the position.

7.7   SA updated the Committee on the payroll and pension resilience position.

7.8   SA provided background on the likely re-opening of the sports centre, the timing of which was linked to the government's 'roadmap' out of lockdown and also to the boiler replacement planning.

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7.9 The question was asked as to whether students' return to campus should be included in the Risk Register, given the uncertainty caused by the changing external environment. SA updated the Committee on numbers of returning students. Maintaining a Covid-secure campus was the priority, which all being well may allow students to remain on campus for a more extended period than would normally be the case, to allow them to benefit from the social interaction that this would allow.

7.10 Responding to a question on September 2021 student recruitment, given uncertainty around 'A' level grading, SA confirmed that SMT kept the position closely under review. It was agreed that the narrative be updated in the Priority Risk Register, to reflect the volatility of the situation. **ACTION: SA**.

7.11 It was noted that students may face a challenge to being 'study ready' following the prolonged disruption they had endured during the pandemic; support mechanisms would be set up.

7.12 It was noted that Office for Students (OfS) required confirmation of the University's commitment to students regarding fees and refunds. University Secretary & Registrar, Stephen Plant, confirmed that this report would be presented to BoG 25 March 2021. SP noted that students' consent to an alternative model of delivery had been sought at the outset.

7.13 Following discussion, the Committee agreed on the importance of including in the Risk Register qualitative risks around student and staff mental health and wellbeing and the work being done in this area. **ACTION: SA** HA flagged a [PwC blog on student mental health](#) for information.

7.14 SA was thanked for his overview and the work being done to ensure effective controls were in place.

8.   To receive the Significant Losses Report

8.1 The report was received. EvdL invited SA to summarise.

8.2 SA confirmed there were no significant losses to report. The University was aware of increasingly frequent bogus emails/phishing techniques and was following digital protocols to deal with these.

8.3 EvdL thanked SA for his update.

9.   To consider the Effectiveness of the Committee

9.1 The report was received. EvdL invited JT to summarise the three proposals detailed in the paper:
(1) The use of an Audit Committee effectiveness questionnaire, the questions mirroring those in a survey produced by PwC and used with their kind permission, based on the CUC HE Audit Committees Code of Practice 2020 ['the Code'].
In response to a question, it was confirmed that contributors' data would be for internal use only.
(2) The sharing of a brief 360 questionnaire for SMT/external attendees.

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(3) To confirm the appropriacy of the Committee's Terms of Reference (ToR), last reviewed in June 2020 following the publication of the Code.

9.2   JT was thanked for the comprehensive paper. PwC was thanked for the use of the survey.

9.3   The above approach was confirmed. Audit Committee Terms of Reference were **APPROVED**.

10.   To receive any relevant reports from the National Audit Office (NAO), funding bodies and other organisations.

10.1   EvdL invited SA and SP to provide an oral update.

10.2   SA confirmed his intention to review NAO good practice guidance on fraud and error (March 2021).

10.3   SA confirmed that relevant public sector post-Brexit requirements would be adopted and followed.

10.4   SP brought to the Committee's attention that OfS was consulting on introducing monetary penalties for breaking registration conditions. The University had responded in line with the Guild HE and Cathedrals Group's approach.

10.5   HE suggested that a short session, which PwC had devised for Audit Committees, on understanding fraud in the sector and helping HEIs assess where risks lay may be of interest in the future.

Closing the main part of the meeting, EvdL thanked HA and CM for their contributions.
HA and CM left the meeting.

11.   Reserved Business (No Auditors in attendance)
12.   Reserved Business (No Auditors in attendance)

Close
In closing the meeting, EvdL invited colleagues to reflect upon whether discussions impacted on the current risk register or if changes were proposed. None were highlighted.

Part B
The following reports were received and approved:

13.   Minutes of Audit Committee meeting (6 November 2020) M2 - the minutes were received, accepted as a true and accurate record and **APPROVED** with no amendments.
Minutes of Extraordinary Audit Committee meeting (27 November 2020) - the minutes were received, accepted as a true and accurate record and **APPROVED** with no amendments.
The following reports were received for information with no queries:

14.   Matters Arising from Previous Meetings

15.   Data Protection and Freedom of Information Annual Report

16.   PwC briefings: What Value Means for Who; Covid-19 recovery & improvement; Managing Risk in HE

17.   Register of Interests