

Approved Minutes

Present

Mrs Emma van der Lugt (Committee Chair)	Independent Governor	EvdL
Mr John Searson (Deputy Committee Chair)	Independent Governor	JS
Mr Stephen Criddle, OBE	Independent Governor	SC
Mrs Victoria Holbrook	Independent Governor	VH
Rev'd Prof Gina Radford	Independent Governor	GR

In attendance

Prof Rob Warner	Vice-Chancellor	RW
Mrs Heather Ancient	PricewaterhouseCoopers (Internal Auditor)	HA
Mr Simon Arthurs	Director of Finance & IT	SA
Mr Charlie Martin	PricewaterhouseCoopers (Internal Auditor)	CM
Mr Stephen Plant	University Secretary & Registrar	SP
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, the Chair, Emma van der Lugt, welcomed colleagues.
- 4.2 All members were in attendance.
- 4.3 No conflicts of interest were declared. The full register was included in Part B.
- 4.4 EvdL invited colleagues to 'unstar' items in Part B. None were identified.

5. Minutes of Previous Audit Committee Meeting (16 October 2020)

- 5.1 The minutes were received, accepted as a true and accurate record and **APPROVED** with no amendments. The Action Log was included in Part B and noted.

6. Risk Assurance and Review

- 6.1 The Strategic Risk Management cover report was received. EvdL invited Director of Finance & IT, Simon Arthurs to present an overview.
- 6.2 SA provided an overview of the Risk Management Policy's development and scope, the role of the Audit Committee, the University's risk appetite, and how the Policy would be used as a tool. SA drew attention to page 6, the HM Government Orange Book, showing where responsibility lay and the lines of defence.

Approved Minutes

- 6.3 EvdL thanked SA and reminded colleagues that the role of Audit Committee was set out on page 7. She was pleased to see risk spread across the organisation and embedded in business planning.
- 6.4 It was suggested that greater focus on the cumulative impact of risk be included, as well as the linear approach to individual risks.
- 6.5 While the content of the policy was commended as robust and comprehensive it was suggested that there be greater focus on student success and outcomes, contextualising the document from a student's perspective along with the approach which staff should take to ensure those outcomes. SA explained a review of the wording would include consideration of the risk of not taking opportunities as well as the managing of risk. He would make the tone less dense and more suitable for a public-facing document. **ACTION: SA**
- 6.6 EvdL agreed that reviewing the language in the policy would be helpful, to reflect Marjon's values. She suggested it would be timely to arrange a discussion at Board level around the University's risk appetite. EvdL would discuss with the Chair of the Board how to bring this forward. **ACTION: EvdL**
- 6.7 Vice-Chancellor, Prof Rob Warner, indicated that SMT would discuss Risk Appetite prior to Board, noting that in practice it would flex depending on the nature of the opportunity. **ACTION: SA/SP**
- 6.8 The Risk Register and Risk Management Policy were **APPROVED**, and further discussion would take place to develop the policy further.

7. Outstanding Internal Audit Recommendations

- 7.1 The report was received. EvdL invited SA to present an overview.
- 7.2 SA reminded colleagues that internal audit had been the focus of the previous meeting. The Committee received updates on all outstanding items. The two key outstanding high/medium items were discussed. Any recommendations or findings from the External Audit process would also be included.
- 7.3 HA noted that her team monitored the follow-up of actions to confirm that the University's reporting was correct; HA agreed that these were the only two outstanding items of significance.
- 7.4 The Committee was satisfied with the position and thanked SA for his report.

8. Internal Audit Annual Summary

- 8.1 The report was received. EvdL noted that it had previously been entitled 'Opinion and Summary' but an Opinion was no longer a requirement of Office for Students (OfS). EvdL invited HA to introduce the report.
- 8.2 HA reminded the Committee of the agreed plan 2019/20, to provide coverage in certain areas to provide an opinion. However, Covid-19 had led to this being amended to provide more agility and provide prompt and valid assurance over those risks. Also the OfS guidance had changed regarding requiring an annual audit opinion over certain areas therefore there had been greater flexibility.

Approved Minutes

- 8.3 HA encouraged the Committee to consider whether they felt there was anything pervasive when they reviewed the accounts, in terms of the Statement of Internal Control.
- 8.4 HA drew attention to Appendix 5, HE sector insights and the CUC HE Audit Committee Code, flagging the Audit Committee's role as assuring the conscience of the University, considering the culture of the organisation and how assurance could be sought. The Committee discussed this in detail. HA also flagged governance training offered by PwC, which Governance Officer, Jessamie Thomas would signpost.
- 8.5 The Committee wished to commend SMT on the reduction in the number of findings, and the direction of control declining trend.
- 8.6 The Committee was satisfied with the position and thanked HA for her report.

9. Audit Committee Annual Report (draft)

- 9.1 The report was received. EvdL noted that this was drafted on behalf of the Chair by JT. EvdL summarised the purpose and remit of the report.
- 9.2 The Audit Committee Annual Report was **APPROVED**, subject to the insertion of the External Auditor's opinion and the attendance details of the Extraordinary Audit Committee meeting, 27 November (during which the draft Consolidated Financial Statements would be considered).

10. To review the Counter Fraud and Anti-Corruption Policy

- 10.1 The report was received. EvdL invited SA to present a summary.
- 10.2 SA highlighted the distinct elements of the policy including the action plan response section. SA confirmed that briefings for staff would be arranged.
- 10.3 It was suggested that more emphasis on a proactive approach, as well as response, be included, to highlight Marjon's culture of an expectation of integrity, aligned with its values. It was suggested that the tone from the outset focus more on generating a culture of prevention. **ACTION: SA**
- 10.4 HA noted that in society at large there was increasing awareness around speaking up, but the impenetrable language of policy documents could impede this, which should be a consideration.
- 10.5 The reputational risk arising from academic fraud and how that was managed, along with HR-related risks, were flagged as areas which could be made more explicit. SP noted that plagiarism sat within the student regulatory framework, which could be referenced within this policy. **ACTION: SP**
- 10.6 SP would liaise with SMT colleagues regarding the appropriate policy in which to counter the risk of staff academic plagiarism, including students who were staff members; he would bring this to the Board. **ACTION: SP**
- 10.7 SA would update Appendix A, regarding Board members' email addresses. **ACTION: SA**
- 10.8 EvdL thanked SA for his work on this policy. The policy was **APPROVED**.

11. To receive the Value for Money Briefing

- 11.1 The briefing paper was received. EvdL invited SA to present an overview.

Approved Minutes

- 11.2 SA explained that the report highlighted key Tribal benchmarking metrics. The cost of Tribal benchmarking was noted, and SA explained how the University's own benchmarking mechanisms were being developed. SA note that the last set of Tribal data showed rapid improvement compared with the Cathedrals Group, reflecting ongoing efficiencies and growth. The benchmarking of academic outcomes would be considered.
- 11.3 It was suggested that conversations at Board level could usefully focus on how the University could set outcomes to capture a range of views around stakeholder success, putting itself in the position of customers and stakeholders and then capturing that evidence, rather than allowing league tables and NSS to drive decisions about what to measure. This would allow a more sophisticated view of outcomes most relevant to Marjon and how that looked in terms of value. **ACTION: SA/SP**
- 11.4 It was suggested that the students Marjon attracted and the significant increase in cumulative population were not driven by being a top league table university; there was something else happening that was very attractive to the market driving Marjon's success and satisfied students. The Committee agreed, especially given that the University was spending less on marketing than the average, which, given the extraordinary outcome of that was very impressive.
- 11.5 HA would share some PwC thinking around key stakeholders and value.
- 11.6 SA noted that the Value For Money section on the OfS website was not prescriptive and agreed there was an opportunity to shift to more outcome measures. He summarised what was required of the University's Schools and Services and how that was benchmarked and would be developed.
- 11.7 The importance of Marjon's students being viewed as investors was emphasised. The Committee agreed on the importance of ensuring that what students sought to achieve through their investment be at the heart of what Marjon considered important too.
- 11.8 EvdL thanked colleagues for their comments and SA for his paper.

12. To receive the Significant Losses Report

- 12.1 The report was received. EvdL invited SA to summarise.
SA informed the Committee that there were no material losses arising from exposure to fraudulent or improper activity nor any whistleblowing disclosures.
- 12.2 The losses on investment value related to unique market conditions linked to Covid-19 and had been shared with the Audit Committee for completeness. SA reminded the Committee that a video recording of the investment fund manager's briefing to F&R Committee was available in the governors' online files area. EvdL confirmed that the Committee had been made aware of the investment position at the time.
- 12.3 EvdL thanked SA for his report.

13. To consider the Annual Report on Data Assurance

- 13.1 The report was received. EvdL invited SP to summarise.
- 13.2 SP explained that this was a legacy report precipitated by data issues historically. SP assured the Board that everything was now in good order as evidenced by there having been no

Approved Minutes

outstanding concerns from OfS in the last four years. No material concerns across the statutory return schedule in the last year had been raised and SP detailed the mechanisms through which this had been established. SP reminded the Committee that the internal audit process had shown three low risk outcomes to data control and student records and no additional reports or material concerns had been reported.

- 13.3 EvdL asked whether this annual report added value, aside from the statutory process for these returns which had to be met. SP confirmed it was not onerous to produce and could be included in Part B of papers. The Committee was satisfied with this approach. **ACTION: JT**

- 13.4 EvdL thanked SP for his report.

14. To consider the Whistleblowing Report and Policy (for Board approval)

- 14.1 The report was received. EvdL invited SP to summarise.
- 14.2 SP highlighted the practical guidance contained in the policy to help promote an environment where people could readily voice any concerns. It was noted that responsibility for Whistleblowing lay with the Director of People & Organisational Development, and it was **AGREED** the policy be updated to reflect that. A full review of the policy would be due in 2022.

15. To receive any relevant reports from the National Audit Office, the funding bodies and other organisations.

- 15.1 EvdL invited SA to provide an oral update.
- 15.2 SA noted that guidance had been issued for Audit Committees regarding financial management reporting during Covid-19, which he would review. SA flagged cross-sector matters which he would assess. He would check highlight reports on job retention and how government departments were mitigating fraud and error. He would cross reference with DfE guidance. He noted that the UK Board of Preparedness was considering thinking about impact on supply chain of staff recruitment.
- 15.3 HA reminded the Committee of the CUC HE Audit Committees guidance. She also alerted colleagues to the increasing risk of ransomware attacks and drew attention to the PwC paper in Part B.
- 15.4 EvdL thanked SP and HA for their updates.

Close

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

- 16. Reserved Business** (No Auditors in attendance)
- 17. Reserved Business** (No Auditors in attendance)
- 18. Reserved Business** (No Auditors in attendance)

Close

Approved Minutes

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 – for information only

19. Matters Arising from Previous Meeting

19.1 The report was received. All matters arising were considered complete.

20. Register of Interests

20.1 The register was received for information with no queries.

21. PwC sector briefing: Ransomware Attacks

21.1 The report was received for information with no queries.