

### Approved Minutes

#### Present

Emma van der Lugt	Independent Governor, Chair of Committee	EvdL
Stephen Criddle OBE	Independent Governor, Deputy Chair of Committee	SC
Vicky Hatton	Independent Governor	VH

#### In attendance

Prof Michelle Jones	Vice-Chancellor (Interim)	MJ
Simon Arthurs	Chief Operating Officer & Finance Director	SA
Stephen Plant	University Secretary & Registrar	SP
Lesley Heasman	Senior Audit Manager, Internal Auditors, TIAA	LH
Jessamie Thomas	Governance Officer (note taker)	JT

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

#### 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 Stephen Criddle to this, his final scheduled Audit Committee meeting; EvdL conveyed sincere thanks to SC for his tremendous contribution to the work of the Committee.
- 4.2 Apologies were received from Director of Audit, Internal Auditors, TIAA Clarence Mpofu.
- 4.3 No conflicts of interest were declared. The full register was included in Part C.
- 4.4 EvdL invited colleagues to 'unstar' items in Part B. None were identified.

#### 5. Strategic Risk Register

- 5.1 The report was received; the priority Risk Register was enclosed. EvdL invited Chief Operating Officer & Finance Director, Simon Arthurs, to present an overview.
- 5.2 SA drew the Committee's attention to the analysis contained within the report. SA highlighted minor changes to the narrative in the Risk Register and increased risks in relation to student recruitment and financial resilience, although no fundamental changes to the risk factors. Some areas of recorded mitigation would require more intensive work, notably recruitment, conversion, continuation and financial sustainability to ensure that financial health was managed. The impact of the 'FocusNow' project and effectiveness of the business planning cycle would be key.

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- 5.3 It was noted that the planned investment in marketing team staffing levels should be reflected in student recruitment trends going forwards. A report on student recruitment would come to the Board of Governors' (BoG) meeting later in the month.
- 5.4 In response to a query around continuation being a substantial risk, SA flagged reasons behind this, including post-Covid factors and cost of living pressures. He confirmed that everything possible was being done for 'at risk' students. SP noted that every 12 weeks, the Progress and Awards Board considered students' marks and any issues were flagged to allow for appropriate support.
- 5.5 The Committee noted that with regard to financial resilience, the pension position had seen an improvement.
- 5.6 SA observed that cyber security would be a standing item on the Risk Register, reflecting ever-evolving threats.
- 5.7 In response to a question regarding energy costs, SA provided an update on conversations with advisors as to when to lock in to a new deal. Predictions around the energy savings related to the Ground Source Heat Pumps (GSHPs) would become more accurate once a full year had passed.
- 5.8 SA confirmed that metrics were being monitored so as to avoid any reportable offences occurring. University Secretary & Registrar, Stephen Plant, confirmed that two reportable *events* had been reported to the Office for Students (OfS) but these were entirely as anticipated and related to Vice-Chancellor retirement and appointment.
- 5.9 The Committee suggested that the status of cyber security should be elevated on the Risk Register. Cyber security would be discussed further at item 6. **ACTION: SA**
- 5.10 The Committee was satisfied with the position and thanked SA for his report.

**6. Internal Audit (IA)**

- 6.1 (i) The IA Progress Report (cover report; Statement of Internal Controls – SICA) was received. This contained an extract from the reports to demonstrate overall assurance and key findings. EvdL invited Senior Audit Manager, Internal Auditors, TIAA, Lesley Heasman, to present an overview.
- 6.2 LH invited the Committee to review the assurances contained in the Progress Report; note the briefing notes on new developments and publications; note the progress made in implementing audit recommendations.
- 6.3 LH invited the Committee to note progress against the annual IA Plan (the Plan having been confirmed in November 2022). It was noted that a review of Student Accommodation had replaced an advisory review (unspecified area) due to the requirement for it to be reviewed every three years.
- 6.4 The Committee requested that the duration of the next Audit Committee meeting should be two hours, to allow time to fully consider the reports of the upcoming reviews. **ACTION: JT**
- 6.5 The Committee was asked to note the briefing notes on new developments and publications.
- 6.6 The Committee was satisfied with the position and proceeded to consider the reports.

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(ii) – Reports of Reviews:

6.7      ○ **Cyber Security – Maturity Assessment (Advisory)**

LH noted the increasing risk of cyber incidents and cyber crime and the importance of understanding the maturity of the organisation in terms of how cyber risks are managed. The review noted that management rated the University's dependency on Information technology as high and recognised that cyber-crime was a significant risk. Management considered that untreated cyber risks were at a medium level. The report contained information on the University cyber incidents over the last 12 months and impact. TIAA's maturity assessment was summarised in the report, noting the gaps between the aspirational level of maturity (5) and the assessed level for all the process areas. LH responded to questions as to where other HEIs set their level of maturity, what would be deemed feasible for Marjon to achieve, why some assessments were at zero despite some mitigation being in place. SA confirmed that a review of 'quick wins' would take place.

6.8      It was recommended that where gaps had been identified management should consider TIAA's maturity improvement recommendations within the report, to further control and mitigate cyber risks. The Committee urged SA to focus on the 'quick wins' as flagged, and requested that a response from SMT on progress against these should be provided. **ACTION: SA**

6.9      It was noted that the list of improvement areas showed tight targeted implementation dates; the Committee sought assurance that there were sufficient resources and time available to comply with these. SA confirmed he would discuss this further with Director of Internal Audit, Clarence Mpofu, with LH and with Head of IT, Pete Waterfield. **ACTION: SA** SA recorded thanks to Board member Kate Doodson for advice around digital innovation and also commended the Marjon team for their work.

6.10     In response to a question as to how review findings would be followed up, LH provided an overview of the way this would be implemented, to the satisfaction of the Committee.

6.11     In response to a question as to whether there was an opportunity for staff to provide feedback on their audit experience with TIAA, LH confirmed that link to a survey was included when reports were issued. The Committee was assured by this approach.

6.12      ○ **Follow up of the Marjon Student Union (MSU) (Governance) Review**

A report had been issued by previous IA partners, PricewaterhouseCoopers (PwC), in October 2021, detailing their findings in relation to a MSU Governance Review. The review had identified a number of findings for which recommendations were made in order to improve the control environment. Of these, 9 had been implemented and 3 were in progress. Suggested actions and management comments were contained in the key findings and management action plan. SP confirmed that the Code of Practice had been shared with the MSU during drafting and at the time of publication. MJ confirmed that, having moved forward from the Covid-impacted era, she would expect appraisals to be routinely taking place.

6.13      ○ **Assurance Review of Student Recruitment**

The overall assessment was that substantial assurance in this area had been demonstrated. LH commended the University on this outcome, noting that it was the highest level achievable and no recommendations had been made, which she stated was exceptionally

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rare. Key strategic findings were: the University has robust controls in place to ensure that student recruitment is completed in a timely manner with accurate information being provided to the students; strategies and guidance are readily available to assist staff with the recruitment requirements/processes; during testing the university were awaiting evidence in relation to one student in relation to their settled status. Good practice had been identified. No action points had arisen.

- 6.14 The Committee commended the staff involved in the review and noted the assurance around systems, admissions, processes and compliance that could be drawn. The Committee suggested MAG reflect on how this could be used positively going forwards.

(iii) – Internal Audit Recommendations report was received. EvdL invited LH to present an overview.

- 6.15 LH invited the Committee to note the progress made in implementing audit recommendations, explaining that the TIAA Recommendation Tracker reflected entries made via the TIAA portal. Recommendations would be added once a report had been via the Audit Committee for consideration. TIAA would verify evidence to justify a recommendation being closed. Of the 19 entries, the implementation of 15 was considered overdue and two were marked as priority areas.
- 6.16 SA confirmed the steps being taken to address IT resilience, to the Committee's satisfaction. The other priority area, the Treasury Management Strategy, had been approved by the Board of Governors (BoG) in November and the Committee agreed to close this action. It was noted that network capacity IT resilience item had been completed in June 2022 and would be removed.
- 6.17 In response to a question, SA explained how the Health & Safety entry was being progressed.
- 6.18 In response to a question, SA confirmed that Marjon Audit Group (MAG) met ahead of each Audit Committee meeting to clear reports and review the live tracker position. The Committee urged MAG to prioritise Cyber-Security threat mitigation, as discussed earlier in the meeting. **ACTION: SA**
- 6.19 The Committee was satisfied with the position and **AGREED** to close the action as proposed within the report: action 263605 – TPR - Treasury Management. LH was thanked for the report and update.

### **7. Significant Losses Report**

- 7.1 The report was received. EvdL invited SA to present an update.
- 7.2 SA confirmed that there were no significant losses to report.
- 7.3 The Committee was satisfied with the position.

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**8. To Review Committee Effectiveness, Terms of Reference (approval); Membership, Cycle of Business and Meeting Dates 2023-24**

- 8.1 The report was received.
- 8.2 EvdL invited colleagues to discuss the Committee's effectiveness, noting that a full survey based on the CUC HE Audit Committees Code of Practice had been issued the previous year. The need to recruit additional members with financial expertise was highlighted. This would be discussed further at the BoG meeting later in the month; SP confirmed the efforts underway to improve the Committee's resilience in this regard. It was suggested that feeder schools may have governance professionals willing to be involved; SA offered to explore connections via LinkedIn. **ACTION: SA**
- 8.3 LH shared her view that the Committee was well-structured, papers were clear and precise and there was a strong level of contribution from all Committee members.
- 8.4 Committee members felt that the Committee continued to operate effectively and followed appropriate guidance and good practice in its affairs. Colleagues praised the 'brilliance' of the Chair, the quality of the papers, the 'faultless' administrative support, the strength of the audit plan and the openness of Senior Management Team (SMT) in their interactions with the Committee.
- 8.5 The Committee Terms of Reference were considered. The following amendment was proposed, to reflect the fact that minimum membership of three was inclusive of the Chair: *'No fewer than three members or co-opted members (inclusive of the Chair of the Committee) provided that the majority of members are 'nominated' independent governors - Directly Appointed, Church Nominated or National Society Nominated)'*. This was accepted and the Terms of Reference **APPROVED** on this basis.
- 8.6 The Cycle of Business for 2023-24 was confirmed.
- 8.7 Committee Membership was confirmed, noting that there would be a vacancy for Deputy Chair of Audit Committee from June 2023.
- 8.8 The Committee meeting dates for 2023-24 were confirmed.
- 8.9 SP and Governance Officer, Jessamie Thomas, were thanked for the report.

**9. Reports from the National Audit Office, the funding bodies and other organisations**

- 9.1 The Briefing Note was received. EvdL invited SP to summarise this.
- 9.2 SP advised that the Academic Registrars Council (ARC) intended to contribute to an inquiry launched by the House of Lords' Industry and Regulators Committee into the work of the OfS. MJ confirmed that a response would also be submitted as part of the Cathedrals Group of Universities.
- 9.3 SP noted that a new Data Protection Bill was anticipated, in place of the 2018 GDPR legislation.
- 9.4 No other updates were received. The Committee thanked SP for the Briefing Note.

**Close**

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In closing the main part of the meeting, EvdL invited colleagues to reflect upon whether discussions impacted on the current Risk Register or if changes were proposed. None were identified.

Particular thanks were extended to SC for his support of this Committee, the BoG and the University during the previous three years.

EvdL thanked LH for her work and contributions to the meeting.

*LH left the meeting.*

**10. Reserved Business (2) (No Auditors in attendance)**

*See Reserved Business (2) minutes*

#### **Part B**

The following reports were received and approved:

11. Minutes of Previous Meeting (16 November 2022, M1) were received as an accurate record and **APPROVED** with no amendments.

The following reports were received for information with no queries:

- 12. Matters Arising from Previous Meeting (16 November 2022, M1)
- 13. Data Protection and Freedom of Information Annual Report
- 14. Office for Students (OfS) Annual Financial Return
- 15. OfS B3 Condition Update Briefing Note

#### **Part C**

The following reports were received for information with no queries:

- C14 Annual Financial Return (AFR) - Workbook
- C Register of Interests