

Approved Minutes

Present

Emma van der Lugt (Committee Chair)	Independent Governor	EvdL
Louise Bridgett (Deputy Committee Chair)	Independent Governor	LB
Vicky Hatton	Independent Governor	VH

In attendance

Prof Claire Taylor	Vice-Chancellor	CT
Simon Arthurs	Chief Operating Officer & Finance Director	SA
Stephen Plant	University Secretary & Registrar	SP
Clarence Mpofu	Director of Audit, Internal Auditors, TIAA	CM
Nathan Coughlin	Partner, External Auditors, Bishop Fleming	NC
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. EvdL extended a particular welcome to Vice-Chancellor Prof Claire Taylor and to Governor, Louise Bridgett to their first meeting of the Audit Committee.
 - 4.2 No apologies were received; all were in attendance.
 - 4.3 EvdL invited members to provide any updates to the Register of Interests. No new declarations were made. The full Register was included in Part C.
 - 4.4 EvdL invited colleagues to 'unstar' items from Part B for discussion. None were identified and they were taken as read.
5. **To Review the Strategic Risk Register**
 - 5.1 The report was received. EvdL invited SA to provide an overview.
 - 5.2 SA confirmed that the Risk Register had been recently reviewed by the Senior Management Team. Financial risks had been discussed with Finance & Resources (F&R) Committee the previous week. SA provided an overview of the position.
 - 5.3 Increased risks and mitigation were noted. Data quality, student recruitment, student population and ways in which these linked with work being done around digital and technological systems were discussed. Enhanced digital solutions would be important in supporting management of the cost base. SA explained ways in which the Finance Team

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would engage with students to support them through the cost of living challenges. In response to a question, SA discussed the potential risk to student experience and proposed mitigation.

- 5.4 The shifting nature of qualifications of the academic population was discussed. CT noted that the appropriate complement of staff for key areas such as Research Degree Awarding Powers (RDAP) and emerging healthcare programmes would need to be considered. Details of the next Research Excellence Framework (REF) were being received, which would allow for conversations around academic roles and contracts. This would form part of a broader strategy in terms of workforce and the shape of the curriculum going forward.
- 5.4 The emerging risk around the pension scheme was discussed.
- 5.5 On site recruitment and the quality and capacity of accommodation was discussed.

5.5 To Approve the Risk Management Policy

- 5.6 The report, containing the Risk Management Policy including five appendices, was received. EvdL invited SA to provide an overview.
- 5.7 SA highlighted the importance of both managing risk and maximising opportunity. He confirmed that further work would be undertaken with colleagues to better define and categorise risks. The Committee discussed the policy and was content with the approach being taken.
- 5.8 The Committee **APPROVED** the Risk Management Policy.
- 5.9 SA was thanked for his report and update.

6. To Receive the Cyber-Security Policy (review)

- 6.1 The report was received. EvdL invited SA to provide an overview.
- 6.2 SA reminded the Committee that cyber threat was identified as a key risk in the Risk Register and, as such, was subject to significant audit and internal resource. The Committee reviewed the Cyber Security Policy (which had been approved in July 2022), the Action Plan and the Response Plan. SA highlighted key actions being taken. SA confirmed that the policy would be referenced and reviewed by TIAA as part of its cyber audits.
- 6.3 In response to a question, Director of Internal Audit, Clarence Mpofu, confirmed his view of the appropriacy of the policy and that new initiatives would be proposed for inclusion where appropriate. SA provided information around the proposed level of spend allocated for digital defence investment.
- 6.4 With regard to the enhancement of data security and to provide a standardised approach, it was suggested that Marjon email accounts be set up for Board members; SA confirmed this was being looked into and further details would be provided. **ACTION: SA**
- 6.5 The Committee **APPROVED** the Cyber Security Policy, the Cyber Security Action Plan and the Cyber Security Incident Response Plan.
- 6.6 SA was thanked for his report and update.

7. To Receive and Consider Reports of Internal Audit Reviews

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- 7.1 • Student Accommodation (advisory review)
- 7.2 The report was received. EvdL invited CM to provide an overview.
- 7.3 CM reminded the Committee that all universities were required to undertake a student accommodation review every three years as per the UUK Accommodation Code of Practice for the Management of Student Housing. SA confirmed that he had held discussions with the regulator, who was happy with the approach being taken, noting that an appropriate management action plan and timeframe were included in the reporting. SA noted the usefulness of the TIAA portal for the University's self-assessment purposes; the Committee requested a screenshot for information and to illustrate the way it was designed. **ACTION: CM**
- CM confirmed that the University met the standards on all the mandatory and non-mandatory requirements as required by the UUK/GuildHE Accommodation Code of Practice Sector Advisory Group.
- 7.4 Noting that the University was compliant with the Code, the Committee was satisfied with the position.
- 7.5 • Graduate Outcomes and Student Voice**
- 7.6 The report was received. EvdL invited CM to provide an overview.
- 7.7 CM summarised that substantial assurance could be gained from the outcome of this review. CM commended the University on being fourth in the UK for career prospects in the WhatUniStudent Choice Awards 2023. He noted staffing strengths of the Futures Team and its leadership, a view echoed by CT. He flagged factors which may impact on the high level of success being maintained and also noted the new Office for Students (OfS) B3 condition around graduate employment. CT confirmed that as the University considered its shape, size and modes of delivery, the applicability of student support and career support models would also be reviewed, as part of a whole system approach.
- 7.8 University Secretary & Registrar, Stephen Plant, noted that with regard to the Student Protection Plan referenced in the report, the principles would remain the same as the Plan submitted upon the University's registration with the regulator.
- 7.9 The Committee was satisfied with the position and thanked CM for the report. They also commended the Futures Team on such a robust outcome.
- 7.10 To Receive and Consider Internal Audit Progress Report – (Summary of Internal Controls Assurance)**
- 7.11 The report, summarising outcomes and progress against the plan, was received. EvdL invited CM to provide an overview.
- 7.12 CM, together with SA and SP, provided an update on the schedule and explained any variance from the plan. It was noted that three reviews would follow in the autumn and an interim meeting would be set up to receive and discuss these to allow thorough discussion and assurance. **ACTION: JT**
- 7.13 CM confirmed that discussions had been held around value for money and what could be done to ensure the University received the maximum benefit from a review. CM would also

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bring benchmarking from other HEIs. SA suggested this could be further discussed by SMT. SA noted that setting up 'risk workshops' to review the operational risk register approach was being considered.

- 7.14 With regard to budgeting and process, the University was moving to rolling three year budgets, which would entail identifying service outcomes and output and material compliance. The Committee agreed that SA should have exploratory conversations with CM and with External Auditor Nathan Coughlin, Bishop Fleming, to assess whether the auditors' time could be used evaluating the new finance system. Value for Money needed to be considered and SA advised that the combination of financial and KPIs outcomes would flow from business planning and it should be possible to use other data sets as a proxy measure, notably Higher Education Statistics Agency (HESA) and Tribal.
- 7.15 The Committee was satisfied with the position and thanked CM for the report.

8. To Receive and Consider the Internal Audit Plan 2023/24

- 8.1 The report was received. EvdL invited CM to provide an overview.
- 8.2 CM confirmed that the Internal Audit (IA) Plan was as per the previously approved plan and was linked to risk. CM invited comments. CM confirmed he would work with SP/SA to set the dates of reviews for added accountability and visibility. **ACTION: Marjon Audit Group (MAG)**
- 8.3 The Committee felt that the IA Plan included an appropriate range of areas and was pleased to note a focus on new course development and portfolio review.
- 8.4 It was suggested that an advisory review be conducted into the Strategic Risk Register, noting that the Vice-Chancellor would be sharing her institutional strategy in the autumn and therefore in the spring it could be valuable to hold a facilitated workshop for SMT and Chairs of Board Committees, to fully review the strategic piece, including the external environment and the distinction between strategic and operational risk. CM confirmed that TIAA would be in a position to support with this and he would liaise with CT.
- 8.5 In response to a question, CM confirmed that the student recruitment review had included retention.
- 8.6 The Committee was satisfied with the position and thanked CM for the report.

9. To Consider Internal Audit Recommendations – Actions

- 9.1 The report was received. EvdL invited CM to provide an overview.
- 9.2 CM invited the Committee to review the position. He reminded the Committee of the approach being taken, so that TIAA took ownership of the process, with auditees uploading evidence and TIAA reviewing submissions, so as to create a separation and avoid any potential conflict.
- 9.3 In response to a suggestion from MAG, CM noted that TIAA would be clearer going forward around the evidence required so as to close an action, which SA confirmed would be a helpful development.
- 9.4 The Committee **APPROVED** the requests to close the completed actions as summarised in the report.

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9.5 The Committee was satisfied with the position and thanked CM for the report.

10. External Audit - Brief and Plan for 2022/23 Year End

- 10.1 The report was received. EvdL invited External Auditor Nathan Coughlin, Bishop Fleming (BF), to present an overview of the scope of the external audit plan.
- 10.2 NC reminded the Committee of the purpose of the annual external audit, in terms of both assurance and compliance. NC confirmed there were no significant changes in accounting standards to note. NC flagged the change in auditing standards as detailed in his report. Key changes were around the evaluation and documentation of risk assessments, particularly IT. The internal Auditors' cyber security assessment would help to inform the validation of the University's operations in practice.
- 10.3 NC noted that the risk assessment was broadly consistent with previous years. NC provided examples of how the audit process would evaluate this. NC identified the heightened risk, sector-wide, around going concern, noting that the auditors needed to be comfortable with the next 12 months of cashflow from the date of sign off.
- 10.4 Regarding capital projects, NC confirmed he had held useful discussions with management and noted the approach to recognising grants.
- 10.5 With regard to the annual discussion around pensions, BF reminded the Committee that the University was with the London Pension Fund and discussed the recognition of the position in the annual accounts. SA noted that it might be helpful to see a regional representative on the London Pension Fund Board.
- 10.6 NC invited the Committee to comment on any areas of concern, risk or any further areas requiring consideration. SA noted that SMT colleagues would be made aware of the Brief and Plan. SA noted that he and NC had discussed the accounting standards changes and depreciation/amortisation for IT software. No other matters were raised. NC was thanked for the Brief and Plan, with which the Committee was satisfied.
The Committee was satisfied with the position and thanked NC for the report.

11. To Receive the Draft Financial Regulations

The agenda was reordered, to take this item after item 6.

- 11.1 The report was received. EvdL invited SA to present a summary.
- 11.2 SA reminded the Committee that the way the Financial Regulations were laid out allowed the BoG to focus on and approve the strategic first part of the document, with operational elements detailed in the second part. The proposed changes to this year's Financial Regulations were discussed, key changes being to include an option to complete financial monitoring quarterly rather than monthly and to allow delegation of fund swap between revenue and capital budget (and vice-versa) to F&R Committee in consultation with the Chair of the BoG but limited to within total overall resource approved by the BoG.
- 11.3 The Committee **APPROVED** the draft Financial Regulations 2023-24 for onward recommendation to the BoG.
LB left the meeting after this item. Following the meeting, LB confirmed her approval by email of items requiring Committee approval.

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12. Significant Losses Report

- 12.1 The report was received. EvdL invited SA to present a summary.
- 12.2 SA confirmed that there were no significant losses to report. The Committee was satisfied with the position.

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

- 13.1 EvdL invited MAG to share any reports or updates with the Committee.
- 13.2 SP drew attention to the Briefing Note: Wonkhe: Reflecting on a decade of HE policy and politics – and looking ahead, which had been shared with the Committee by CT. He also flagged items 19 and 20, Briefing Note on the House of Lords' Inquiry into OfS and Briefing Note on Freedom of Speech, noting that the latter was also included in the Internal Audit Plan regarding diversity and inclusion. SP was commended for the feedback which he had provided to the Cathedrals Group of Universities, with regard to the Freedom of Speech Briefing Note.
- 13.3 The Committee thanked CT for sharing the Wonkhe briefing and SP for his update.

Close

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.

EvdL thanked internal and external auditors for their contributions to the meeting.
CM and NC left the meeting.

14. Reserved Business (2) (No Auditors in attendance)

See Reserved Business (2) minutes

Part B – For Information and Decision by Way of Note

15. Minutes of Previous Meeting (M2), 17 March 2023

The minutes of the Audit Committee meeting (M2), 17 March 2023 were received, confirmed as a true and accurate record and **APPROVED** with no amendments.

16. Counter-Fraud and Anti-Corruption Policy (review)

The policy was approved.

The following reports were received for information with no queries:

- 17. Matters Arising from Previous Meeting**
- 18. Prevent Policy**
- 19. Briefing Note on House of Lords' Inquiry into OfS**
- 20. Briefing Note on Freedom of Speech**

Part C – Supplementary Information

The following report was received for information with no queries:
Register of Interests

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Action Log

Minute	Action	Owner	Deadline
6.4	Look into setting up Marjon email accounts for Board members	SA	Going forward
7.3	Share screenshot of TIAA portal with the Committee, for their information	CM, via JT	Ahead of next meeting
7.12	Liaise with Committee members/attendees to set up interim meeting in autumn 2023 ahead of Audit Committee M1	JT	ASAP (completed)
8.2	Add dates into IA Plan re the scheduling of reviews and share with staff	MAG	ASAP

Decision Log

Minute	Decision
5.8	The Risk Management Policy was APPROVED .
6.5	The Committee APPROVED the Cyber Security Policy, the Cyber Security Action Plan and the Cyber Security Incident Response Plan
9.4	The Committee AGREED to close items as recommended in the report
11.3	Draft Financial Regulations 2023-24 were APPROVED
15	Minutes of the Audit Committee meeting (M2) held on 17 March 2023 were APPROVED
16	The Counter Fraud and Anti-Corruption Policy was APPROVED