

**Approved Minutes**

**Present**

Emma van der Lugt	Independent Governor, Chair of Committee	EvdL
Louise Bridgett	Independent Governor, Deputy Chair of Committee	LB
Vicky Hatton	Independent Governor	VH
Prof John Scott, CBE	Co-opted Member of Committee	JS

**In attendance**

Prof Claire Taylor	Vice-Chancellor	CT
David Soutter	Interim Chief Finance Officer	DS
Stephen Plant	University Secretary & Registrar	SP
Helen Cargill	Internal Audit Director, TIAA	HC
Nathan Coughlin	External Audit Partner, Bishop Fleming	NC
Lesley Heasman	Internal Audit Manager, TIAA	LH
Lynne Hyland	Financial Controller (observer)	LHy
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. Interim Chief Finance Officer, David Soutter and Internal Audit Director, Helen Cargill were welcomed to this their first meeting of the Audit Committee. Marjon's Financial Controller, Lynne Hyland, was welcomed as an observer.
- 4.2 Apologies were received from Co-opted Member of the Audit Committee, Jennie Walker.
- 4.3 No conflicts of interest were declared. The full register was included in Part C. Louise Bridgett highlighted her professional audit engagement with Plymouth City College and would withdraw were there to be any discussions around their partnership with Marjon.
- 4.4 EvdL invited colleagues to 'unstar' items in Part B. None were identified.

**5. Risk Management Update, inclusive of Risk Register**

- 5.1 The report was received; the priority Risk Register was enclosed. EvdL invited University Secretary & Registrar, Stephen Plant, to present an overview.
- 5.2 SP guided the Committee through the analysis in the report. SP highlighted that the Risk Register had been reconfigured to reflect the Marjon 2030 Strategy. The matrix had been

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extended to 5x 5, in order to capture sensitivities more effectively. The spreadsheet had been automated to an extent. SP confirmed that the Board of Governors (BoG) had been kept informed of the headline position reflected in the Risk Register.

5.3 SP invited questions. The Committee noted the position and thanked SP for the report.

**6. Internal Audit Progress Report**

6.1 The Summary Internal Controls Assurance (SICA) Report was received. EvdL invited Director of Internal Audit, Helen Cargill, to provide an overview.

6.2 By way of introduction, HC notified the Committee of updates to global internal auditing standards and the impact of these.

6.3 The reports of three IA reviews were received, each with reasonable assurance:

- **Assurance Review of New Course Development and Portfolio Review**

6.4 HC summarised the scope of the review and key strategic findings. The Committee discussed the action points - eight routine and one operational. The Committee noted appropriate controls and processes in place to manage new course developments and portfolio reviews and discussed findings around costing tools and value for money. SP confirmed that these were being actioned in alignment with agreed timescales.

- **Assurance Review of Partnerships**

6.5 HC summarised the scope of the review and key strategic findings. The Committee discussed the action points - four important and one routine. In response to a question, HC defined 'subcontracted' and 'franchised', in light of guidance from the Office for Students (OfS) on Higher Education Institutions' (HEIs') responsibilities to students.

6.6 With regard to the monitoring and reporting of student withdrawals, the Committee noted the University's responsibility to ensure that organisations operating under franchise were compliant and discussed the effectiveness of controls. SP confirmed that the Attendance Policy had been reviewed and approved by Senate.

6.7 The Committee received assurances regarding the monitoring of partner organisations, via routine and spot-check visits. SP explained that any adjustments to Student Loan Company (SLC) payments to reflect withdrawals were completed retrospectively, with no consequences other than financial impact.

6.8 Vice-Chancellor, Prof Claire Taylor, thanked TIAA for their work and confirmed that this would contribute to the update provided to BoG the following week with regard to the University's partnership arrangements.

- **Assurance Review of Health & Safety**

6.9 HC summarised the scope of the review and key strategic findings. The Committee discussed the action points – three important and one routine.

6.10 SP reported significant progress with regard to addressing all recommendations. SP confirmed the embedding of risk assessment training, delegation of responsibilities and

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that the frequency of meetings aligned with the Terms of Reference. The Health and Safety Policy had been updated and published on the University website.

- 6.11 The Committee was satisfied with the position. HC was thanked for her team's work and for the reports and update and the Marjon staff were thanked for their work.

**7. Internal Audit Recommendations**

- 7.1 The report was received. EvdL invited HC to present an overview.
- 7.2 HC invited the Committee to consider the summary position. The Committee noted the progress made in implementing audit recommendations. The Committee was content that the actions marked as implemented could now be recommended for closure.
- 7.3 HC was thanked for the report and update.

**8. Internal Audit Annual Report 2023-24**

- 8.1 The report was received. EvdL invited HC to provide an overview.
- 8.2 HC highlighted her Head of Internal Audit's Annual Opinion, as presented in the report, confirming reasonable and effective risk management, control and governance processes. Performance for the year showed slightly lower gradings, in terms of assurance assessments, than the previous year, but HC confirmed that outcomes were mainly positive and that 'reasonable assurance' should be seen as acceptable to the Committee, noting that 'substantial assurance' would require more audit days and greater resource than were allocated to the University's IA plan.
- 8.3 The report contained a summary of the year's programme and recommendations; the findings of each review had been discussed with management and the Committee. Two audit reviews had been carried forward and would form part of the new plan.
- 8.4 EvdL noted, as per the Matters Arising report at item 17, that she had met with Chief Operating Officer, Ann Holman to receive an update on cyber security and was satisfied with progress. Monitoring of this would be conducted by BoG's Digital and Physical Infrastructure Group (DPIG).
- 8.5 The Committee was satisfied with the position and thanked HC and her team for their work.

**9. Internal Audit Plan 2024-25**

- 9.1 The report was received. EvdL invited HG to provide a summary.
- 9.2 HC reminded the Committee that the draft Internal Audit (IA) Plan had been received and discussed by the Committee in July. HC confirmed that the updated plan had built-in contingency to respond flexibly to risks. The Plan would be updated further, to align with the revised Risk Register.
- 9.3 In response to a question around the optimum timing of reviews, including the Student Wellbeing Review which had been deferred, CT confirmed that timings had been discussed by the Executive Leadership Team (ELT), who would liaise with TIAA, mindful of the need to schedule the work appropriately. HC confirmed that dates for the audits would be

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incorporated within the IA Plan, noting that the cycle of business indicated that there should be capacity at the March meeting to consider IA review reports.

- 9.4 The Internal Audit Plan 2024-25 was **APPROVED**. HC was thanked for the report and update.

**10. Audit Committee Annual Report (Draft)**

- 10.1 The report was received and was summarised by EvdL.
- 10.2 EvdL reminded colleagues that the purpose of the report was to provide an opinion, based on internal and external audit services and assurances from management, that the University was running effectively in line with audit requirements. It was noted that the report was in draft form, pending finalisation of the annual accounts and inclusion of the External Auditors' summary. An updated report would be brought to the Committee and BoG for approval in alignment with the annual accounts approval timeline.
- 10.3 The Committee was satisfied with the draft report and the approach being taken. EvdL thanked Governance Officer, Jessamie Thomas, for her work preparing the report.

*A five minute break was taken at this point.*

**11. External Auditors' Audit Progress Report**

- 11.1 The report was received. EvdL invited External Audit Partner, Nathan Coughlin, to present an overview.
- 11.2 NC reminded the Committee that standard practice would be to present the External Audit summary report and letter of representation at this meeting. However, the audit work was ongoing and this was an interim progress report. NC highlighted the significant change in the finance function and commended DS and LH on their work and described the process as appropriate and robust. NC confirmed that the focus was on the draft trial balance and provided an update against risk areas. NC had no significant issues to note from the audit to date, which had been focused on the transactional side and which appeared accurate and recorded. NC flagged a significant bad debt write off and the Committee discussed this in detail. NC provided an update on pension assumptions. NC noted that the going concern assessment could not be confirmed until the forecasts and funding position had been finalised. DS signposted the Committee to his paper on going concern, which summarised how this assurance would be provided.
- 11.3 In response to a question, CT confirmed the indicative timeline for confirmation from the bank of available funding. DS summarised the positive engagement taking place.
- 11.4 In response to a question, CT confirmed that the team was mindful of OfS returns filing duties; CT would confirm the timeline with OfS, which would be in alignment with Companies House filing deadlines.
- 11.5 In response to a question, CT confirmed that Finance & Resources Committee would apply rigorous scrutiny to the financial statements ahead of a full BoG review and approval.
- 11.6 The Committee discussed sector-wide financial challenges. The Committee was aware of OfS' focus on financial sustainability. There would be a marginal increase in tuition fees

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from 2025-26, which would offset to an extent the rise in the employer's national insurance contribution. While the context was challenging, Marjon was in a relatively favourable position in terms of its size, agility and strategy.

- 11.7 The Committee was satisfied with the position and thanked NC for the report and update.

**12. Draft Audited Financial Statements**

- 12.1 The report was received. EvdL invited DS to present a summary.
- 12.2 Further to the information provided under the previous agenda item, DS reminded the Committee that the statutory financial statements contained the financial performance for the academic year. This was work in progress and a more substantially complete draft would be circulated, well ahead of the approval meeting for scrutiny. Following completion of the External Audit processes and subject to audit sign-off, the financial statements would be brought to BoG for approval, prior to submission to Companies House. DS anticipated a fuller companion document on going concern being provided and a fuller statement than in the previous year's accounts, in order to provide comfort.
- 12.3 In response to a question on the management of bad debt, DS outlined the approach being taken, the insistence on prompt and systematic action and rigorous pursuit. DS confirmed that this work was being carried out in tandem with partners, so that the risk had been addressed in large measure, although there would need to be careful management of outstanding debt where any partnerships were due to terminate. DS confirmed that, where debts were assessed as uncollectable, full provision was made and a prudent approach was being taken to the management of the position.
- 12.4 The Committee was satisfied with the position and thanked DS for the report and 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. It was felt that risks were appropriately captured and no new risks or updates were identified. EvdL thanked Internal Auditors and External Auditors for their work and contributions to the meeting.

*HC, NC and LH left the meeting.*

13. **Reserved Business (2)** (No Auditors in attendance)  
*See Reserved Business (2) minutes*
14. **Reserved Business (2)** (No Auditors in attendance)  
*See Reserved Business (2) minutes*

**Part B**

The following reports were received and approved:

15. Minutes of Previous Meeting (M3 1 July 2024) were received as an accurate record and **APPROVED** with no amendments.
16. Whistleblowing:

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(a) Annual Report on Whistleblowing was received for information.

(b) Whistleblowing Policy was **APPROVED**.

The following reports were received for information with no queries:

- 17. Matters Arising from Previous Meetings – EvdL provided an update on cyber security discussions (see minute 8.3) and on the circulation of finance briefings to Committee members, to the Committee's satisfaction.
- 18. Data Protection Policy and Statement for Students – it was suggested that the wording at clause 9.2 be amended, to widen the scope of the limited lawful basis when data can be shared, as per the wording of the legislation.
- 19. OfS Insight Briefing on Franchise Partners
- 20. Insurance Assurance Report
- 21. Audit Update Report

**Part C**

The following report was received for information with no queries:

- C Register of Interests