

Approved Minutes

Present

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

In attendance

Prof Claire Taylor	Vice-Chancellor	CT
Ann Holman	Chief Operating Officer	AH
Karl Smith	Executive Director of Finance	KS
Helen Cargill	Internal Audit Director, TIAA	HC
Nathan Coughlin	External Audit Partner, 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 (2)** (All in attendance)

See Reserved Business (2) 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.
- 4.2 Apologies were received from Deputy Vice-Chancellor and Provost, Prof Michelle Jones and from Internal Audit Director, TIAA, Jai Gundiggara.
- 4.3 EvdL invited members to provide any updates to the Register of Interests, included in Part C; none were declared.
- 4.4 EvdL read out a confidentiality statement, based on wording contained in the Governor Affirmation and Governors' Handbook, to remind Board colleagues and attendees of their duties in this regard.
- 4.5 EvdL invited governors to 'unstar' items from Part B for discussion. No items were identified and the reports were taken as read.

Approved Minutes

5. To Receive a Risk Management Update, inclusive of draft revised Risk Register and approval of Risk Management Policy

- 5.1 The report was received. EvdL invited Executive Director of Finance, Karl Smith, to lead on this item.
- 5.2 KS summarised the Risk Management Update, inclusive of draft revised Risk Register and draft amended Risk Management Policy. KS discussed with the Committee the work being done to align the University's approach with recognised good practice and establish roles and responsibilities in relation to risk management. The new policy introduced risk appetite which, would be discussed by the Board of Governors (BoG) in the autumn. The Committee **APPROVED** the Risk Management Policy.
- 5.3 In response to a question, KS provided an update on operational risk management and how this was being embedded across the University. Chief Operating Officer, Ann Holman, provided further assurance over this area, confirming that operational risk registers were monitored on a regular basis and were in alignment with the Strategic Risk Register. A risk could be moved across to the other register as appropriate or could straddle both, for example cyber security was an operational risk with strategic implications. AH confirmed that the operational risk register would highlight risks of strategic importance, and the ensuing mechanism and decision-making process would be clearly set out.
- 5.4 The Committee discussed the methodology for scoring, noting that this would be a subjective consensual judgement rather than any kind of measuring methodology.
- 5.5 In response to a question, KS confirmed that Audit Committee would be instrumental in reviewing risk appetite going forward, once the overall risk appetite had been set.
- 5.6 It was suggested that 'risk tolerance' rather than 'risk appetite' may be more appropriate, noting that risk appetite may imply a more commercial and strategic approach. The Committee invited the views of Internal Audit Director, Helen Cargill, whose definition was that risk appetite was where you would like to be, risk tolerance indicated where you could live with it but might want to do something about it. The nuances of the terminology used would be part of ELT's considerations. **ACTION: KS**
- 5.7 The view of External Audit Director, Nathan Coughlin, was that the approach was robust and highlighted the advantage of keeping the Strategic Risk Register as simple and live as possible, potentially via one tier of strategic risks.
- 5.8 In response to a question, KS confirmed that training for the Board would be factored in.
- 5.9 An assessment would be made as to whether an Audit Committee update or workshop on risk would be helpful in the autumn, ahead of discussion by BoG. **ACTION: CT/VH**
- 5.10 The Committee noted the position and thanked KS for the report.

6. To Receive and Consider Internal Audit Progress Report (SICA)

- 6.1 The Summary Internal Controls Assurance (SICA) Report was received. EvdL invited HC to lead on the three elements of this agenda item regarding Internal Audit.
- 6.2 The report of four IA reviews were received. Three had positive levels of assurance, one limited. HC summarised changes to the IA plan and noted that one outstanding audit would be finalised in July.

Approved Minutes

To Receive and Consider Reports of Internal Audit Reviews

- 6.3 **Business Continuity Management** – HC summarised the scope of the review and key strategic findings. The Committee discussed reasons for the overall assessment of limited assurance. The Committee discussed the action points – four important, six routine and seven operational. HC noted that while there were arrangements in place, there was a lack of overarching plan. AH confirmed that an action plan had been agreed, including a review mechanism. AH confirmed that the report aligned with findings from the University’s own review and action had been taken to address this; the resulting Business Continuity Policy and planned approach had been approved by Executive Leadership Team (ELT) and had been recently tested by the Critical Incident Management Team (CIMT) during a water outage, which had been managed appropriately. AH updated the Committee on the revised approach to business continuity management, to be led by a new risk and compliance steering group and operations board.
- 6.4 In response to a question, AH confirmed that the University was part of the Plymouth Resilience Forum.
- 6.5 The Committee was satisfied with the steps being taken to address the findings and to strengthen business continuity management.
- 6.6 **Student Support and Wellbeing** - HC summarised the scope of the review and key strategic findings. The Committee noted reasonable assurance and discussed the action points – three routine and three operational. HC’s assessment of the arrangements in place was positive, to the extent that a rating of ‘substantial assurance’ may be more appropriate; TIAA would review this. **ACTION: HC**
- 6.7 In response to a question, AH confirmed that feedback from staff involved in the review had been reviewed by managers. Challenges around manual processes were being addressed through Operation:Excellence, the business transformation programme.
- 6.8 The Committee commended the team on the positives to be drawn from the report, in particular the support offered to students with mental health issues.
- 6.9 **Cyber Security** - HC summarised the scope of the review and key strategic findings. The Committee noted reasonable assurance and discussed the action points – three important, seven routine and one operational. The Committee noted the substantial progress which had been made developing policies and strengthening the underlying framework. AH confirmed that TIAA’s feedback had informed some revisions to the policy and a further review would incorporate cybersecurity attacks and resilience. AH noted that core architecture required investment and a clear plan had been drawn up with a focus on de-risking cybersecurity. Controls were being centralised. Resilience challenges were being addressed. Training was being implemented across the University. In response to a question, HC confirmed she was content with the timescales set out in the report to address actions.
- 6.10 In response to a question, AH confirmed that policy had been updated with regard to roles and responsibilities. A significant review would be conducted over the summer and

Approved Minutes

brought to Digital and Physical Infrastructure and Transformation (DPIT) Committee and Audit Committee as per agreed cycles of business, with a view to securing BoG approval in November.

- 6.11 **Academic Partnerships – Finance and Contracts** - HC summarised the scope of the review and key strategic findings. The Committee noted substantial assurance and discussed the one operational action point the suggestion of an operational risk register for partnership arrangements. The Committee wished to convey thanks to Prof Michelle Jones for her work, recognising the importance of the robust assurance demonstrated in this area.

- 6.12 **Advisory review of UKVI and international student growth** – a verbal update was provided on the status of this report, which had been initiated in mid-May; the work was being reviewed by TIAA and a report would be issued in July.

To Receive and Consider Internal Audit Recommendations

- 6.13 The report was received. EvdL invited HC to lead on this item.
HC noted that it was not unusual to see a number of recommendations when an HEI was going through a period of transformation, but recommended a review to ensure appropriate ownership and relevance. AH confirmed that a full review would take place.
- 6.14 The Committee was satisfied with the position. HC was thanked for the report.

7. To Receive and Consider the Brief and Plan for 2024/25 Year End

- 7.1 The report was received. EvdL invited External Audit Partner, Nathan Coughlin, of Bishop Fleming, to present an overview.
- 7.2 NC reminded the Committee of the purpose of the annual external audit, in terms of assurance and compliance. The External Audit Plan provided an overview of the nature and scope of the audit work and brought to the Committee's attention key aspects of the audit. NC confirmed there were no significant changes in accounting or auditing standards to note this year, but summarised those due for implementation in 2026-27.
- 7.3 NC highlighted the areas which had been identified as significant risk areas. Management override of controls and fraud in revenue recognition were risks which reflected auditing standards. Going concern was a sector-wide risk, which would be mitigated primarily through student recruitment. Further potential areas of risk which would be examined were discussed with the Committee, regarding debt collection; pensions; audit process and finance team capacity.
- 7.4 NC's view was that the University's position showed improved robustness compared with the previous year, supported by improved financial planning and modelling tools.
- 7.5 NC invited the Committee to comment on any areas of concern, risk or any further areas requiring consideration. No further matters were raised.

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

Approved Minutes

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.

The Committee received an update on Board and Committee membership proposals being brought to BoG, following careful review by Governance & Nominations Committee, which included a recommendation regarding Audit Committee.

The Vice-Chancellor thanked EvdL for her tremendous contribution to the Committee and University, at this the last meeting of her tenure as a Governor. CT's thanks were echoed by the Committee, ELT and auditors.

HC and NC left the meeting.

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

See Reserved Business (2) minutes

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

See Reserved Business (2) minutes

Part B

The following reports were received and approved:

- 10.** Minutes of Previous Meeting (M2 17 March 2025) were received as an accurate record and **APPROVED** with no amendments.
- 11.** Financial Regulations
- 12.** Counter-Fraud and Anti-Corruption Policy
- 13.** Cyber-Security and Threat Management Policy
- 14.** Business Continuity Policy

The following reports were received for information with no queries:

- 15.** Matters Arising from Previous Meeting
- 16.** Management Accounts
- 17.** Update Report – Significant Losses
- 18.** Financial Statements 2024/25 – Assurance Report

Part C

The following reports were received for information with no queries:

- Register of Interests
- 17** Notes from HW Fisher Audit Committee Chairs webinar