

Plymouth Marjon University

Board of Governors

Audit Committee

Friday 20 April 2018, 10.00 – 12.00, in the Boardroom

MINUTES (Approved)

Present:

Mrs Emma Van der Lugt (Chair)	Independent Governor	EvdL
Rev'd Preb Cate Edmonds	Independent Governor	CE
Mr Mike Sturgess	Co-opted Member	MS
Mr John Searson	Independent Governor	JS

In attendance:

Professor Rob Warner	Vice-Chancellor	RW
Mrs Heather Ancient	PriceWaterhouseCoopers	HA
Mr Adam Croney	PriceWaterhouseCoopers	AC
Mrs Unity Stuart	Clerk to the Board	US
Mr Rich Watson	Director of Finance & Facilities	RiW

Main Meeting (Governors, Auditors and Staff)

1. Apologies and Declaration of Conflict of Interests

1.1 No apologies were received. Mike Sturgess reported that he has recently become a trustee of SWMTC but this was not considered a conflict of interest.

ACTION US to add to register of interests.

2. Minutes of the previous meeting (20 October 2018)

2.1 Implementation of the financial regulations regarding staff use of the post and telephones was queried and it was noted that all are aware of the financial regulations and required to adhere to them. Reminders are sent annually following review of and updates to the regulations.

2.2 The minutes were approved as a true and accurate record.

3. Matters Arising

3.1 All matters arising from the previous meeting were considered complete.

4. To receive and discuss the following Internal Audit Reports

a) Risk Management

4.1 The risk management audit had resulted in a low risk report with two medium risk findings. The committee noted the agreed plan to hold a workshop on 24th April as part of the audit and the recommendation to develop the risk register into a live document, engaging with sector wide risks. The risk appetite should also be more clearly articulated to empower staff to consider opportunity as well as risk and to provide more direction for Audit committee consideration.

4.2 It was suggested that following the workshop, the Senior Management should work towards articulating tolerable levels of risk, define the appetite for core business and tie this in with scoring on the register.

4.3 HA noted that while the risk policy and approach is sufficient there is often a tendency to become heavily risk averse and missing potential opportunities can equally be considered a risk.

4.4 Further improvements were also noted and would be revisited following the workshop.

b) Partnerships

4.5 The report noted a shift in the ways partnerships are being used and an attempt to refine the partnerships in place, including terminating a number of historical partnerships. Outlining the financial implications of these partnerships had also provided a helpful context.

4.6 The audit had consisted of testing a sample of contracts to ensure these were up-to-date, signed, on file and processed accurately. HA indicated this is an area of concern for many organisations therefore the report indicates a positive outcome in comparison.

4.7 RiW confirmed that partnerships are now held centrally with the Quality Unit and as such there is likely to be less risk of lost contracts.

c) Governance

4.8 AC noted that following organisational change, this audit was requested to ensure governance arrangements were appropriate. It was noted that the higher risk report is representative of the point in time immediately following the restructure. Some of the paperwork received was either out of date, in draft form or incomplete therefore it was difficult to have assurance that this was accurate. RiW queried whether these had been addressed since and US confirmed this was all now up-to-date, in place, approved by the Board and due for review annually going forward. A new member of staff was also now in post to manage the internal governance arrangements going forward.

4.9 The committee also discussed the findings relating to Board papers to ensure governors understand their role, focus their time and are aware of the action required.

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ACTION It was suggested that approximate timings and clarity on whether action/decision/approval is required should be included on committee agendas. US indicated that each Chair has a different preference in this regard but would be keen to introduce some consistency across the Board and sub-committees. To be discussed at meeting of Governance committee.

4.10 The length of reports submitted was also discussed and it was agreed there should be a continued emphasis that executive summaries are required and longer more detailed reports can also be provided as required.

4.11 **ACTION** The committee discussed improving governor engagement with stakeholders and it was agreed that an exercise in mapping circles of influence within the city/region/governing body and staff would be valuable. It was also suggested that the skills matrix might also include information on influence and networks.

4.12 **ACTION** As part of this discussion it was also agreed that governors should be reminded of the breadth of their role and US would update the draft role descriptions to include that of Ambassador to be discussed at the Governance committee on 9th May.

d) Data Returns

4.13 This report resulted in a low risk rating and AC indicated the approach to ensure the correct structures are in place for preparing, approving and scrutinising data submissions. The schedule of returns had been reviewed and it was found that a large majority of returns are prepared and submitted by just two individuals.

4.14 Contingency planning was discussed and it was felt that preparing guidance documents for these roles and responsibilities would help safeguard against any absence.

4.15 The growing importance of data was noted and thus ensuring the accuracy of data is fundamental.

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4.16 The process of approval and accountability for data assurance was discussed and RW and US confirmed improvements are in place including revised submission forms. It was agreed that positive steps have been taken but the message needs to be clear that the process outlined in the policy must be followed.

5. To receive and consider the Internal Audit Progress Report

5.1 AC noted that the report provides an update on the in-year audit plan and allows for progress updates on the phased in year reviews.

5.2 The record of fixed assets was briefly discussed with the third and final review due shortly to understand any improvements in this area. RiW also noted some progress regarding materiality and smaller capital assets is under way, including the introduction of a form to capture disposal of assets rather than the previously more informal email trails for example.

5.3 Cash flow forecasts were discussed and given a high rating, due to forecasts not being adjusted due to a delay in capital works. Routine reporting did also not include comparison of actuals against forecast and RiW noted the accounts will include this in future beginning in March. The Management Accounts will also be available in quarters going forward.

5.4 The committee also briefly discussed the review of exception reports and student records and it was noted the system does not have the functionality to record where exception reports have already been checked or when.

6. Cash Handling and Financial Losses

6.1 The committee noted the report and that the incident in question had since passed, due to having postponed the committee meeting. RiW provided some more detail and

context and confirmed the incident had been thoroughly investigated and the policy clarified subsequently.

6.2 **ACTION** The committee suggested that RiW explore changing the process entirely to ensure no cash handling in future and all bursaries are paid into bank accounts in future. RiW noted that only one group is paid in this way but would explore a change of process.

7. To receive and note HEFCE Annual Assessment of Institutional Risk

7.1 The HEFCE assessment was received and the committee noted the rating of 'not at high risk'. RW noted the risk rating has continued to reduce from previous years and this was felt to be a particularly positive outcome as HEFCE transitions to its new form in the OfS.

8. To review the Strategic Risk Register

8.1 RW provided a brief summary on the register as it stands and noted further work is due to be undertaken following the PwC led Risk Workshop on 24th April.

8.2 **ACTION** some minor updates were noted including clarification regarding terminations of partnerships and updates to risks for 2016/17.

8.3 HA supported the addition of the risk surrounding the government review of fees and funding and suggested a wider consideration of the changing approach to and perceived value of HE might also be valuable.

8.4 RW provided some further detail regarding changes within the sector, the removal of student tuition fees from the annual government expenditure, and an increase in the threshold for paying back loans all prior to the completion of the fees and funding review. It was also noted that RiW is undertaking financial modelling of fees and funding scenarios in anticipation.

8.5 It was suggested that as well as the review of fees and funding, the demographic upturn, the changing nature of HE, employment and future desirable skills might also be considered. Risks and opportunities surrounding apprenticeships should also be explored. RW noted that management and teacher education likely to be the most fruitful programmes in future and successful employer engagement is likely to be the key to success in apprenticeships.

9. Intellectual Property Rights Policy review

9.1 LP was unable to attend the meeting; US provided an update on her behalf. A policy was currently in place, had been reviewed by the Research committee in June 2016 and approved by SMT in August 2016.

MS had provided some advice surrounding intellectual property more generally following a previous meeting, LP had reviewed this and confirmed the policy is fit for purpose. MS provided some detail following the types of advice offered within the policy. RW also noted that he was comfortable with the current policy and there is typically more risk in this area in regards to medicine or engineering and the work undertaken by the lecturers.

9.2 **ACTION** it was agreed the intellectual property policy would be reviewed again as needed by Research Committee end 2019.

10. To consider the Whistleblowing policy

10.1 US outlined some of the changes made to the policy and indicated that LP and US had reviewed and were content.

10.2 The committee were content with the changes but queried that there is often very little to report. RiW noted that LP does receive disciplinary/disputes but as noted in the policy, typically any issues are reported to line managers and HR directly rather than formally as whistleblowing.

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10.3 EvdL also indicated that any issues of seriousness are raised with governors as per a recent issue that had been reported to the Board with subsequent updates as required.

10.4 **ACTION** providing pastoral support for any whistle-blowers was also noted as important and should be added to policy.

11. Any other business

11.1 The introduction of the GDPR was queried. US noted a recent action for the SMT to prepare and submit action plans for each department and send to US. This would be followed up at the next meeting of SMT. KW had also suggested adding the GDPR to the risk register and it was agreed the current risk surrounding data protection would be amended to include the GDPR regulations specifically.

Next Meeting: Friday 15th June

Action Log

Minute: 1.1

Action: Mike Sturgess reported that he has recently become a trustee of SWMTC. US to add to register of interests.

Owner: US

Deadline: ASAP

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Minute: 4.9

Action: Approximate timings and clarity on whether action/decision/approval is required to be included on committee agendas. US to discuss consistency for agendas etc. to be discussed at Governance committee.

Owner: US

Deadline: Governance Committee 9th May

Minute: 4.11

Action: The committee discussed improving governor engagement with stakeholders and it was agreed that an exercise in mapping circles of influence within the city/region/governing body and staff would be valuable. It was also suggested that the skills matrix might also include information on influence and networks.

Owner: US/Governance Committee

Deadline: Autumn Meeting of Governance committee

Minute: 4.12

Action: Update the draft role descriptions to include that of Ambassador to be discussed at the Governance committee on 9th May.

Owner: US/Governance Committee

Deadline: Autumn Meeting of Governance committee

Minute: 6.2

Action: Explore changing the process entirely to ensure no cash handling in future and all bursaries are paid into bank accounts in future.

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Owner: RiW

Deadline: Next meeting

Minute: 9.2

Action: It was agreed the intellectual property policy would be reviewed again by Research Committee end 2019.

Owner: Research Committee

Deadline: End 2019

Minute: 10.4

Action: Providing pastoral support for any whistle-blowers was also noted as important and should be added to policy.

Owner: US

Deadline: Next meeting