



**Friday 22 June 10.00 – 12.00, in the
Boardroom APPROVED
MINUTES**

Present:	Mrs Emma Van der Lugt (Chair)	Independent Governor	
		EvdL Mr Mike Sturgess	Co-
	opted Member	MS	
	Mr John Searson	Independent Governor	JS
In			
attendance:	Professor Rob Warner	Vice-Chancellor	RW
	Mr Nathan Coughlin	Bishop Fleming	NC
	Mr Adam Croney	PriceWaterhouseCoopers	AC
	Mrs Unity Stuart	Clerk to the Board	US
	Mrs Pam Tuckett	Bishop Fleming	PT
	Mr Rich Watson	Director of Finance & Facilities	RiW

Main Meeting (Governors, Auditors and Staff)

3. Apologies and Declaration of Conflict of Interests

3.1 Apologies were received from Rev'd Preb Cate Edmonds and Heather Ancient. No conflicts of interest were declared.

4. Minutes of the previous meeting (April 2018)

4.1 MS queried whether ongoing or incomplete actions from previous meetings are taken forward as they do not appear to be recorded in the matters arising at following meetings. US confirmed that actions are all monitored to ensure that nothing is lost.

4.2 RiW confirmed that action had been taken regarding the cash payments to students and this has been resolved as far as possible with the exception of a small group of students who do not hold UK bank accounts and thus require initial cash payments.

5. Matters Arising, not otherwise on agenda

5.1 RW provided an update regarding the staffing changes and confirmed that Paul Flowers has been recruited as Interim Head of Finance and will be in post from 2nd July with a handover period for RiW and Paul. Recruitment to the permanent post of Director of Finance will then commence. Although the two posts, currently filled by RiW and Diana Naylor, will be covered by one person, the Estates responsibilities have been allocated to a different member of staff and therefore the two finance roles can be managed by one person in the short term.

5.2 The committee briefly discussed the qualifications required for the two posts and the level of skills within the existing teams.

5.3 PT noted that due to the timing in which the staffing changes are taking place, it was recommended that temporarily at least, it will be important to ensure that enough staffing resource is in place. To a degree, support can be provided by External Auditors but more may be required. MS agreed that in a period of transition, more resource rather than less is likely to be needed.

5.4 RiW confirmed that budgets will be completed before his leaving date.

5.5 It was also noted that as Paul will be coming from a larger institution, he may not be as comfortable multitasking and covering other roles such as completion of statutory returns. This will need to be established early on.

5.6 **ACTION** RW suggested that prior to Paul's arrival RiW could source some CVs from an agency for a fixed term post for University Accountant.

5.7 **ACTION** RW confirmed that governors will be engaged with the appointment of the DVC and it would also make sense for them to support recruitment of the Head of Finance. It was also suggested that the Internal Auditors could take an advisory role here.

6. To consider and approve the committee ToR, membership and meeting dates

6.1 The dates were discussed and it was agreed the autumn meeting would be moved to 2nd November.

ACTION US to circulate

6.2 The ToR was discussed briefly; US had noted some minor amendments. The requirement at 2.2 for at least one member with a background in finance, accounting or auditing was discussed. It was suggested that generally audit committees can be a little 'thin' on members and those with accounting experience. Regardless it was agreed that the committee requires a replacement for Cate Edmonds, leaving in November and an additional member with some urgency.

ACTION Governance & Nominations Committee to address ASAP.

6.3 The process for reviewing fees was briefly discussed and RiW confirmed normally this is agreed upon appointment and then every 5 years.

6.4 RiW provided a brief update regarding the benchmarking work Tribal are undertaking and the results of this will be received by SMT in early July. RW noted that similar institutions have also taken part so the benchmarking data is likely to be more valuable. RiW will then undertake a 'sanity check' of the report provided by Tribal. This would be reported to the September Board meeting and Audit or F&R if needed subsequently.

7. To receive and discuss the following Internal Audit Reports

7.1 Key Financial Controls

7.1 AC highlighted the executive summary showing the progress in year. RiW noted one minor typo regarding the responsible person for recommendation 2.

7.2 Student Data Controls

7.2 Risk surrounding the error traps and the integrity of the data was examined and remains outstanding.

8. To receive and consider the Internal Audit Plan for the coming year

8.1 AC noted that the plan represents the understanding of the environment at that point in time, and if the situation changes in year then prioritisation can be adjusted.

8.2 AC noted not all areas can be audited and the audit plan therefore highlights the key areas of focus. MS queried the potential for additional contingency days. Despite budget constraints, this would be possible if needed.

8.3 It was also suggested that as case law develops regarding GDPR, additional days surrounding compliance with this may be required.

8.4 It was agreed that the committee should keep the plan under review.

8.5 RiW queried the key financial controls audit and what this is likely to entail. AC would provide RiW with further detail in advance of the new Head of Finance taking up the post.

9. To consider the Outstanding Audit Recommendations

9.1 The committee agreed to the removal of the completed audit recommendations from the monitoring list.

10. To receive and consider the Audit Strategy and Planning Memorandum from the External Auditors

10.1 PT noted the content of the report and that this details what is required to be reported to the Board via the Audit committee.

10.2 PT explained the level of materiality defined and the sample sizes for the data examined. Revenue recognition and management override are the two standard risks identified and loss of key finance staff is an additional risk identified for the year. PT further explained the position surrounding any adjustments required.

10.3 NC further outlined the three significant risk areas and noted the timetable for undertaking this work.

10.4 Pension assumptions will also be examined as an area of heightened risk.

10.5 PT noted the requirements surrounding ethical threats and safeguards and confirmed that the committee also have a requirement to ensure there are no conflicts of interests and that related party forms are completed.

11. To receive the draft Financial Regulations

11.1 RiW briefly outlined the revisions to the Financial Regulations. None of the adjustments reflect the current staffing changes, but some corrections can still be made in-year if needed. RiW also noted the attempt to keep the Regulations current.

11.2 EvdL queried whether the auditors had any comments surrounding the updates to the Regs and there was nothing to note. Changes to the fixed asset register were regarded as positive. RiW noted two different control mechanisms in place, including a system for tracking smaller items.

11.3 **ACTION** JS suggested some information surround support with debts and financial difficulties might be useful to further emphasise a student support focus as well as the formal procedures regarding payments and debts. It was agreed that this could be outlined in Student Support documentation and signposted within the Regulations only.

11.4 RW noted that typically Marjon has taken a softer approach to recouping debts and whilst student support is key, we need to ensure that standard financial regulations are in place and followed.

12. To review the Strategic Risk Register

12.1 US provided a brief update regarding the risk register following the PwC led Risk Workshop. Further work on this is planned during the SMT away day in July and an update register and report would be available for the next committee meeting.

13. To nominate a Deputy Chair of the committee

13.1 EvdL asked if JS would agree to taking on the Deputy Chair Role on an interim basis. JS agreed.

14. To discuss the effectiveness of Audit committee

14.1 It was noted that the effectiveness of the committee can be measured by the improvements to processes that result from meetings.

14.2 MS also noted that effectiveness can be measured by the brevity and clarity of the agenda and papers. US confirmed that the previous recommendation for templates for agendas and papers had been approved and will be taken forward for future meetings, across Board sub-committees.

14.3 In terms of the requirements of the committee outlined in the Terms of Reference, it was felt that the committee is effective in this way. However, in terms of resilience and the current membership this needs work. Secondly NC noted that external advisors could be invited to join meetings to offer advice and support surrounding particular issues or risks.

14.4 AC also noted that moving the risk register higher up the agenda, this can often focus the committee on the key issues early on in the meeting.

ACTION US agreed to do this in future.

15. To receive an update on actions taken regarding GDPR

15.1 EvdL thanked RW for the GDPR reports from Senior Management. HE confirmed that each member of SMT with GDPR responsibilities had managed their own section, and these were all then reviewed and signed off by SMT as a whole. Each department had also discussed within their own professional networks the requirements and KW had attended some training events specifically for Marketeers.

15.2 RiW confirmed that GDPR will sit with Norman Jope going forward as Data Protection Officer. NC noted that many other audit committees he has attended are similarly focusing

on GDPR including receiving regular updates and often the GDPR officer may attend.

16. Any other business

16.1 EvdL offered congratulations to NC who had become a Partner of Bishop Fleming.

16.2 EvdL also offered congratulations to RiW on his new position and thanked him for his work with the Audit committee and the institution more widely over the years.

Action Log

Minute	Action	Owner	Deadline
1.5	The membership and effectiveness of the committee was briefly discussed including the emphasis on the need for financial and audit knowledge. It was suggested that an additional co-optee may also be required, specifically with Audit or Accountancy experience. US to raise again with Nominations Committee with urgency.	US/No ms	ASAP
5.6	RW suggested that prior to Paul's arrival, RiW could source some CVs from an agency for a fixed term post of University Accountant.	RiW	ASAP
5.7	RW confirmed that governors will be engaged with the appointment of the DVC and it would also make sense to support recruitment of the Head of Finance. It was also suggested that the Internal Auditors could also take an advisory role here.	RW/US	ASAP

6.1	The meeting dates were discussed and it was agreed the Autumn meeting would be moved to 2nd November.	US	ASAP
6.2	<p>The ToR was discussed briefly, US had noted some minor amendments. The requirement at 2.2 for at least one member with a background in finance, accounting or auditing. US to amend ToR.</p> <p>It was agreed that the committee requires a replacement for Cate Edmonds, leaving in November and an additional member with some urgency. Governance & Nominations Committee will address ASAP.</p>	US/No ms	ASAP
11.3	JS suggested some information surround support with debts and financial difficulties might be useful to further	RiW/Stu dent Support	ASAP

	<p>emphasise the student focused aspect as well as the formal procedures regarding payments and debts. It was agreed that this could be outlined in Student Support documentation and this could be signposted within then Regs only.</p>		
14.4	<p>AC also noted that by moving the risk register higher up the agenda, this can often focus the committee on the key issues early on in the meeting. US agreed to do this in future.</p>	US/EvdL	Next meeting