

BOARD OF GOVERNORS

AUDIT AND QUALITY COMMITTEE

1500, Wednesday 15 February 2017, Board Room, St Andrew's Court

MINUTES

Present: Dr Peter Bunyan, External Governor (Chair)
Mark Greenwood, External Governor
Frances Morris-Jones, External Governor
Paul Myers, External Governor

Clerk: Adrian Parry, Director of Corporate Governance
Annette Bourke, Head of Governance Services

In attendance: Andy Gannon, Procurement Manager (for Min 48)
Lorna Raynes, Internal Auditor, RSM LLP
Paul Thomas, External Auditor, Deloitte
Louise Tweedie, Internal Auditor, RSM LLP
Bernie Topham, Chief Operating Officer (COO) (for Mins 47 and 48)
Emma Woollard, Director of Finance

Tabled paper: Agenda item 4, HEFCE Annual Provider Review Preliminary Assessment letter (Min 45.1 refers)

PRIVATE SESSION

The External Governors, the staff representative, the external and internal auditors held a private session before the start of the main meeting at 1500 hours.

To accommodate the availability of some members, some agenda items were taken out of order.

42. WELCOME, QUORACY AND APOLOGIES

- 42.1 Committee welcomed to the meeting Louise Tweedie (replacing Mike Chetham) and Lorna Raynes, Internal Auditors from RSM LLP.
- 42.2 Apologies were received from Professor Graham Galbraith, Vice-Chancellor; Sue Barrett, External Auditor Deloitte; and Jenny Humphreys, Staff Representative.
- 42.3 The meeting was confirmed as quorate and no members declared any potential conflict of interest.

43. MINUTES

The minutes of the meeting held on 9 November 2016 were confirmed as a correct record.

44. MATTERS ACTIONED SINCE THE LAST MEETING OR UNDER CONTINUING CONSIDERATION

Action was reported on seven items for note, four items would be covered later in the agenda and three items would be covered at a future meeting.

45. MATTERS ARISING

Committee noted the following in discussion:

- 45.1 Annual Provider Review Preliminary Assessment – a copy of the letter from HEFCE of 8 February 2017 was tabled for information and note.

There were no other matters arising from the minutes.

46. INTERNAL AUDIT

- 46.1 Progress Update Report 2016/2017: Committee received an update on progress against the internal audit plan for 2016/17 from Louise Tweedie and Lorna Raynes, RSM LLP. In discussion the following points were noted:

- (i) Some audits had been deferred at the request of management: the Consumer Credit Act; the Student Housing to allow a full cycle of a new system; and Consumer Credit Act would be replaced with Information Governance this year. It was agreed that RSM would provide narrative on the reasons for deferral in future updates.
Action: RSM LLP
- (ii) Counter Fraud Presentation: a counter fraud specialists delivered a presentation to the Finance Department.
- (iii) A higher education news briefing from RSM LLP was provided for information. Committee welcomed the briefing which they felt was very informative.
- (iv) Working protocols: There were plans to set up a better flow-through of internal audit reports for the Committee. It was estimated that five reports would be ready to be received at the 15 May 2017 Committee meeting.

- 46.2 Recommendation Follow-up report: Committee received an update on how recommendations would be tracked and followed up going forward, including those currently outstanding from previous audits. In discussion the following points were noted:

- (i) Committee noted that there was tracker software available ('4action') that tracked and monitored agreed management actions and tasks.
- (ii) A summary report including the status of previous recommendations would be presented at the next Audit and Quality Committee on 15 May 2017.

Action: RSM LLP

47. HEFCE

- 47.1 2012-13 HEFCE-funded student outturn audit: Committee noted the report and that due to timing of the receipt of the letter, this item had already been received and discussed at the Board of Governors meeting on 25 January 2017.
- 47.2 HEFCE Audit of the Key Information Set (KIS) 2015/16 action plan follow up: Committee had been asked by HEFCE to monitor the actions required and it received an update on the action plan in response to the HEFCE Audit of the Key Information Set (KIS) 2015/16. In discussion the following points were noted:
- (i) The HEFCE Audit of the Key Information Set (KIS) 2015/16 (Letter from HEFCE of 16 August) and review of the Isle of Wight College Key Information Set 2015/16 (Letter from HEFCE of 8 August) were received at the 28 September 2016 Audit and Quality Committee.
 - (ii) At the 9 November 2016 Audit and Quality Committee a letter from HEFCE dated 10 October 2016 was tabled, which stated "...all actions in response to the audit recommendations should be completed by March 2017 and that the University's Audit Committee should monitor the introduction of these process changes and ensure that HEFCE are informed if there is any slippage in implementation."
 - (iii) Committee were assured that the action plan was on track and would be completed by April 2017.

48. VALUE FOR MONEY (VFM)

Committee received a report from Andy Gannon, Procurement Manager on VFM in Procurement. Key points noted during discussion were:

- 48.1 This report was an excerpt from the Procurement Annual Report 2015/2016.
- 48.2 It was noted that there was no feedback yet from the HEFCE Annual VFM report submitted in November 2016.
- 48.3 During the last 12 months the Procurement team had set out to actively engage with Faculties and Services to make them fully aware of the University's obligations when buying goods and services. These sessions had enabled the Procurement team to engage with departments in meeting their requirements and deliver value for money.
- 48.4 The tender documentation and processes had been reviewed in terms of compliance with the 2015 Procurement Regulations. New documentation had been developed to ensure compliance with the latest Public Contract Regulations.
- 48.5 Addressable spend that could be influenced was in the region of £70 million. The University had complex procurement requirements and the new procurement strategy and tender documents were helpful in clarifying matters like budget, key users and where items might already be available elsewhere in the University and could be a shared resource.

- 48.6 The Procurement team have carried out an increased number of tenders (83) in the last financial year. There were a number of examples where money had been saved, warranties put in place and efficiencies gained through the activities of the Procurement team.
- 48.7 The Committee noted that VFM was not only about saving money but also about the approach to the activities. The new procurement strategy would assist with this and identify where procurement could make a difference to the process in terms of optimal value and cost.
- 48.8 Committee thanked Andy Gannon for the helpful and informative update and discussion.

49. THE UNIVERSITY'S PREVENT DUTY – **confidential item**

50. WHISTLEBLOWING POLICY

Committee received a revised Whistleblowing Policy from Adrian Parry, Director of Corporate Governance. This had been redrafted to take account of the discussion of a previous draft at the 28 September 2016 Committee meeting. In discussion the following points were noted:

- 50.1 Committee agreed that the redrafted policy had been simplified and shortened with an increased emphasis upon providing reassurance that any individual who raised a concern would not suffer sanction as a consequence.
- 50.2 Committee approved the redrafted policy.

51. RISK MANAGEMENT

51.1 Committee received the Risk Register and noted that it had been discussed and agreed by the University Executive Board (UEB) via electronic circulation on 19 January 2017. Key points noted during discussion were:

- (i) The register is a living document and changes such as expansion of the University would change the status of risks.
- (ii) RSM LLP delivered a risk management workshop to Governors and senior staff on 14 November 2016. This led to the identification of a number of strategic risks by RSM LLP. It was noted that mapping these confirmed that they had been considered and were largely addressed by existing coverage. There was, however, a need to include discrete coverage of partnership activity within the register.
- (iii) Risk appetite would need to be considered as part of a future discussion on risk.

Action: Director of Corporate Governance

51.2 Committee received the Risk Assurance Map from Adrian Parry, Director of Corporate Governance. The assurance map provided an overview of where sources of assurance might be gained that each of the risks in the University's risk register were being managed efficiently and effectively.

52. STUDENT RELATED EXTERNAL RETURNS – DATA QUALITY, ANNUAL REPORT 2016/17

52.1 Student Related External Return – Data Quality Annual Report 2016/17: Committee received and noted a report from Stephen Wiggins, Academic Registrar, and Simon Walton, External Returns Senior Registrar, on the external statutory returns made between January 2016 and January 2017. The report provided assurance that the quality of data used in making external student related returns was robust and that any inaccuracies had been identified and addressed as part of the submission processes. Committee noted the thorough approach taken to the process of data returns.

52.2 Data Returns Register: Committee received and noted the recently updated Data Returns Register as at 6 February 2017.

53. PROFESSIONAL, STATUTORY AND REGULATORY BODY (PSRB) ACCREDITATIONS

53.1 Committee received a report from Cat Palmer, Faculty Advisor, on the business process for supporting and recording those courses that have PSRB accreditation status.

53.2 Committee had received electronically a complete list of the professional accreditation status of courses offered by the University. It was noted that the term "running out" indicates that the course remained open only for completing students, and would close once the last students have completed.

53.3 The business process and the comprehensive and clear spreadsheet gave assurance to Committee that the University was managing its professional accreditations effectively.

54. FREEDOM OF INFORMATION (FOI) ANNUAL REPORT 2016

Committee received the Annual Report for 2016 from Samantha Hill, Information Disclosure and Complaints Manager and noted the increased amount of work that had been undertaken to respond to FOI requests, which were increasing in volume and complexity. Members were assured that the University was complying with its obligations under the Freedom of Information Act.

55. SELF-ASSESSMENT

Committee noted that there would be discussion at the forthcoming Governors' Spring Seminar about effective governance and feedback from the recent work and the survey by RSM LLP on the Board's effectiveness. Any decision on self-assessment would be considered after the outcome of those discussions was known.

56. NON-AUDIT SERVICES PROVIDED BY EXTERNAL AND INTERNAL AUDITORS

Committee noted planned non-core audit services to be provided by the internal and external auditors during the course of January to March 2017. Committee confirmed they were appropriate and would not compromise the auditors' independence.

57. HEFCE CIRCULAR LETTERS

Committee noted the full list of HEFCE publications and circulars could be found on the HEFCE website at: <http://www.hefce.ac.uk>.

58. PROPOSED MEETING DATES 2017/2018

The following meeting dates had been circulated electronically to members on 9 January 2017:

Wednesday, 27 September 2017, from 1500 to 1730
Wednesday, 15 November 2017 from 1500 to 1730
Wednesday, 14 February 2018 from 1500 to 1730
Wednesday, 9 May 2018 from 1500 to 1730

The Committee confirmed these dates. Members were reminded there would be a private session at 1445 immediately before each Committee meeting.

59. DATE OF NEXT MEETING

The next meeting would be held on Wednesday 10 May 2017 at 1500.

60. DELEGATION OF AUTHORITY TO CHAIR

Committee agreed to delegate authority to the Chair to take action on audit business before the next meeting if necessary.