University of Portsmouth

Audit and Quality Committee

DATE / TIME / VENUE	1030, Monday 24 February 2020, Purple Door Board Room, Rosalind Franklin Building
PRESENT	Frances Morris-Jones, External Governor (Chair)
	Anne Lambert, External Governor
	Paul Myers, External Governor
IN ATTENDANCE	Chris Chang, Pro Vice-Chancellor (GE & Education Partnerships) (Min 43.4)
	Professor Graham Galbraith, Vice-Chancellor
	Professor Paul Hayes, Deputy Vice-Chancellor (Min 48)
	Dr Rinat Khusainov, Staff Representative (up until and including Min 47)
	Chris Randall, External Auditor, Deloitte LLP
	Paul Thomas, External Auditor, Deloitte LLP
	Louise Tweedie, Internal Auditor, RSM LLP
	Emma Woollard, Executive Director of Finance
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance
	Annette Mills, Head of Governance Services

Private Session

The External Governors, the staff representative, and the external and internal auditors held a private session before the start of the main meeting which commenced at 1030 hours.

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

39.   Welcome, Quoracy and Apologies

39.1   Apologies were received from Andy Hornby, External Auditor, Deloitte LLP and Lorna Raynes, Internal Auditor, RSM LLP

39.2   The meeting was confirmed as quorate and no members declared any conflict of interest.

40.   Minutes

The Committee noted that further to the circulation of the draft minutes to the Committee, Mins 29 (i) and (iii) had been amended and Min 29 (ii) were redrafted to better reflect the wording of the Deloitte management letter.

The minutes of the meeting held on 13 November 2019 were confirmed as an accurate record.

41. Matters Actioned Since the Last Meeting or Under Continuing Consideration

41.1   Action was reported on three items of which two were for note, and one item was covered later in the agenda.

42. Matters Arising

Committee noted the following in discussion:

42.1   Health and Safety Manager: The appointment process for the Health and Safety Manager had been completed. Brent Schwarz had been appointed and would start at the University on 9 March 2020. Previously Brent had been the Corporate Health and Safety Manager at the Southern Health Foundation Trust.

42.2   **Confidential minute**

42.3   Estates Masterplan: There would be an Estates Masterplan horizon scanning session at the 1 April 2020 Board. A session on cyber security would be scheduled for the 14 May 2020 Audit and Quality Committee meeting.

42.4   There were no other matters arising from the minutes.

43. Internal Audit

43.1   Benchmarking Report 2018/2019: Committee received the report that provided a comparison against the number of actions agreed, and the audit assurance opinions provided in similar audits performed across RSM LLP's higher education (HE) client base. The following points were noted in discussion:

(i)   The report showed that there was a strong upwards trend in the number of substantial assurance outcomes for internal audits undertaken at the University. There was also an increase in the number of management actions but this was not considered significant.

(ii)   The level of partial assurance outcomes for audits undertaken at the University was above the median for 2018/19. However, this had been influenced by an audit in an area that the University had already identified as being of concern.

(iii)   The Committee asked that reports outlining more contextual information on audits performed across RSM LLP's higher education (HE) client base be provided in future.

43.2   Internal Audit Progress Report: Committee received an update on progress against the internal audit plan for 2019/2020 from Louise Tweedie, RSM LLP. The progress report provided a factual summary of progress to date. It was noted that a number of reports would be submitted to the next meeting in May 2020. In discussion the following points were noted:

(i)   The outcome for the audit reports for 'Health and Safety Controls Chemical Storage' and 'Framework for Stocktake of Fine Art Shop and Lending to Students from the CCI Equipment Store' were partial assurance. These reports would be discussed by the University Executive Board before being received by the Committee.

(ii)   The audit of IS Cloud Migration Arrangements had been deferred until 2020/21.

(iii)   An audit on quality processes for degree apprenticeships and for reporting to the Education and Skills Funding Agency (EFSA) was likely to commence in March.

43.3   Health and Safety Controls – PAT testing Final Report: the overall conclusion of the audit was substantial assurance. There were two medium management actions. One action related to the completion of a review of the policy for PAT testing and the other to the updating of the PATGuard 3 system. Both actions were in progress and would be completed by spring 2020.

43.4   Update on Travel and Expenses System Rollout: Committee received a report form Chris Chang, Pro Vice-Chancellor (Global Engagement and Education Partnerships). The following points were noted in discussion:

(i)   A report on the new Integrated Travel and Expenses system was provided to the Audit and Quality Committee in November 2019 in response to the findings of the internal audit report on Procedures for Overseas Travel Risk Assessment findings.

(ii)   The University had implemented a new Integrated Travel and Expenses system in December 2019. Initially the system was only made available to a small number of early adopters to ensure that the functionality was optimised and that the process worked for travel bookings and expenses claims and reconciliation.

(iii)   There was a risk assessment form that was to be completed in parallel with the travel booking. This ensured that staff had taken appropriate mitigating steps to minimise the risk and that the assessment was linked to their itinerary which was in turn linked to the monitoring and locate service.

(iv)   The system would go live for all Professional Service staff at the end of February 2020 and to staff in the faculties shortly afterwards.

(v)   One of the issues identified through the testing stage was that it would be more difficult for students to use as the University could not compel them to purchase their travel through the Travel and Expenses System. The Travel and Expenses Project Board had extended the project for six months in order to implement a more appropriate system for managing student health and safety and risk when travelling for their studies.

(vi)   An appropriate standalone product had been sourced for students which provided risk active monitoring through the Integrated Travel and Expenses System. This product did not require the students to purchase travel through the Travel and Expenses System and was flexible enough to cover short travel or long term stay abroad. The process of acquiring and testing the system to ensure suitability of the product was in progress.

(vii)   The Committee noted the steps taken to assure the health and safety of staff and students travelling. As the system was still being rolled out to academic and professional service staff, as well as by means of a different product to students, the overall effectiveness of the system should be reviewed once the rollout was complete and the system fully operational.

43.5   Recommendation Follow-Up report: Committee noted that there was still some software issues following an upgrade of the 4Action software. A solution was being worked upon.

44.   Corporate Risk Register

44.1   Corporate Risk Register: The Committee received the new Corporate Risk Register that aligned with the 12 central themes of the new University Strategy from Adrian Parry, Executive Director of Corporate Governance. The following points were noted in discussion:

(i)   At the Audit and Quality Committee meeting held on 24 September 2019 it had been noted that a substantial review and redrafting of the corporate risk register would be necessary to ensure its alignment and synergy with the objectives of the new University Strategy.

(ii)   The new interim Corporate Risk Register was aligned with the 12 central themes of the new University Strategy. Each theme was led by a University Executive Board (UEB) member who was responsible for developing an action plan to take the theme forward. Committee noted that each action plan was currently at a different stage of development and that this current state-of-play was reflected in the interim nature of the corporate risk register received by the Committee.

(iii)   There was discussion on whether to change the 'Due Date' column to a 'Point of Review Date' as it was acknowledged that a number of activities were marked as ongoing with no specific dates. Another option that could be considered would be to link the activity to the KPI progress reports.

(iv)   There was discussion about Risk 9.2 and whether being 'green' was appropriate following the issues with the General Optical Council (GOC). However, it was noted that Risk 9.3 acknowledged the GOC issue in its risk scores. There was also discussion about Risk 11.5 and whether the change from a 'red' inherent risk score to a 'green' residual risk score was appropriate. It was also noted that the mapping of the numbers in the Residual Risk Map needed to be reviewed.

Action: Executive Director of Corporate Governance

(v)   There was discussion about how appropriate some of the controls were for effectively managing and mitigating the risks. It was noted this was a live document and that the Executive Director of Corporate Governance would be having meetings with designated owners to discuss the controls.

(vi)   Committee noted that the new Corporate Risk Register remained a "work in progress" and that it was likely to require substantial adaptation, revision and improvement as action plans were developed and finalised.

44.2   Corporate Risk Assurance Map: The Committee received the revised Corporate Risk Assurance Map from Adrian Parry, Executive Director of Corporate Governance. The Committee noted that as work developed on the new corporate risk register, this might result in some subsequent realignment of the risk assurance map.

45. The University's Prevent Duty

Committee received a report from Adrian Parry, Director of Corporate Governance that provided an overview of the University's activities to deliver its Prevent Duty. In discussion, the following points were noted:

45.1   The outcome report from the formal OfS Prevent Review Meeting (PRM) on 24 June 2019 had contained four recommendations and a request for a case study on the joined up working and open dialogue to deliver the Prevent duty between the University and the Student Union. Three recommendations had been completed and a case study, produced collaboratively with the Students' Union and Head of Wellbeing, had been provided and published by the OfS.

45.2   The fourth recommendation was that the University should consider amending the External Speakers Policy to include coverage of speakers who might be invited to speak to academic fora within the University. Further clarity was sought from the OfS on the breadth and scope of this requirement and whether such proposals were consistent with the principles of academic autonomy and academic freedom. This recommendation was considered at the meeting of Academic Council on 26 November 2019 and representations were subsequently made to OfS. As a consequence, the OfS had indicated that it has satisfied that the University had given due consideration to this recommendation.

45.3   The Committee noted the update.

46. Health and Safety Quarterly Report

Committee received the Health and Safety Quarterly report provided by Lynda Martin, Interim Health and Safety Manager. The following points were noted in discussion:

46.1   The report contained:

(i)   The elements of the University's health and safety policy that pertained to the role of governors and their responsibilities.
(ii)   The duties of the health and safety team with a commentary on how these responsibilities had been addressed during the reporting period.
(iii)   Information on accidents and training delivery during the reporting period.

46.2   The report was noted and discussed by the Committee.

47. **Student Related and External Returns – Data Quality, Annual Report 2018/19**

    47.1   Student Related External Returns – Data Quality Annual Report 2018/19

        (i)   Committee received and noted a report from Chris Douse, Principal Analyst, on the external statutory data returns made in the academic year 2018/19.

        (ii)   The paper provided an annual summary to the Committee of the external returns undertaken during 2018/19 by the External Returns and Data Standards Team in the DSAA. This was designed to provide assurance to the Committee that the University has complied with its responsibilities to provide timely and accurate data.

        (iii)   The Committee agreed that the report provided assurance that the University's processes for external data returns were robust.

    47.2   Data Returns Register

        (i)   Committee received and noted the Data Returns Register as at 1 February 2020. The OfS Regulatory Notice 2 stipulated that the audit committees of higher education institutions (HEIs) were responsible for providing assurance to their governing bodies on the adequacy and effectiveness of the management and quality assurance of data.

        (ii)   The Committee agreed that the report provided assurance that the University was alert to its key data returns, their associated timescales and any risks associated with the collection of the data.

48. **Optometry Update - confidential**

49. **Business Processes for Updating the Professional Accreditations**

    49.1   Committee noted a report from Claire Nowell, Academic Standards and Quality Adviser, Academic Standards, Quality and Partnerships, on the business processes for supporting and recording courses with Professional Statutory and Regulatory Body (PSRB) accreditation status.

    49.2   Control and oversight of professional accreditations would be revisited in light of the issues with the General Optical Council and the accreditation of the MOptometry course.

49.3 Committee had received electronically a complete list of the professional accreditation status of courses offered by the University. It was noted that accrediting bodies had different cycles for approvals.

49.4 Committee agreed that the report and the comprehensive and clear spreadsheet gave assurance to Committee that the University was managing its professional accreditations effectively.

50. The New Further and Higher Education SORP 2019 and Accounts Direction 2019/20

The Committee received an update report prepared by Liz Bartle, Deputy Director of Finance (Financial Systems) on technical accounting changes and clarifications arising from the 2019 of the Further and Higher Education Statement of Recommended Accounting Practice and the Office for Students (OfS) 2019/20 Accounts Direction. The following points were noted in discussion:

50.1 The SORP (Statement of Recommended Accounting Practice) had been amended following the regular (triennial) review process by the UK Accounting Standards Board. This consisted of incremental improvements and clarifications issued by the Financial Reporting Council in December 2017. It would be effective for financial periods beginning on or after 1 January 2019, so would apply from the financial year 2019/20 onwards.

50.2 The main changes were to Investment Properties and Gift Aid. The University did not currently hold any investment properties so there was no immediate impact to the accounts from this. Gift aid was mainly a clarification as to the correct accounting treatment and the University was already compliant so there was no impact from this clarification and this had been confirmed with the external auditors. In addition the Balance Sheet was now retitled the "Statement of Financial Position".

50.3 The Committee noted the report.

51. Quarterly Report of Non-Audit Services from the Auditors

Committee noted there were no planned non-core audit services provided by the internal and external auditors during the course of November 2019 to January 2020.

52. Office for Students (OfS) Publications

Committee noted that Office for Students (OFS) publications could be found at:
Office for Students Publications

53. Proposed Meeting Dates 2019/2020

The Committee noted the proposed meeting dates for 2020/2021 which had been circulated electronically to members on 17 December 2019:

  - Tuesday 22 September 2020 from 1030 to 1300
  - Thursday 12 November 2020 from 1030 to 1300
  - Thursday 11 February 2021 from 1030 to 1300
  - Thursday 13 May 2021 from 1030 to 1300

54. Delegation of Authority to the Chair

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

55. Date of Next Meeting

The next meeting would be held on Thursday 14 May 2020 at 10:30.