

## Audit and Quality Committee

DATE / TIME / VENUE	1300, Wednesday 28 September 2022, Room 0.32, St Andrews Court
PRESENT	Frances Morris-Jones, External Governor (Chair) Bahram Bekhradnia, External Governor (via videoconference) Liz Jolly, External Governor (via videoconference)
IN ATTENDANCE	Duncan Laird, External Auditor, KPMG LLP Sonia Brandon, Staff Representative Simon Kolstoe, Reader in Bioethics and University Ethics Advisor (Min 10) Jo Penney, Acting Financial Controller (Min 8) Aleksandra Seidlecka, Student Governor Louise Tweedie, Internal Auditor, RSM LLP Brent Schwartz, Health and Safety Manager (Min 12) Emma Woollard, Executive Director of Finance
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Annette Mills, Head of Governance Services

### Private Sessions

- The external governors, staff representative, student governor and internal auditors held a private session before the start of the main meeting at 1245 hours.
- The external governors, Executive, staff representative, student governor and secretariat held a private session after the main meeting at 1530 hours.

Due to the availability of members some agenda items were taken out of order.

## 1 Welcome, Quoracy and Apologies

- 1.1 Sonia Brandon and Aleksandra Seidlecka were welcomed to the Committee. Brief introductions were made.
- 1.2 Apologies were received from: Professor Graham Galbraith, Vice-Chancellor; Lorna Raynes, Internal Auditor RSM LLP; Rees Batley, External Auditor, KPMG LLP
- 1.3 No conflicts of interest were declared.
- 1.4 The Executive Director of Corporate Governance confirmed that the meeting was quorate and could proceed to business.

## 2 Terms of Reference and Indicative Committee Business

- 2.1 The Committee noted a report that mapped the Terms of Reference of the Committee against the business it had conducted during the 2021/2022 academic year. The Committee agreed that it had effectively discharged its Terms of Reference.



- 2.2 The Committee received its Terms of Reference for the 2022/2023 session. In discussion, it was noted that it was proposed that the Committee's terms of reference should be amended under paragraph 5, Annual Report, to reflect the recommended wording of the CUC Higher Education Audit Committees Code of Practice (May 2020). The Committee agreed to propose the change of wording to the Board of Governors.
- 2.3 The Committee noted and agreed the indicative business of Audit and Quality Committee for the 2021/2022 session, subject to the addition of the following items:
- (i) Self-assessment of the Committee's effectiveness would be added to the business of the November 2022 and February 2023 Committee meetings. Once completed, there should be regular checks to monitor progress against the outcomes of the self-assessment review.
  - (ii) A "deep dive" of specific strategic risks should be scheduled for the February 2023 meeting.
  - (iii) The Committee noted that the paper was intended to act as an aide memoire, which would be updated as necessary.

[**Post meeting note:** The Committee Business 2022/23 has been updated to include the additional items.]

### 3 Minutes

The minutes of the meeting held on 19 May 2022 were confirmed as an accurate record.

### 4 Matters Actioned Since the Last Meeting or Under Continuing Consideration and Matters Arising

#### Matters Actioned

- 4.1 Action was reported on one matter which was for note.

#### Matters Arising

- 4.2 The Committee noted that an update on Degree Apprenticeships would be provided at the Committee meeting to be held on 10 November 2022.
- 4.3 There were no other matters arising from the minutes.

### 5 CHAIR'S ACTION

The Committee received a report on two Chair's actions for its endorsement. In discussion, the following points were noted:

- 5.1 KPMG had been appointed to undertake additional compliance work that related to University students in receipt of US Government funded loans. The US Government required submission of an additional financial return and had stipulated that this must be reviewed by the same firm that had conducted the main statutory audit for the educational institution concerned.
- 5.2 A minor rewording of the University's Declaration of Interest Policy had been requested to ensure consistency of timing with changes to the newly developed Regulations for Higher Degrees by Research, which had come into force at the beginning of the academic year.
- 5.3 The Committee endorsed the Chair's actions.

## 6 Internal Audit

### Progress Update Report

- 6.1 Committee received an update on progress against the internal audit plan for 2021/2022 and 2022/23 from Louise Tweedie, RSM LLP. The progress report provided a factual summary of progress to date. In discussion, the following points were noted:
  - (i) The Data Quality internal audit report would be completed prior to the 10 November 2022 Committee meeting. All other reports currently in draft would be provided at the November meeting if not before. (Workload planning, Student exchange arrangements and Business continuity lessons from COVID 19.) It was noted that some audits had been deferred. However, the number and nature of the audits completed were sufficient to enable the internal auditors to give an opinion for 2021/22.
  - (ii) There were discussions about other areas of internal audit coverage that should be considered 2022/23. Potential areas of coverage might usefully include Estates and Equality, Diversity and Inclusion, which had been deferred to 2022/23 in the HR audit. The Committee noted that an initial scoping discussion on the 'Report and Support' tool had taken place but that progress with the audit had been curtailed as the Head of Wellbeing had left the University for a role elsewhere.
  - (iii) RSM LLP would provide a final updated Internal Audit Plan for 2022/23 to the 10 November 2022 Committee meeting.

**Action: RSM LLP**

### General Ledger and Month End Processes

- 6.2 Committee noted that the overall conclusion of the General Ledger and Month End Processes internal audit was substantial assurance. There was one medium and one low priority action arising from the audit.

### Management of Student Housing

6.3 Committee noted that the overall conclusion of the Management of Student Housing internal audit was substantial assurance. In discussion, the following key points were noted:

- (i) It was a requirement of the UUK/GuildHE Code of Practice for the Management of Student Housing that an audit of compliance with the Code should be undertaken every three years. This requirement exempted the University from the rules relating to houses of multiple occupation and their related costs.
- (ii) There were two low priority actions arising from the audit: although there was a draft Fire Safety Policy there was no finalised policy; and no formal timescale existed for undertaking security assessments.

### Data Protection and Freedom of Information Compliance Arrangements

6.4 Committee noted that this was an advisory report. There was one medium and five low priority actions arising from the report. The medium action related to the need to establish a formal Freedom of Information Policy.

### Follow-Up Audit Report

6.5 The Committee received an overview report on the follow-up progress made by the University to implement previously agreed management actions from the 2021/22 audits in response to audit recommendations. The following points were noted in discussion:

- (i) There were 64 actions of which 41 had been closed or superseded, six actions were not yet due, 14 actions were in progress although the original implementation date had passed, and three actions had not been implemented.
- (ii) This denoted reasonable progress which was the second tier of performance out of a possible four tiers of Performance: Good, Reasonable, Little and Poor. Reasonable progress indicated 51 to 75% of overall actions fully implemented and no outstanding high priority actions.
- (iii) There was discussion relating to the recommendations for timetabling actions and whether rooms were accessed consistently in accordance with the timetable and whether any follow-up action was taken to determine whether timetabled space was actually being used.
- (iv) In a response to a question about whether detailed information was available on the costs of running different teaching programmes, the Committee noted that, although not available at the moment, work was underway to address this issue. The first stage would be to review the workload planning system to ensure that the information it held was robust as the quality of outputs from this system relied upon the quality of the inputted data. It was noted that the global pandemic had interrupted the uniform implementation of the workload planning system.

- (v) The Committee noted the report.

#### Internal Audit Plan 2022/2023

- 6.6 The Committee noted there had been no changes to the internal audit plan for 2022/23. Changes had been made for 2023/24 to clarify that Environmental, Social and Governance (ESG) would be considered as part of the environment review and a reference to the London Campus had been added.
- 6.7 The Committee noted and approved the updated 2022/23 Internal Audit Plan.

## **7 Annual Report on Financial Irregularities and Fraud - confidential**

## **8 Counter Fraud Policy**

The Committee received the draft Counter Fraud Policy from Jo Penney, Acting Financial Controller. The following key points were noted:

- 8.1 The draft policy summarised the steps the University was taking to prevent and deter financial fraud and the responsibilities of all persons associated with the University in preventing, deterring and reporting fraud.
- 8.2 The policy had been updated to include reference to the Criminal Finances Act and to hybrid working.
- 8.3 The draft policy had been considered and approved by UEB.
- 8.4 The Committee noted that the policy recognised that fraud could be reported through other routes, for example, via whistleblowing. It was agreed that this should be clarified in the appendices: Guidance for Line Managers and the Flow chart of fraud reporting and investigation.
- 8.5 In response to a question, it was confirmed that the Financial Compliance Officer carried out monthly checks on areas such as payroll. RSM LLP would conduct investigations as required at the University's request.
- 8.6 The Committee approved the Counter Fraud Policy subject to the amendments as discussed.

## **9 University Going Concern Statement – confidential**

## 10 Research Governance – Compliance with the Concordat to Support Research Integrity

The Committee received a report on the University's compliance with the UUK Research Concordat from Dr Simon Kolstoe, University Ethics Advisor. In discussion, the following points were noted:

- 10.1 The UUK Concordat outlined commitments for researchers, employers and funders to uphold research integrity and placed specific responsibility for internal processes, dissemination of guidance and training upon the employers of researchers.
- 10.2 The Concordat outlined five important commitments that those engaged in research should make to help to ensure that the highest standards of rigour and integrity were maintained. The Concordat also required organisations employing researchers to publish an annual statement describing how the institution/organisation had met the Concordat requirements.
- 10.3 The report was updated each year and included updates from contributors across the University. There was also an update upon any research misconduct cases that had been investigated during the year.
- 10.4 **Confidential**
- 10.5 In response to a question about the handling of alleged misconduct involving undergraduate and postgraduate taught dissertations, the Committee noted that these were addressed through internal academic regulations, processes and procedures.
- 10.6 In response to a question about local processes in the University, the Committee noted that there were Faculty level Ethics Committees and that each School had an Ethics Committee.
- 10.7 The Committee noted that if there was a research misconduct case currently it had to be reviewed by an external panel and that it would be helpful to have more flexibility and be able to use an internal panel.
- 10.8 There was discussion about the figure of 94% of the University's in-scope journal and conference articles being compliant with Research England's open access policy. It was noted that the University's aspiration was for 100% compliance but that this was not always in the University's control, for example where papers were held by other institutions. It was agreed that this restraint upon complete compliance should be made clearer for those not familiar with this area.
- 10.9 The Committee noted that the report provided a thorough insight into the research activities of the University and were reassured of the University's activities to comply with the Research Concordat.
- 10.10 The Committee agreed that this report, subject to the clarification in paragraph 10.8 being added, should be released for publication on the University's website.

## 11 Risk Management Policy

The Committee received the updated Risk Management Policy from Adrian Parry, Executive Director of Corporate Governance. Key points noted during discussion were:

- 11.1 The policy was subject to annual review and agreement by the Board of Governors. It had been reviewed by the University Executive Board and by the Audit and Quality Committee prior to submission to the Board.
- 11.2 The draft policy had been approved by UEB and reflected changes in approach to the delivery of the University Strategy.
- 11.3 The Committee noted that the University's approach to risk management continued to evolve but significant progress had been made in recent years.
- 11.4 An internal audit undertaken in 2021/22 had concluded that the University was at Stage 3 of a five stage Risk Maturity Model, meaning that the University has documented processes; some consistency of approach; and some degree of engagement.
- 11.5 It was the University's intention to use risk management more effectively at all levels of the organisation. This required a more manageable and focussed risk register that highlighted the areas the University needs to focus on.
- 11.6 The Committee noted there were two key changes proposed within the revised policy:
  - (i) Approaches to risk management would be more directly aligned with four strategic delivery strategies, which would, in turn, set a risk appetite for core activities.
  - (ii) Risk management would be better integrated with operational delivery. Each faculty and professional service would develop an integrated operating plan that would set out how they would support the four delivery strategies; the resources required to deliver that support; and the risks to that delivery. This should provide a better 'bottom up' perspective on risk.
- 11.7 Each delivery strategy would set a risk appetite for the University. Any risk score falling outside the risk appetite would be escalated to the Corporate Risk Register which would be submitted to UEB and then to the Board of Governors. The expectation was that risk that was within the parameters of the risk appetite would be locally managed as part of day-to-day activity and within the existing resource envelope. Only those risks that could not be managed locally would be escalated.
- 11.8 The University would continue to ensure that the Committee received adequate assurance that risk was being properly considered and managed within the University. In order to do this, all risk registers would be held on a single platform. This would facilitate the ability to "drill down" into a chosen area of the University and also into particular risks.

- 11.9 The Committee noted that the University's current approach to risk management tended to create silos of risks and that this new would provide a link between the delivery strategies and the operating plans. However, it was quite a complex and potentially fragmented process.
- 11.10 The Committee noted that in order to ensure a more holistic approach, the University would need to consider systemic risks that cut across different faculties and projects and it was uncertain at this stage whether the new structure would guarantee that this would be addressed.
- 11.11 There was discussion about how risk would be reported upwards within the University. Upward reporting on the basis of residual risk assumed the effectiveness of existing controls, which would tend to understate the risk. It was also unclear how mitigations and their effectiveness would be reviewed and assessed. Additionally, it would be important that unexpected events with low probability but high impact, which might not meet the risk appetite criteria, were nevertheless identified and consistently monitored.
- 11.12 Following discussion of the definition of risk provided in the policy, it was agreed that the word 'beneficially' should be removed.
- 11.13 The Committee noted that the new system would place heavy reliance on the Executive Director of Corporate Governance and Head of Strategic Projects to calibrate and intervene in the risk management process.
- 11.14 Following extensive discussion, and subject to the agreed amendments, the Committee recommended that the Risk Management Policy should be recommended for approval by the Board of Governors at its meeting to be held on 12 October 2022.

**[Post meeting note:** The Risk Management Policy was agreed by the Board of Governors at its meeting on 12 October 2022, Min xx refers.]

## 12 Health and Safety

### Health and safety Quarterly Report

The Committee received the quarterly Health and Safety Report for 1 May 2022 to 31 July 2022 from Brent Schwarz, Health and Safety Manager. The following points were noted in discussion:

- 12.1 The overall report included the University's Covid testing report and updated the Committee on minor legislation changes.
- 12.2 There had been one RIDDOR incident during this period. The incident involved a fence panel falling on a member of staff during Storm Eunice. The incident had been reported to the HSE because the injured person lost consciousness and did not attend work for more than seven days following the incident. The Committee noted that the person concerned had now returned to work.



- 12.3 There had been a campaign to increase the level of staff participation in Display Screen Equipment (DSE) and Fire Safety online training. There had been some increases when compared with previous reporting periods and work continued to improve participation rates.
- 12.4 The Committee observed that there was no report on operational fire safety. However, it was noted that the new Interim Director of Estates and Campus Services was aware of this omission and would be taking proactive steps to ensure that these reports were provided in future.
- 12.5 In response to a question, it was confirmed that fire extinguishers had been installed in the Harry Law Hall of Residence.
- 12.6 The report was noted by the Committee.

#### Health and Safety Committee

- 12.7 A copy of the draft minutes from the Health and Safety Committee on 9 June 2022 had been circulated to members on 8 August 2022.

### **13 The University's Prevent Duty**

The Committee received a report from Adrian Parry, Executive Director of Corporate Governance that provided an overview of the University's activities to deliver the Prevent Duty.

- 13.1 There was discussion about the new Protect Duty which, if implemented as intended, would require owners and operators of Publicly Accessible Locations to take appropriate and proportionate measures to protect the public from terrorist attack. Universities provided publicly accessible locations and it was expected that the new requirement would apply to higher education institutions.
- 13.2 In response to a question, the University stated that the costs associated with the new duties were as yet uncertain.
- 13.3 There was discussion about the forthcoming Higher Education (Freedom of Speech) Bill. The Committee noted that the University was closely monitoring the issues raised by these developments to ensure that its policies and approaches continued to be fit-for-purpose and represented good practice.
- 13.4 The Committee noted the update.

### **14 Non-Audit Services Provided by External and Internal Auditors**

The Committee noted that no planned services outside the core audit and ancillary services had been provided by the auditors during the course of 1 May 2022 to 31 August 2022.

## 15 OfS Publications

Committee noted that the full list of OfS publications could be found at:  
<https://www.officeforstudents.org.uk/publications/>.

## 16 Date of Next Meeting

The next meeting of the Committee would be held on Thursday 10 November 2022 from 1000 hours.