

Audit and Risk Committee

DATE / TIME / VENUE	1300, Tuesday 11 November 2025, Room 0.32, St Andrews Court
PRESENT	Madeline Denmead (Chair) Helen Astle, External Governor Alan Lees, External Governor
IN ATTENDANCE	Professor Graham Galbraith Mary White, Chief Financial Officer Justin Fanstone, External Governor (To Minute 28) Harry Mears, External Auditor, KPMG LLP Nishita Sharma, KPMG LLP Morag Childs, Deloitte LLP Rayna Chacko, Deloitte LLP Lorna Raynes, RSM LLP Louise Tweedie, RSM LLP Anita Randell, Head of Risk and Resilience Karen Tiller, Director of People Operations (Minutes 23.4 to 23.5 only) Mike Johnson, Director of LIS (Minutes 23.6 to 24 only) Richard Chadderton, Head of Cyber and Information Security (Minutes 23.6 to 24 only) Kevin Child, Director and Principal Safeguarding Officer (Minute 29 only) Amy Dymond-Hobbs, Quality Manager (Minute 31 only)
SECRETARIAT	Paul Mould, Executive Director of Corporate Governance Jacqui Bryden, Senior Governance Officer

Some items were taken out of order to facilitate the attendance of guests.

Private Sessions

- The external governors, the staff representative, and the auditors held a private session before the start of the main meeting at 12:45.
- The external governors, the Executive and the secretariat held a private session after the main meeting at 16:00.

16 Welcome, Quoracy and Apologies

- 16.1 The Chair welcomed members to the meeting.
- 16.2 Apologies were received from: Bahram Bekhradnia, External Governor, Hannah Preece, Deloitte LLP and Duncan Laird, KPMG LLP. Adam Mason, Deputy Director and guest presenter sent apologies.
- 16.3 The Executive Director of Corporate Governance confirmed that the meeting was quorate and could proceed to business.
- 16.4 There were no conflicts of interest declared.

17 Minutes of the Previous Meeting

The minutes of the meeting held on 23 September 2025 were confirmed as an accurate record.

18 Action Log and Matters Arising

Action was reported on two items: one item scheduled for a later date and one item to be received on the agenda.

19 Unanimous Consent Agenda

There were five items on the unanimous consent agenda, and three questions had been sent in advance (see item 25).

- 19.1 The following items were approved:
- (i) The Audit and Risk Committee Terms of Reference 2025/2026 subject to the removal of the Student Governor for this year. It was noted that recruitment would commence shortly for a new Professional Services Governor.
 - (ii) Modern Slavery Statement 2025
 - (iii) TRAC Methodology Assurance
 - (iv) Annual Non-Audit Services Report and External and Internal Auditor Independence.
- 19.2 The following item was noted:
- (i) Annual Complaints Report 2024/2025

20 Financial Statements 2024/2025 - confidential

21 Letter of Representation

- 21.1 The Draft Letter of Representation is addressed to KPMG LLP from the Board of Governors. This letter provides confirmation from the Board that it has understood and fulfilled its responsibilities for the preparation financial statements in accordance with the applicable

financial reporting framework and that these statements, provided to the auditors for analysis, give a true and fair view. The Committee noted the draft Letter of Representation which would be received by the Board of Governors on 26 November 2025.

- 21.2 The Letter of Comfort sent from the Executive to the Board of Governors was included in the Annual Audit and Risk Report.

22 Going Concern Statement

- 22.1 The Committee received the Going Concern Statement for 2024/25 for the University of Portsmouth from Mary White, Chief Financial Officer. It had also been presented to the Finance and Infrastructure Committee on 6 November 2025. In discussion the following key points were noted:
- (i) The Going Concern Statement was produced to confirm that the University should be regarded as a Going Concern, for the period of at least twelve months from the signing of the Financial Statements. For the 2024/25 Statements this meant November 2026. The University's senior management set out scenarios which considered key business and financial risks providing assurance that there was no foreseeable reason why the University would not be able to continue in operation until this date.
 - (ii) The budget had been revised and approved at the last Board meeting which set out the student numbers as of October 2025 and the projected intakes for January 2026 and May 2026 including downside modelling. Should all downsides occur at once and mitigating actions to reduce costs not be taken, the loan covenant would not be met. In this unlikely scenario, the University had £70m in reserve of uncommitted Masterplan funds which it could use to repay the loan.
- 22.2 In discussion, it was noted that:
- (iii) For the current year, £60m was allocated to the Masterplan and the University was confident in committing to most of the projects because £27m remained unallocated.
 - (iv) The Finance and Infrastructure Committee recommended that the University build up both medium- and long-term repayment plans through the investment sub-committee. It was possible to deliver the full Estates Masterplan through cash generation.
 - (v) Early repayment of £30m had provided a £3m gain due to early termination of the associated interest rate swap. Investment plans would consider whether to repay any further sums.
 - (vi) Financial challenges remained across the Higher Education sector due to a further potential increase in staff costs, inflation, the potential international fee levy and possible student withdrawals. The external auditors confirmed that the University was a going concern.
- 22.3 The Committee approved the University Going Concern document for recommendation to the Board of Governors at the Board meeting to be held on 26 November 2025.

23 Internal Audit

Internal Auditor Annual Report 2024/2025 - confidential

Audit Report: Timetabling Arrangements

- 23.3 The Committee noted that the overall conclusion of the audit was reasonable assurance. In discussion, it was noted there was one medium priority action and seven low priority actions.

Audit Report: People Processes (Staff Development and Performance Management)

- 23.4 The Committee noted that the overall conclusion of the audit was partial assurance. In discussion the following key points were noted:
- (i) The outcome was one high priority action, five medium priority actions and four low priority actions.
 - (ii) Karen Tiller, Director of People Operations presented the action plan to address the audit actions. It was noted that the audit had been carried out during the transition to a new online PDR system and new training platform.
 - (iii) Of the ten management actions, four were completed and closed and six were actioned and scheduled for completion by June 2027.
 - a. A new policy on the Management of Underperformance was scheduled for completion by June 2026.
 - b. The new online Personal Development Review (PDR) system indicated 72% completion of objectives and the annual cycle completed by July 2026 followed by calibration meetings by December 2026.
 - c. Succession plans would be developed at the beginning of 2027.
 - d. Power BI analytics would be set up for Docebo, the online training platform by January 2027, and course evaluations enabled.
 - (iv) It was noted that the PDR process required simplicity or would have become a risk to the University.
- 23.5 The Committee noted the action plan, the progress made to date and that the dates in the action plan were updated as discussed.

Audit Report: Cyber Security Controls

- 23.6 The Committee noted that the overall conclusion of the audit was split: Design of the Control Framework was partial assurance and Application of the Control Framework was Reasonable Assurance. In discussion the following key points were noted:
- (i) The recommendations were six medium priority actions.
 - (ii) The audit had been carried out by the Technical Risk Team at RSM. It was noted that there was use of unauthorised devices and media across the University which created

risk. Some policies were up to six years overdue for review and update. The firewall rules should be documented.

- (iii) Mike Johnson, Director of LIS presented the plans to address the audit actions which were scheduled for completion by the end of 2025.
 - a. The use of unauthorised devices such as USB sticks had been made subject to encryption and all devices were posture checked on connection and refused if not encrypted. This work was nearly 80% complete.
 - b. There was greater planned segregation of networks to prevent gateway access.
 - c. The team had reached the capacity to update the procedures, standards and all other documentation. The firewall followed the necessary rules and would be documented accordingly.

23.7 The Committee noted the action plan and the actions and progress made to date.

23.8 The Committee noted its thanks to RSM for its service over the last ten years as the contract had completed.

24 Cyber Security Overview – confidential

25 Internal Audit Transitional Follow-Up Report

25.1 Anita Randell, Head of Risk and Resilience provided an update on the internal audit transition to Deloitte from RSM. The key points were:

- (i) Considerable work had been done with RSM to manage the outstanding management actions including activity to ensure accuracy. The outstanding actions had not been updated to include the most recent audits that had been recently completed.
- (ii) Following the accuracy review the total number of outstanding actions was 23 which would be transferred to the Diamond management action system owned by Deloitte along with the new actions which totalled 27. University staff had been given access to Diamond.
- (iii) Actions were prioritised on a scale of one to four where one was high and four was low. Deloitte would review one- and two-level priority actions and the University internal audit team would review three- and four-level priority actions to facilitate more efficient management.
- (iv) The University was more involved in the life cycle of the internal audits from scoping to report outcomes and regular updates provided throughout the year.

25.2 It was noted in discussion that internal audit had become procedural rather than managed proactively to progress and address the points raised. The new direction of travel was clearer and more aligned to the risk register.

25.3 Following discussion, the Committee noted its thanks to Anita Randell and to Rayna Chacko from Deloitte.

26 Internal Audit Progress Report

- 26.1 Rayna Chacko, Deloitte LLP presented the progress report which provided an update on the actions taken for the six planned audits for the year. All were in the planning stage and the Terms of Reference for each would be completed prior to the Christmas break. The key points were:
- (i) All six audits would be completed before the end of the academic year prior to planning for 2026/2027.
 - (ii) UEB were closely involved, and Deloitte attended several UEB meetings to provide regular updates as well as regular meetings with the Executive Director of Corporate Governance and the University's internal audit team.
- 26.2 In discussion, it was noted that the change in the Internal Auditors to the University provided an opportunity to reset the management approach and that there was a more open and honest working relationship.
- 26.3 Following discussion, the Committee noted the progress report.

27 Risk Management Update

- 27.1 The Committee received an update on the work undertaken on risk management activities from Paul Mould, Executive Director of Corporate Governance and Anita Randell, Head of Risk and Resilience. The key points noted were:
- (i) The updated Corporate Risk Register had been approved at UEB following several edits to risk owners and risk mitigation updates.
 - (ii) The OfS had indicated that a new Condition E8 would be introduced on franchise provision in the HE sector within the next four weeks and the potential identified risk would be on reputational risk.
 - (iii) Two workshops had been arranged by the Risk Management Group to review the risk appetite and how risks were allocated. UEB had challenged the Risk Management Group to simplify the subsidiary categories and clarify the primary categories. A number of risks were allocated to several categories and the workshops sought to use a mathematical formula in a matrix to allocate risk into seven primary categories and up to four subsidiary risk categories. The definitions and colours had been updated to move away from the RAG method which could be confusing. The new definitions were: cautious; balanced; bold; and unacceptable. The approach had been initially tested in detail.
 - (iv) A dashboard had been developed to provide a summary of risks.
- 27.2 In discussion, the Committee noted the following:
- (i) The new approach to risk appetite was good and it was important to align them to the strategic pillars in the University Strategy.
 - (ii) The approach appeared complicated in its current form and more narrative was required on the rationale. The risk categories on the Dashboard noted eight categories

although it was unclear how they linked to the full picture. The next iteration should be brought to the Committee to identify where the categories were placed within the risk appetite. For example, cyber security appeared to be a lower risk having been allocated a yellow RAG rating. The Corporate Risk Register needed to reflect the new risk appetite categories.

- (iii) A statement could be provided to describe each risk appetite where the risk exceeded the risk appetite once the new methodology had been applied to the risks. A narrative on the Risk Framework would also be helpful for the next meeting in February.

Action: Head of Risk and Resilience and Executive Director of Corporate Governance

- (iv) Deloitte would be able to provide further advice on the management of risk.

27.3 Following discussion, the Committee:

- (i) Noted the latest iteration of the Corporate Risk Register and that more work would be done to provide clarity.
- (ii) The Risk Appetite process would be reported to the Board and another iteration of the Corporate Risk Register would be necessary before its presentation to the Board.

28 Draft Annual Report of the Audit and Risk Committee 2024/2025 – confidential

29 Annual Report of the Prevent Duty

29.1 The Committee received the annual report on the University's delivery of the Prevent Duty during 2024/25 from Kevin Child, Director and Principal Safeguarding Officer of Students and the draft Annual Data Return for 2024/2025. In discussion the following key points were noted:

- (i) It was a statutory requirement that all universities demonstrated due regard for the Prevent Duty. The annual Prevent Duty report was produced to provide the Board with the evidence necessary for it to provide the assurances required by the OfS in the annual accountability declaration and data return to be submitted by 1 December 2025.
- (ii) The University was in a stronger position since last year due to the implementation of new structure, policies and working practices with specific regard for external speakers.
- (iii) The OfS had raised concerns about the completion training refresher courses. In the last year, more than 1,000 staff had received training, including the Board of Governors. The data provided from Human Resources via the training platform was confirmed as accurate compared to the figures submitted last year which were not likely to have been as accurate.

29.2 Recent news reports indicated that the Prevent Duty was not working following the Southport attack. It was noted that whilst Prevent was imperfect, it worked well in the sector, the University and the locality through close liaison with the Police and City Council as

well as other Prevent networks. Prevent was most effective for safeguarding and vulnerable people and less effective for radicalisation due to 'lone wolf' attacks.

- 29.3 External speakers complete appropriate training managed by the Student's Union because most requests came from students. Prevent training and procedures were in place and were shared through the Prevent Board. It could be a fine balance because refusal could lead to accusations of 'no-platforming' and potential reputational balance.
- 29.4 The Committee agreed that the report demonstrated that the University had given due regard to the Prevent Duty over the last academic year, whilst balancing this duty with other legal duties to protect freedom of speech and academic freedom.
- 29.5 The Committee noted the Annual Prevent Report and that the Annual Data Return (ADR) for Prevent should be submitted to the Board meeting on 26 November 2025 for approval.

30 Health and Safety Annual Report

- 30.1 Adam Mason, Deputy Director had sent his apologies to the Committee and was unable to present the report. The key points noted in the absence of a presenter were:
- (i) The report was presented as a published report and would be provided in the future through the Teams Reading Room which was being developed.
 - (ii) The report had been summarised in the Follow-Up meeting pack to provide an overview for the Committee. Any questions that the Committee had from the report would be sent in writing to the manager for their response.
 - (iii) The Committee had questions about the training outcomes provided in the Executive Summary on page 243 of the Meeting Pack:
 - a. The number of attendees on the health and safety training was unclear as two figures were provided. What was the percentage completion for this training?
 - b. Both Display Screen Equipment training and Fires Safety Awareness training was identified as being mandatory, however respective completion rates were 44% and 42.1% respectively. How was mandatory training tracked and managed to ensure 100% completion?
- 30.2 The manager would be asked for a response to be included in the Action Log.
Action: Senior Governance Officer and Deputy Director

31 Apprenticeship Self-Assessment Report and Quality Improvement Plan – confidential

32 Unanimous Consent Agenda: Questions

- 32.1 Three questions had been received:
- (i) TRAC - the track report goes to the Finance and Infrastructure Committee. Does it go on

to the board? Does it produce information that is useful to the University?

Response from Director of Finance: Whilst we are at the early stages of using TRAC data at the University, we have managed to create a course costing model (both existing and new courses) and are looking at how it could help with reviewing our curriculum. I have summarised below some of the uses of TRAC:

Financial Planning and Budgeting

- **Cost Recovery:** Understand the full economic cost of teaching, research, and other activities to ensure appropriate funding and pricing.
- **Resource Allocation:** Allocate budgets more effectively across departments based on actual costs and income.
- **Strategic Investment:** Building business cases based on full costs.

Teaching and Curriculum Development

- **Cost per Student:** Evaluate the cost of delivering different courses. It could assist with identifying potentially expensive courses or courses that need investment. We have recently participated in a Department of Education study on the cost of delivering our undergraduate courses which has provided some really insightful data. We will hopefully receive some further benchmarking from this study. We can break down the costs of delivery into high level headers for all courses.
- **Course costing:** Evaluate the full cost delivering existing and new courses. I have developed a model that looks at both income and full cost of existing and new courses using TRAC data. We are looking to see how this can be extended to other areas.
- **Curriculum Review:** Identify high-cost, low-enrolment courses that may need redesign or consolidation.
- **Student satisfaction vs Cost:** Mapping faculty/school/course NSS scores against costs to if there are correlations or not– this is something we did at my previous institution.

Performance Monitoring and Benchmarking

- **Departmental Efficiency:** Compare cost-effectiveness across faculties/schools and by activity.
- **Workload Analysis:** Assess how staff time/cost is distributed across teaching, research, and administration.
- **Benchmarking:** Compare with other institutions using TRAC data to identify strengths and weaknesses. If it is of interest, the OfS produces a benchmarking report that looks at the TRAC data across the sector. UoP is in Peer Group C and this document contains the full list of institutions in our group (broadly teaching intensives with some research activity).

- (ii) TRAC – Is the division of process and results and that each is presented at a different committee the right approach?

Response from the Executive Director of Corporate Governance: The TRAC division of responsibilities does seem a little odd and also had questioned it when preparing the agenda. I checked it with the guidance and checked in with Rob Thrower, Director of Finance, who is the senior officer who is most experienced at using TRAC. The answer is that Audit and Risk Committee scrutinises the process (which is what is being asked here) and the Finance and Infrastructure Committee scrutinise the numbers in the return. That is the way the OfS suggest it is done and it does mirror the approach with



the accounts to a degree. In that instance, the A&R Committee question the Auditors to ensure the audit has been done properly, whilst it is the FIC who look at the actual numbers in the accounts.

(iii) Confidential

33 Any Other Business

No items were raised under Any Other Business.

34 OfS Publications

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

35 Confirmed Meeting Dates

The Committee noted the confirmed meeting dates for 2026:

- Thursday 21 May 2026, 1000 to 1230
- Further dates for 2026/2027 to be confirmed.

36 Date of Next Meeting

- The next meeting would be held on Thursday 19 February 2026, 1000 to 1230

37 External Audit Tender – confidential

Summary of Decisions

Section	Decision
20.5	The Committee agreed to recommend to the Board of Governors the adoption of the financial statements for the year ended 31 July 2025.
21.1	The Committee noted the draft Letter of Representation which would be received by the Board of Governors on 26 November 2025.
22.3	The Committee approved the University Going Concern document for recommendation to the Board of Governors at the Board meeting to be held on 26 November 2025.
27.3(ii)	The Risk Appetite process would be reported to the Board and another iteration of the Corporate Risk Register would be necessary before its presentation to the Board.
28.3	The Committee confirmed that the report provided the assurances required to provide by the governing body and agreed to recommend the draft Annual report to the Board of Governors at the meeting to be held on 26 November 2025, subject to the amendments noted above.
29.5	The Annual Data Return (ADR) for Prevent should be submitted to the Board meeting on 26 November 2025 for approval.
37.1, 37.2	<p>Approved the recommendation to delegate the scoring and selection of the tender to the Chair of the Audit and Risk Committee.</p> <p>Approved that the tenders for external audit and tax advice were separated and questions asked to ensure that there would be no conflict of interest should the external auditor apply for the contract.</p>

Summary of Actions

Item	Action	Responsible Officer	Target Date
20.1(iv)	<p>Financial Statements</p> <p>The role and responsibilities of the Audit and Risk Committee was clear, and an annual review of the accounting policies would be included in the committee business for the year.</p>	Senior Governance Officer	February 2026
24.2(vii)	<p>Cyber Security Control Overview</p> <p>An external provider would complete the baseline assessment in January following a tender process and would be presented to the Committee at its meeting in February 2026. The baseline assessment was considered Best Practice in the sector and would facilitate identification of further cyber-risk audits over the next three years and inform the Internal Audit Action Plans.</p>	Director of LIS, Head of Cyber and Information Security, Snr Governance Officer	February 2026.
27.2(iii)	<p>Risk Management Update</p> <p>A statement could be provided to describe each risk appetite where the risk exceeded the risk appetite once the new methodology had been applied to the risks. A narrative on the Risk Framework would also be helpful for the next meeting in February.</p>	Head of Risk and Resilience, Executive Director of Corporate Governance	February 2026
28.2	<p>Draft Annual Report of the A&R Committee 2024/25</p> <p>(i) That attendance should be included at paragraph one and the honorifics removed.</p> <p>(ii) The final audit reports at paragraph should be updated following the relevant discussions including the presentation on the current overview of Cyber Security</p> <p>(iii) To update the report following the Committee meeting prior to the Board.</p>	Senior Governance Officer	Monday 17 November 2025
30.2	<p>Health and Safety Annual Report</p> <p>The manager would be asked for a response to the question to be included in the Action Log.</p>	Senior Governance Officer, Deputy Director	February 2026