Private Session

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

Tabled paper: Interim Corporate Risk Register, Minute 16 refers.

To accommodate the logistics of the meeting, some agenda items were taken out of order.

1. Election of the Chair

   The Executive Director of Corporate Governance opened the meeting by inviting the election of the Chair. Frances Morris-Jones was unanimously elected to continue as the Chair of Audit and Quality Committee.
2. Welcome, Quoracy and Apologies

2.1. The Chair welcomed Ian Dudley, External Auditor, Deloitte LLP to the meeting.

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

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

3. Terms of Reference and Indicative Committee Business

3.1. The Committee noted the paper mapping the terms of reference of the Committee against the Committee business conducted in 2019/2020. The Committee agreed that it had effectively discharged its Terms of Reference. In discussion the following points were noted:

   a. A review of the Committee’s effectiveness would be undertaken during the academic year and its focus would be discussed at the meeting to be held on 11 February 2021. This would be added to the Committee business.

   b. The Committee Chairs meet once a year and this activity should be added to point 2(d) as an additional assurance factor.

   c. It would be helpful for the Committee to receive more information about the co-ordination between the auditors, management responses to recommendations and follow up of the auditors’ recommendations to management.

3.2. The Committee received its Terms of Reference for the 2020/2021 session and agreed that these remained appropriate subject to the amendments outlined below. The updated Terms of Reference would be received by the Board of Governors on 23 November 2020.

   **Action: Head of Governance Services**

   a. To add the following wording to the purpose of the Committee: “The Committee’s purpose is to provide assurance that the processes and policies of the organisation will support delivery of the University’s strategy and values. We will do this by offering …”

   b. To review the expenditure limit stipulated in 2(b) for the commissioning of external legal advice.

   **Action: Executive Director of Finance**

   [Post meeting note: It was agreed with the Chair of the Committee that the amount would be increased from £5,000 to £20,000]

   c. To amend the wording at point 3(e) to include a reference to lessons learnt: “…response…including post project lessons learnt”.
d. To include a reference to culture in point 3(g).

e. To add the following wording to 3(l) “... to oversee policy formulation and implementation.”

3.3. Committee noted and agreed the indicative business of Audit and Quality Committee for the 2020/2021 session, with the addition of assessment of the Committee’s effectiveness. Committee noted that the paper was an aide memoire, which would be updated as necessary.

4. CUC Higher Education Audit Committees Code of Practice

Committee received a gap analysis that mapped the University’s current Audit and Quality Committee processes and practices against the recently published CUC Higher Education Audit Committees Code of Practice from Adrian Parry, Executive Director of Corporate Governance. The following points were noted in discussion:

4.1. The Committee of University Chairs (CUC) is the representative body for the chairs of governing bodies of UK universities. The CUC’s Higher Education Audit Committees Code of Practice was published on 13 June 2020.

4.2. Following discussion on the gap analysis, the following key points were discussed and agreed.

a. The Committee should formally review the performance of the auditors as proposed by the CUC code and this review should take place at the end of each academic year. This would be added to the indicative Committee business. How the performance would be appraised would be agreed outside the meeting.

b. It was acknowledged that although it might not always be necessary or required, the opportunity for executive members to meet with the external members without the auditors present should be offered at the end of every Committee meeting.

Action: Executive Director of Corporate Governance

c. The need for separate standing orders for the Audit and quality Committee was discussed. It was agreed that this was not required as the current overarching standing orders for the Board, which the Committees mirror, were deemed sufficient.

d. A policy on the provision and pre-approval of all non-audit services was not required as the rules for how these services could be procured was already included in the Financial Regulations at paragraph 5.6.

4.3. There was discussion on how oversight of the subsidiary companies could be enhanced and whether receiving reports from the governor representatives on
each subsidiary company’s board would be helpful. However, it was noted that not all subsidiary companies had governor representatives. It was also noted that Infrastructure and Finance Committee also had an interest in the oversight of subsidiary companies and that the Nominations Committee was considering the membership of subsidiary Boards. It was agreed this matter would be discussed outside the meeting.

4.4. Culture featured in the new CUC Code and it was noted that the Committee received several reports during the year that related to staff and student engagement. The reports included an annual student complaints report, the Research Concordat report, an annual report on fraud and irregularities, and any instances of whistleblowing. It was noted that the HR Committee had recently undertaken an effectiveness review. One of the outcomes of that review was that governors had requested more opportunities to meet with staff and students and the HR Committee would be considering how this should be progressed.

4.5. The Committee noted the report and affirmed its commitment to the principles enshrined within the CUC Higher Education Audit Committees Code of Practice.

5. Minutes

The minutes of the meetings held on 14 May 2020 and 11 June 2020 were confirmed as an accurate record.

6. Matters Actioned Since the Last Meeting and Matters Arising

6.1. Action was reported on two items, one item was for note and one item was covered later in the agenda.

6.2. There were no other matters arising from the minutes.

7. Internal Audit

7.1. 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. In discussion the following points were noted:

a. A number of internal audits had been scheduled for later in the academic year, which was normal practice. The auditors continued to work remotely to deliver the audits, which would inform the Committee’s annual report.

b. The majority of fieldwork had been concluded although there had been some
delays due to Covid-19 and adapting to remote working. The progress report reflected the activity had been deferred and why the work had not been carried forward. These changes had been agreed at the Committee meeting held on 14 May 2020.

c. Additional audit work would be carried out to examine the quality of data used to inform the Transparent Approach to Costing to ensure that the report could be included in the year-end opinion in the internal auditors’ annual report.

d. It was agreed that the Maternity Leave Policy audit could be expanded to include other types of parental leave.

e. The IS Stock Control audit report had been issued in draft. However, a site visit was required to finalise the report and this would be arranged.

7.2. Processes for Usage of PURE Final Report: the conclusion for control design was substantial assurance and the conclusion for control application was reasonable assurance. The PURE system was deployed to monitor and manage the research life cycle. The audit tested the level of compliance for the funding application element, funding awarded and project implementation.

7.3. Mobile Phone Policy Arrangements Final report: the conclusion was reasonable assurance. There were three medium findings. In response to a question about the number of mobile phones that were allocated, RSM responded that this information was available and would be provided for circulation to the Committee.

Action: RSM LLP

7.4. Transparent Approach to Costing (TRAC) Compliance Framework: the conclusion was substantial assurance. It was noted that the University processes were fit for purpose.

7.5. Recommendation Follow-Up report: Committee noted that system functionality had now been restored and it was possible to extract a report from the system. A draft report has been produced and work was ongoing to remind staff of actions that now needed to be reported and to update target dates if necessary due to the impact of Covid-19 activity on work priorities. A report would be received at the next meeting of the Committee.

7.6. Internal Audit Strategy 2020 - 2023 (including the 2020/21 Internal Audit Plan)

On behalf of the Internal Auditors RSM LLP, Louise Tweedie presented the Strategy and Annual Plan for 2020/2021. In discussion, the following points were noted:

a. Committee noted that the internal audit plan is based on analysing the
University’s objectives, risk profile and assurance framework as well as other factors that were expected to impact upon the University in the year ahead, including changes within the sector. The format of the report was designed to dovetail with the categories of risk identified in the University’s Corporate Risk Register.

b. The Committee remarked upon the importance of maintaining a balance between strategic and operational audits and in particular, felt that an audit scheduled to review timetabling processes was not warranted at this time and would be better placed in the next academic year.

c. There was discussion around other areas that could be considered in the future such as succession planning and talent management for staff, and how the student hallmarks were being embedded in University activities.

d. Risk management arrangements would review the framework for, and compliance with, the University’s risk management policy. The format and structure of the Risk Register would also be reviewed. Although it was acknowledged, that Covid-19 had significantly influenced risk management. It was proposed that the audit focus on the specific area of contingent risks.

e. Recruitment and selection audit: it was agreed that it would be helpful to include an insights report on best practice to attract and retain a diverse set of candidates.

f. The Committee approved the internal audit plan for 2020/2021.

8. Annual Report on Financial Irregularities and Fraud - confidential

9. Research Governance Annual Report - 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:

9.1. Committee noted that 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. The Research Council UK (RCUK) and HEFCE (the predecessor body to the OfS) were founding signatories of the Concordat to Support Research Integrity.
9.2. The Concordat outlined five important commitments that those engaged in research can make to help to ensure that the highest standards of rigour and integrity are maintained. It also made a clear statement about the responsibilities of researchers, employers and funders of research to maintain high standards in research. The UUK Concordat was updated in October 2019.

9.3. The UUK Concordat recommended that research organisations should provide a short annual statement to their own governing body.

9.4. 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.

9.5. The Committee agreed that this report should be released for publication on the University’s website.


Committee received the Health and Safety Quarterly report prepared by Lynda Martin, Deputy Health and Safety Manager and presented by Brent Schwarz, Health and Safety Manager. The following points were noted in discussion:

10.1. The Committee noted that the reporting of accidents appeared to be lower than might be expected in a University environment. It was thought likely this was due to a number of staff working at home due to Covid-19. The Health and Safety Team was currently focusing on raising awareness of the need to report incidents, regardless of whether these occurred whilst working from home or otherwise. The Committee welcomed this approach.

10.2. In response to a question about the Flu Plan being placed on hold due to Covid-19 priorities, it was noted that the Executive Director of HR was now taking this activity forward. It was noted that the Health and Safety Manager was working closely with Public Health England at a local level, which was monitoring Covid-19 across Portsmouth.

10.3. In response to a question about the incident involving the construction of a Formula 1 vehicle as part of a student-led project, it was noted that the vehicle caught fire due to a defective braking system. There were no significant injuries related to the incident. A number of factors around this incident had been identified. The impact of time constraints and the rigour of the testing regime had been identified as factors in the accident. Work was ongoing to ensure that lessons from the incident were identified and acted upon.

10.4. The Committee noted the report.
11. **Chemical Storage Action Plan Update**

Committee received an update on the Chemical Storage Action Plan from Brent Schwarz, Health and Safety Manager. The following points were noted in discussion:

11.1. For the benefit of the new external members, a brief summary of the chemical incident on 6 July 2019 was provided. Following the incident, RSM LLP were commissioned to undertake an audit based upon the principles of COSHH management, which resulted in a number of actions being raised. The report provided to the Committee contained a summary of the Chemical Storage action plan and a progress update.

11.2. The majority of the actions arising from the audit report had now been closed. Some of the actions such as the creation of an inventory could not be progressed while the laboratories had been closed due to Covid-19; however, these would now be addressed as the campus reopened. Once the inventory was compiled, audit activity would be conducted and linked to inspection process.

11.3. Committee noted the update.

12. **Student Records System (Presentation)**

The Committee received a presentation on the Student Records System from Bernie Topham, Chief Operating Officer and Deputy Vice-Chancellor. Jon Ward, the newly appointed Chief Information Offer was also present for this item. The following points were noted:

12.1. The previous student records system, Quercus was not fit for purpose and a full business case for replacement system had been approved by the Board of Governors. Tribal SITS were appointed following a procurement exercise and a project team and appropriate governance were put in place.

12.2. Following the Phase 1 implementation for admissions, a baseline review was conducted and following this review it was identified that both an additional time period of seven months and additional resources were required for implementation.

12.3. The implementation of a student records system was very complex. It was a time bound activity and once implementation had started, it could not be stopped. Some of the learning points from the phase 1 implementation were that a project of this complexity required specialist skills, which were expensive and hard to recruit. There were data issues as each system in the University used different formats and there was not a consistent standard approach to data management across the University. A data improvement project has been instigated to address this issue.
12.4. Following the baseline review, a number of specialist staff had now been recruited. This had been a challenge as these skills were in great demand. The University had negotiated greater input from Tribal. The University had also released more staff from their usual work to assist with the implementation of the new system. However, it was noted that the pressure of Covid-19 has also impacted upon the progress of the project. The project was still using contractors but had an agreement in place with Crown Commercial Services, which capped their daily rate. There was enhanced monitoring of finance processes so that any issues could be identified at an earlier stage. A Solution Design Authority had been established, which met weekly.

12.5. A ‘Best practice’ end-to-end guide and a checklist for successful project management had been produced by the outgoing Interim Director of IS. This guide would now be applied to new technology led implementations within the University and would be used as a ‘gateway’ process to assure readiness to progress.

12.6. Phase 2 of the student records system went ‘live’ for confirmation and clearing under very difficult circumstances, which were outside the control of the University. This had included issues such as the impact of Covid-19 upon A-level results. There had been a number of issues experienced as the system went live, which were now being resolved.

12.7. The incoming CIO would be reviewing the approach to the student records system implementation alongside the project sponsor, the Director of DSAA, in order to identify and act upon further learning points and improvements. A further baseline review would be carried out following the phase 2 implementation.

12.8. The incoming CIO shared and reflected upon his experience of implementing the Tribal SITS system elsewhere and Committee noted that it was a complex undertaking and took a significant time to implement fully.

12.9. The Committee noted the update.

13. Optometry Update - confidential


15. University: Going Concern Statement

The Committee received from Liz Bartle, Deputy Director of Finance (Financial Systems), the Going Concern Statement for 2020 for the University of Portsmouth.
The Going Concern Statement for the University of Portsmouth would be received at the Board of Governors meeting to be held on 23 November 2020.

It was noted that the definition of going concern was that an entity should remain in business 12 months from signing its financial statements.

[Post meeting note: The Going Concern Statement for University of Portsmouth was approved at the Board of Governors meeting of 23 November 2020 min xx refers.]

16. Interim Corporate Risk Register

The Committee received an Interim Corporate Risk Register from Adrian Parry, Executive Director of Corporate Governance that was circulated by email to the Committee on 21 September 2020. It was noted that:

16.1. A substantial review and redrafting of the corporate risk register was underway to ensure a robust alignment with the new University Strategy. A fuller discussion on the Corporate Risk Register would take place at the Audit and Quality Committee meeting to be held on 12 November 2020. The Risk Assurance Map would also be considered as part of that discussion.

16.2. It was noted that there was a risk that Covid-19 would impact upon staff wellbeing and their ability to adapt both in the short term and to a future that might involve a different teaching and learning environment.

16.3. Committee members were asked to contact the Chair or the Executive Director of Corporate Governance to suggest any additional risks that they felt should be included in the Corporate Risk Register for discussion at 12 November 2020 meeting.

17. Items for Note

The Committee noted the following reports:

17.1. The University’s Prevent Duty;
17.2. Quarterly Report Of Non-Audit Services From The Auditors;
17.3. The Health and Safety Committee Minutes were circulated to the Committee on 16 September 2020;
17.4. Office for Students (OFS) publications.

18. Date of Next Meeting

The next meeting would be held on 12 November 2020 at 10:30.