

Audit and Quality Committee

DATE / TIME / VENUE	1030, Thursday 13 May 2021, via videoconferencing (Google Meet)
PRESENT	Frances Morris-Jones, External Governor (Chair) Bahram Bekhradnia, External Governor (up until and including Min 59) David Madoc-Jones, External Governor Paul Myers, External Governor
IN ATTENDANCE	Professor Paul Hayes, Deputy Vice-Chancellor (Min 59) Dr Rinat Khusainov, Staff Representative (up to and including Min 59) Lorna Raynes, Internal Auditor, RSM LLP (except Min 69) Louise Tweedie, Internal Auditor, RSM LLP (except Min 69) Jon Ward, Chief Information Officer (Min 57) Emma Woollard, Executive Director of Finance (except Mins 57 to 68)
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Annette Mills, Head of Governance Services

Private Sessions

- The external governors, the staff representative, the student governor and the internal auditors held a private session before the start of the main meeting at 1015 hours.
- The external governors, the Executive, the staff representative, the student governor and the secretariat held a private session after the main meeting at 1300 hours.

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

51 Welcome, Quoracy and Apologies

- 51.1 Apologies were received from: Professor Graham Galbraith, Vice-Chancellor. The Committee noted that Tim Lee-Lewis, Student Governor who was due to retire from the Board of Governors on 31 July 2021 had resigned from the Board of Governors with immediate effect on 1 April 2021 due to personal reasons.
- 51.2 The Executive Director of Corporate Governance confirmed that the meeting was quorate and could proceed to business.
- 51.3 External governor, David Madoc-Jones had previously declared a potential conflict of interest in relation to the Audit Tender Update agenda item as he had previously been employed by KPMG. It was noted that the Audit Tender Update agenda item was for information and not for decision.

52 Minutes

The minutes of the meeting held on 11 February 2021 were confirmed as an accurate record.

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

Matters Actioned

- 53.1 Action was reported on four matters, three which were for note and one item which would be covered on the agenda.

Matters Arising

- 53.2 There were no other matters arising from the minutes.

54 Committee Effectiveness

The Committee received a summary of the responses to the Committee self-assessment questionnaire for 2020/21 from Adrian Parry, Executive Director of Corporate Governance. At its meeting on 22 September 2020, the Committee had agreed that the Committee should evaluate its effectiveness across the 2020/2021 academic year. On 7 April 2021 an online questionnaire was circulated to the Committee. Five responses had been received. In discussion the following key points were noted:

- 54.1 Some key themes had emerged, some were specific to the Committee and some had synergy with matters raised by other Committees through their own effectiveness questionnaires.
- 54.2 There were four main themes identified that were specific to the Committee.
- (i) The balance between the compliance work considered by the Committee and how it could also be better engaged in academic quality assurance matters.
 - (ii) The desire for more interaction in the identification and development of corporate risks and how those risks were then mitigated and challenged.
 - (iii) The need for a stronger link between the University Strategy and the work of the committee.
 - (iv) The need for an annual discussion about the work and performance of the auditors.
- 54.3 There were two generic areas that were not specific to the Committee.
- (i) The need to create opportunities for more social interactions as the rules and regulations associated with the Covid-19 pandemic started to ease.
 - (ii) A desire for more exposure to the 'lived' experience of the University and to have more contact with staff across all levels.
- 54.4 The following points were made in discussion:

Oversight of Academic Quality

- (i) There was a sense amongst members that the Committee was sometimes provided with limited information on academic quality. For example, the recent

change in the University' league table position had been explained as being due to changes in methodology. It was felt that more information on why the change in methodology had adversely affected the University's result would have been helpful.

- (ii) It was noted that in 2020 the University had changed its reporting format for assessing academic quality from a qualitative to a more quantitative approach. It was important to focus upon the processes that underpinned the data and to ensure that these supported the attainment of correct and consistent academic standards.

Linkage to the University Strategy

- (iii) There was a need to establish a stronger linkage between the Committee's work and the University Strategy. It was acknowledged that the focus upon the delivery of the Strategy had been impacted by the global pandemic during the last 18 months.
- (iv) The focus of the corporate risk register upon the themes of the University Strategy should be reviewed, refreshed and strengthened.

54.5 It was agreed that the self-assessment questionnaire had provided members with a useful opportunity to reflect on the role of the committee, its strengths and areas for improvement.

54.6 The Committee noted the report.

55 Internal Audit

Internal Audit Progress Report 2020/21

55.1 Committee received an update on progress against the internal audit plan for 2020/2021 from Lorna Raynes, RSM LLP. The progress report provided a factual summary of progress to date. In discussion the following points were noted:

- (i) One change to the plan was proposed which was to defer the audit of secure remote working arrangements, given the need for the Information Services Department to focus on the current IT issues. The possibility of refocussing the audit would be considered and discussed outside the meeting. It is likely to be extended to incorporate the recent IT attack/cyber-attack issues more broadly.

Action: RSM LLP/ Executive Director of Finance

- (ii) The sector overview section of the report outlined areas of high risk across the sector and identified cyber security as the highest current risk. The section also included a briefing on blended governance, including the identification of good practice in remote working.

- (iii) In a response to a question, it was confirmed that the Multi-Academy Trust had its own separate Board and that each school within the Academy had its own Board. It was noted that the Executive Director of Finance was a member of the Multi-Academy Trust Board. The risks to the University are reputational; the MAT is independent from the University for financial issues.
- (iv) In response to a request, RSM confirmed they would provide a copy of their review of the internal audit high priority management actions that had arisen across their education client base during 2019/20.

Action: RSM LLP

Employability Framework

- 55.2 The Committee noted that the overall conclusion of the audit was reasonable assurance, with two medium and one low priority actions arising from the audit. The medium priority actions highlighted that there were no measurable KPIs in place which were monitored centrally and that there was no standardised student employability framework in use across the University.

Website Compliance Review

- 55.3 Committee noted that the overall conclusion of the audit was substantial assurance, with two medium and three low priority actions arising from the audit.

Competition and Markets Authority (CMA) Compliance Arrangements

- 55.4 Committee noted that the overall conclusion of the audit was substantial assurance, and there were no actions arising from the audit.

Nursery Review

- 55.5 Committee noted that the overall conclusion of the audit was substantial assurance, with two low priority actions arising from the audit.

Recommendation Follow-Up Report

- 55.6 The Committee received an overview report on the follow-up progress made by the University to implement previously agreed management actions in response to audit recommendations. The following points were noted in discussion:
- (i) Overall there was a positive outcome and 197 out of 228 actions had been implemented. At this stage, the management actions had not been verified and this exercise would be undertaken later in the year by RSM LLP.
 - (ii) The Committee agreed that where overdue management actions had not completed by September 2021 that the appropriate manager should be asked to attend the Audit and Quality Committee on 16 September 2021 to provide an explanation.

Action: Executive Director of Corporate Governance

Internal Audit Strategy 2021-2024 (including the 2021/22 Internal Audit Plan)

55.7 The approach to developing the internal audit plan was based upon analysing the University's corporate objectives, risk profile and assurance framework, as well as other factors affecting the University in the coming year including changes within the HE sector. The following points were noted in discussion:

- (i) An audit of Student Housing was required every three years to comply with the Universities UK/Guild HE Code of Practice for the Management of Student Housing.
- (ii) A cyber security audit would be undertaken in 2021/22 and would build upon current coverage of the recent incident response and the lessons learnt.
- (iii) The Committee was required to provide an opinion on data quality and to assist with this an audit on Student Loans Company compliance arrangements had been scheduled.
- (iv) In terms of legal compliance, there would be an audit of data protection and freedom of information compliance arrangements.
- (v) There would be an audit of how the University ensured compliance with OfS regulations regarding carbon management and reducing carbon emissions.
- (vi) The provision of degree apprenticeships had a high degree of associated compliance requirements. This area would be reviewed to assess progress since the previous audit.
- (vii) The proposed London Campus and the proposed Medical School involved a degree of risk that would need to be properly ascertained and managed. It was noted that these projects were still at the feasibility stage and it was too early for an audit to take place to assist oversight of the projects. It was also noted that the Executive Director of Finance served on the project Boards for both projects.
- (viii) More information on the plans for the proposed London Campus and the proposed Medical School would be provided at the Board meeting to be held on 7 July 2021. It was acknowledged that a fuller discussion would be helpful to better understand the decisions to pursue these projects.

55.8 The Committee approved the 2021/22 Internal Audit Plan.

56 Proposed Reporting: Apprenticeships

The Committee received a report prepared by Lucy Horder, Acting Head of Student and Academic Administration, from Adrian Parry, Executive Director of Corporate Governance. In discussion the following key points were noted:

56.1 It was noted that the Board on 31 March 2021 had received a briefing paper on Degree Apprenticeships.

- 56.2 On 1 April 2021 Ofsted had assumed quality assurance responsibilities for all apprenticeship provision offered by higher education institutions. A key part of the Ofsted framework was that there was a clear reporting line to governors and that governors were sighted on reports made to Ofsted and were able to challenge these.
- 56.3 It was proposed that the Audit and Quality Committee received two new annual reports relating to apprenticeships at its November meeting, in order to provide confidence that the University operated effective processes to secure positive outcomes for the apprentices.
- 56.4 The Committee noted and accepted the proposal that it would receive the following two reports at its November meeting each year:
- The Self-Assessment Report (and accompanying Quality Improvement Plan)
 - An Apprenticeships Assurance Statement covering the totality of the University’s apprenticeship portfolio.

57 IT Update – confidential

58 Risk Management

Corporate Risk Register

- 58.1 The Committee received the updated Corporate Risk Register from Adrian Parry, Executive Director of Corporate Governance.
- 58.2 The Committee noted that work to relaunch the University Strategy was in progress and that some areas of strategic activity were still in abeyance. It would be important to ensure that, once the action plans were available, there continued to be a strong linkage between the risk register and the goals and objectives of the University Strategy.
- 58.3 The following key changes to the risk register were noted:
- (i) Risk 4.1: The University’s Research Excellence Framework (REF) submission had been made. Outcomes would be known in April 2022. In the meantime, the focus of the activity associated with this risk would shift to preparations for the next REF and this was reflected in the actions now associated with this risk.
 - (ii) Risk 10.1: The risks associated with recruitment had reduced to “amber” due to the effects of the Covid-19 pandemic easing and its impact upon recruitment not being as great as originally anticipated.
 - (iii) Risk 10.3: The risks associated with generating income and creating cost efficiencies had reduced as the University’s financial position was stronger than anticipated 12 months ago. However, the risk remained “amber”.
 - (iv) Risk 11.6: The impact associated with cyber-security risks had increased and both inherent and residual risks were now classified as “red”. A number of “additional controls” had been added. These would move to “current controls” once existing issues were resolved.

- 58.4 It was queried whether it was appropriate that under risk category two “Engage every student in a life-changing experience” there was reference to student recruitment. It was also queried whether risk 3.4 “Partnerships are insufficiently developed and supported resulting in a reduced ability to recruit” was more appropriate to the category of changing demand and widening participation. These would be reviewed and amended as appropriate.

Action: Executive Director of Corporate Governance

- 58.5 It was noted that the Knowledge Exchange Framework would be included in the next iteration of the risk register.
- 58.6 The Committee understood that elements of the University Strategy had been delayed due to the impact of the global pandemic during the past year. However, the Committee expressed some concern that these areas continued to still be on hold and for the impact this was having on the need to refresh the risk register.
- 58.7 The Committee noted the report.

Risk Appetite

- 58.8 Some early thoughts about how the University could usefully identify and address “risk appetite” were discussed. It was recognised there would be some element of subjective judgement for risks and their impact and that risk appetite would need to be explored and assessed in a holistic manner across the University.
- 58.9 It was clear that assessments of risk appetite relied upon an initial perception of risk that might alter significantly in the light of subsequent experience. The recent cyber incident was an example of risk appetite that required reappraisal.
- 58.10 An approach based upon risk tolerance rather than risk appetite might be a more appropriate approach, as this would set a tolerance band rather than seek to identify a precise risk threshold. RSM LLP confirmed that it was working on a definition of the difference between risk tolerance and risk appetite and that this work could be shared when available.

Corporate Risk Assurance Map

- 58.11 The Committee received the revised Corporate Risk Assurance Map from Adrian Parry, Executive Director of Corporate Governance. The Committee noted that the Corporate Risk Assurance Map had been revised to reflect pending audit activity.

59 Optometry Update - confidential

60 Health and Safety Quarterly Report

The Committee received the quarterly Health and Safety Annual Report for 1 November to 31 January 2021 prepared by Brent Schwartz, Head of Health and Safety from Adrian Parry, Executive Director of Corporate Governance. The following points were noted in discussion:

60.1 The report contained:

- An overview of the elements of the University’s health and safety policy that pertained to the role of governors and their responsibilities.
- The duties of the health and safety team with a commentary on how these responsibilities had been addressed during the reporting period.
- Information on accidents and training delivery during the reporting period.
- A fire safety report.
- Details of health and safety training proposed for external governors, senior leaders, senior managers and managers.

60.2 It was noted that there was currently a backlog of fire risk assessments to be undertaken as buildings had been closed and could not be accessed. This would be resolved as the campus reopened.

60.3 It was noted that the Executive Director of Corporate Governance would discuss the proposed health and safety training with the Health and Safety Manager to establish if the training could be condensed into a shorter timeslot.

Action: Executive Director of Corporate Governance

60.4 The report was discussed and noted by the Committee.

61 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 its Prevent Duty. The Committee noted the update.

62 Annual Information Governance Report 2021

Committee received and noted a report provided by Samantha Hill, Information Disclosure and Complaints Manager on all aspects of information governance work undertaken in the University in the period 1 April 2020 to 30 April 2021.

63 Dental Academy Clinical Governance Annual Report

Committee received the annual report on Clinical Governance provided by Latha Davda, Clinical Director of the Dental Academy, which gave assurance that clinical governance was taking place appropriately within the Dental Academy.

64 Non-Audit Services Provided By External and Internal Auditors

Committee noted planned non-core audit services provided by the external auditors during the course of 29 January 2021 to 30 April 2021. Committee confirmed that these activities were appropriate and did not compromise the auditors’ independence.

65 OfS Publications

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

66 Confirmed Meeting Dates 2021/2022

The Committee noted the confirmed meeting dates for 2021/2022:

- Thursday 16 September 2021 from 10:30 to 13:00
- Friday 12 November 2021 from 10:00 to 13:00
- Thursday 17 February 2022 from 10:30 to 13:00
- Thursday 19 May 2022 from 10:30 to 13:00

67 Date of Next Meeting

The next meeting would be held on Thursday 16 September 2021 from 1030.

The Committee were reminded that there would be two private sessions at the next meeting:

- A private session with the external governor members, auditors and the staff representative at 1015 before the main meeting commenced.
- A private session immediately after the meeting with the external governor members, executive and the staff representative at 1300.

68 Thanks

Paul Myers

- 68.1 This was the last Audit and Quality Committee meeting for Paul Myers, who would retire on 31 July 2021. Paul had been a member of the Audit and Quality Committee since September 2013. The Committee acknowledged his significant contribution to its work and wished him well with future endeavours.

Tim Lee-Lewis

- 68.2 The Committee noted that Tim had been a student governor since August 2019 and had joined the Audit and Quality Committee in September 2019. Tim was due to retire from the Board on 31 July 2021 at the end of his term of office. However, he had stood-down with immediate effect for personal reasons. The Committee, in his absence, acknowledged Tim's contribution to the Committee and wished him well with future endeavours.

69 Audit Tender Update – confidential