**CANTERBURY CHRIST CHURCH UNIVERSITY**

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON**

**TUESDAY 25 FEBRUARY 2020 AT 4.00PM**

**IN THE FREDERIC MASON ROOM AT THE PRIORY**

**Present:** Mr P Fletcher (Chair), Ms S Appleby, Mr J Hills and Mr S Sutton

**In attendance:** Mr D Leah (Director of Finance & Chief Financial Officer)

Mrs K Pilgrim (Assistant Director of Finance – Financial Accounting)

Ms C Lambert (Director of Planning and Academic Administration) [Items 6-9]

Ms A Sear (University Solicitor and Clerk to the Governing Body)

 Professor R Thirunamachandran (Vice-Chancellor)

Ms B O’Boyle, KPMG

Ms E Currie (Governance and Legal Services Assistant)

**98. Apologies for absence [Item 1]**

Apologies for absence had been received from Pam Jones and Quentin Roper.

**99. Declarations of Interest [Item 2]**

There were no declarations of interest for the meeting of the Audit Committee.

**100. Minutes of the meeting held on 13 November 2019 [Item 3]**

The minutes of the meeting held on 13 November 2019 were approved and signed as an accurate record of the meeting. The Chair emphasised the importance of capturing the detail of discussion and challenge from the members in the minutes.

**101.** **Matters arising not appearing elsewhere on the agenda [Item 4]**

There were no matters arising.

**102. Policy on the Reporting of Serious Malpractice Concerns (“Whistleblowing”) [Item 5]**

The Audit Committee considered the revised Policy on the Reporting of Serious Malpractice Concerns (“Whistleblowing”), [Paper M66] sponsored by the University Solicitor. The Whistleblowing Policy had been revised following receipt of an email from the Charities Commission, which was to raise awareness about sector wide underreporting of serious incidents to the commission.

The Chair suggested that the proposed draft Policy be further revised, considering tone and audience. His view was that the document should be more accessible and ‘plain English’ in terms of style. The Audit Committee supported this approach as it was considered that the current draft was too technical in places and might discourage some people from reporting when necessary. The Committee considered various approaches, such as separate Policy and Guidance documents and inserting a ‘user-friendly’ section as an introduction. The Committee members asked the University Solicitor to reconsider the language used and pay close attention to avoid any inconsistencies in parts 3.3 and 5.4 of the Policy.

The Vice-Chancellor supported increasing the accessibility of the Policy, but noted that the Whistleblowing Policy was part of a suite of policies therefore continuity of style should be considered. He also highlighted that the Policy had been negotiated with the Trades Unions. It was important that the change to the wording of the policy did not affect clarity, as it may be referred to as part of an employee dispute or employment tribunal.

The Chief Financial Officer noted the different approaches to addressing students and staff; the University Solicitor confirmed that most student facing policies and guidance currently used direct speech. The Chair supported consistency between the two approaches.

The Internal Auditor said that in other Whistleblowing Policies, a successful approach had been to provide a third-party, impartial, contact with whom staff could discuss concerns, before triggering the Whistleblowing process. The University Solicitor commented that the policy included reference to third parties such as Trade Union representatives and those on the Government’s list of proscribed persons, for example, sector regulators and bodies. The Vice-Chancellor pointed out that the policy referred Whistleblowers to a chain of appropriate individuals depending on the circumstances including independent third parties.

The Committee concluded that there was a balance to be struck between publishing an accessible policy, and communicating a technical area of the law accurately including the message that Whistleblowing should be clearly distinguished from raising minor concerns, making complaints or grievances.

**RESOLVED:**

 That the University Solicitor would review the document, and present a revised draft to the Audit Committee at its May meeting.

**103. Update on OfS Funded Student Outturn Data [Item 6]**

The Audit Committee considered the Update on OfS funded Student Outturn Data, [Paper M67]. The Director of Planning and Academic Administration presented the report.

The Vice-Chancellor said the OfS’ audit opinion that they had not gained assurance over the University’s 2017/18 Student Outturn Data had been expected, but was nonetheless disappointing. With hindsight, the process of improving the quality of the University’s student data should have commenced earlier than it had, and it was unfortunate that the work now coincided with a challenging period financially. The Vice-Chancellor recognised the work that had already been undertaken by colleagues to respond to the recommendations from both HEFCE and the OfS but acknowledged that progress had not been quick enough. The Vice-Chancellor accepted ultimate responsibility for the current situation.

The Director of Planning and Academic Administration explained that the Action Plan presented to the Committee was necessarily technical and was intended to respond to the 20 recommendations from the OfS Data Audit, of which 10 were high priority. The Plan had been considered at the Data Integrity Group and at SMT, and would be submitted to the OfS following consideration by the Audit Committee.

The Director of Planning and Academic Administration said that incomplete and inaccurate student data was now the highest rated risk on the University’s high level risk register. The recommendations responded to errors in process; systems; and knowledge gaps. The Action Plan was intended to demonstrate both improvements being made to the 2018/19 HESA return, and longer term, sustainable, improvements to the quality of student data. The interim Head of Planning had been retained until October 2020 in order to oversee the HESA return, and advise on the implementation of SITS.

The Vice-Chancellor and the Director of Planning and Academic Administration acknowledged that until recently, the University had been working to tackle the symptoms of the inaccurate student data, rather than the root cause of the problem. The Director of Planning and Academic Administration continued that she was advocating a ‘step change’ in the University’s attitude to data and was pro-actively engaging with senior academic staff and faculty administrators to promote the importance of student data quality. Communicating that positive change in this area was the responsibility of staff across all student facing departments was also essential. She would also emphasise the direct impact of data quality on the Student Experience, as well as the importance for statutory returns.

’Importance of Student Data Quality’ staff briefings had been well attended by professional services staff, but less well attended by academic staff. The Committee challenged the executive regarding the apparent lack of engagement from academic staff and discussed the merit of making this briefing a mandatory session. Members agreed that staff whose core role involved entry of student data should be obliged to attend these sessions and the Director of Planning and Academic Administration assured members that this would happen. It had though been decided not to update the suite of mandatory ‘all staff’ trainings which had been revised recently.

A Committee member queried if the Director of Planning and Academic Administration could work more effectively on improving data quality if she did not also have responsibility for the MOSI project. The Director said her view was that due to the interdependence of these projects it was preferable for both to be led by one person. In terms of what she needed to succeed the Director of Planning and Academic Administration said that her priority was finding and retaining people with student records expertise to ensure institutional resilience and fill knowledge gaps.

It was agreed that subject to some non-material adjustments to the briefing appendix to reflect discussion with the Committee, the submission would be returned to the OfS on the following day. The updated appendix would be shared with the Chair following the submission. The members thanked the Director of Planning and Academic Administration for her considerable work and noted that the Committee would continue to take close interest in this area of considerable importance.

**NOTED**.

**104. KPI Progress Monitoring Report [Item 7]**

The Audit Committee considered the KPI Monitoring Report [Paper M68] sponsored by the Director of Planning and Academic Administration. The Director of Planning and Academic Administration said that the 2018/19 KPIs were monitored by the Academic Board, and aligned to the University’s Strategic Framework and its Mission Statement. The Director of Planning and Academic Administration reported that 5 of 14 KPIs were performing better than anticipated: Estates, Postgraduate Taught students, Postgraduate Research students, and Research & Enterprise Funding.

A Committee member queried the University’s net liquidity days (58) against a target of 93. The Chief Financial Officer clarified that the baseline had been set in 2015/16, when the environment had been very different. Given the institution’s requirement to meet loan covenants, it was confirmed that this and other KPIs would need to be updated. This particular KPI also reflected the need for the institution to carefully manage its drawdown of funding from the revolving credit facility as this would then incur interest. The members noted a revised KPI set would be presented to the Governing Body for approval in March.

**NOTED.**

 **105. Department for Education Annual Assurance Report [Item 8]**

The Committee received the Department for Education Annual Assurance Report [Paper M69]. The Assistant Director of Finance [Financial Accounting] said that the University had received a clean audit opinion from the External Auditor, Deloitte, in respect of the Department for Education Bursary Grant claim. The Annual Grant Return and Audit Report had been submitted to the Department for Education within the required timeframe.

**NOTED.**

**106. Internal Audit Progress Report [Item 9]**

The Audit Committee considered the Internal Audit Progress Report [Paper M70], presented by the representative from the University’s Internal Auditor, KPMG. The Auditor reported that the plan for 2019/20 was on schedule, with four reviews brought to the February meeting, and the remaining four expected to be presented at the May meeting.

The Auditor asked for the Committee’s approval of the proposed additional review of student accommodation. This was necessary for the University’s compliance with UUK Accommodation Code of Practice. The Committee approved this request.

The Internal Auditor presented four reports to the Committee:

* ‘IT Data Security Review’ received an Amber-Red rating; partial assurance with improvements required. There were 11 medium priority recommendations, touching on four themes: Strategy and Risk; Leadership and Governance; System Security and Asset Management; and Oversight of Access to System. The Internal Auditor suggested that it would be beneficial to revisit this area of review in 2020/21. The Committee requested that the Assistant Director of Finance closely monitor the progress of the agreed recommendations and provide an update to the Committee at its next meeting. Members noted that the Committee was due to receive a briefing on Cyber Security from the Director of IT before its May meeting, which was timely.
* ‘Procurement Cards and Expenses’ received an Amber-Green rating; significant assurance with minor improvement opportunities. The two medium priority recommendations related to compliance with the procedures for the authorisation of expenses; and strengthening the documentation around the use of procurement cards. The Assistant Director of Finance expected all recommendations to be complete by the May meeting.
* ‘Student Withdrawals Data’ received an Amber-Red rating; partial assurance with improvements required. The Internal Auditor expressed concerns about the University’s data quality as 80% of the withdrawal data sampled as part of the audit was inaccurate. There was one high priority recommendation, seven medium priority and two low priority recommendations. The Director of Planning and Academic Administration confirmed that this report had been presented to SMT given the link to the OfS data audit, and work was already underway to address the recommendations by way of a detailed action plan. The Assistant Director of Finance said she would provide an update on progress to the May meeting.
* ‘Student Accommodation’ received an Amber-Green rating; significant assurance with minor improvement opportunities. There were four medium priority and two low priority recommendations. The Internal Auditor said that the audit had focussed on three areas: Repair and maintenance management; Health and safety standards and procedures; and Anti-social behaviour and disciplinary procedures. The medium priority recommendations centred around storage of documentation relating to building maintenance, compliance with the UUK Accommodation Code of Practice, and the rigour around inspections and closing down fire risk assessment actions. The Auditor said the audit team would return at the end of March to complete Part Two of the review, in order for the University to demonstrate compliance with the Code, which required a full audit to have been undertaken and actions to have been agreed with management by 30 April.

**NOTED.**

**107. Internal Audit Recommendations – Management Control Report** **[Item 10]**

The Audit Committee considered the Internal Audit Recommendations – Management Control Report [Paper M71]. The Assistant Director of Finance [Financial Accounting] reported that 19 actions had been completed, 11 remained open, of which 7 were overdue. The Assistant Director of Finance said that she was assured that progress was being made against the overdue actions. The one remaining action from the Health and Safety review of Estates and Facilities department was making significant progress, and was expected to complete prior to the next committee meeting in May.

**NOTED.**

**108.TRAC Assurance report [Item 11]**

The Audit Committee received the TRAC Assurance Report [Paper M72]**.** The TRAC and TRAC (T) return had been approved by the Finance and Resources Committee by virtual meeting in January. Members noted that the purpose of the TRAC Assurance Report was to confirm the process of assurance and due diligence followed in the compilation of the return. The Committee members agreed that it was no longer necessary for them to receive the Assurance Report, given that the Finance and Resources Committee had oversight of the TRAC process. The paper would be removed from the Audit Committee’s workplan for 2020/21.

**NOTED**

**109. Risk Management – Termly Report of the Vice-Chancellor [Item 12]**

The Audit Committee received the Termly Risk Management Report of the Vice-Chancellor [Paper M73]. The University Solicitor and Clerk to the Governing Body said that SMT members had reviewed the University’s High-Level Risk Register as they are required to do on a quarterly basis. There had been no new risks this cycle, but there had been significant changes to controls, key actions and re-rating of risks.

Risk One, “Failure to maximise recruitment to and retention in faculty Initial Teacher Education (ITE) programmes and failure to manage ITE provision costs” had been downgraded and removed from the High-Level Risk Register. SMT had agreed that it was no longer appropriate to focus on one area of provision in terms of student recruitment and retention. The Dean of Education, as risk owner, would continue to review and monitor this as a local risk.

The gross and residual ratings for Risk Nine, “Incomplete and inaccurate student data”, had been increased, and Risk Nine was now the highest rated risk on the High-Level Risk Register, at 16 (residual rating). This increase was in response to the OfS audit of Student Outturn Data.

The members noted that the latest project risk register for the STEM building (Building 2) had shown a reduction in the number of risks with a residual red rating (from 6 to 4) since the last meeting.

The University Solicitor reported that in terms of the Change Portfolio Assurance Board (CPAB), the Deputy Vice-Chancellor, the CPAB Chair, had proposed that SMT review the risks associated with change initiative projects directly as part of the Business Planning process. SMT had agreed that this would be more effective given the significant amount of change which had become business as usual. SMT had agreed that instead of a separate CPAB, it would receive information from the Director of Planning and Academic Administration’s team demonstrating analysis around the total impact of the change. This would be reviewed at the same time as, and inform, the quarterly risk updates considered by SMT. The Committee would therefore no longer receive a statement from the CPAB Chair within the risk management paper.

**NOTED**

**110. Minutes of the meeting of the Data Integrity Group on 12 December 2019 and 13 February 2020 [Item 13]**

The Audit Committee considered the minutes of the meeting of the Data Integrity Group (DIG) held on 12 December and 13 February [Paper M74], by the Chief Financial Officer. Members noted that it had been intended that DIG would merge with the Strategic Data Returns Group on the retirement of the Deputy Vice-Chancellor. However, given the need to focus in particular on issues of data quality, it had been decided that DIG would meet for one further meeting, which took place on 13 February, the Chair of Audit Committee was in attendance for this meeting, which focussed on the progress on the OfS Data Quality Audit Action Plan. Discussions on how to most effectively structure the group going forward were ongoing and would be reported to the Committee when complete.

 **NOTED**

**111. Any other business [Item 14]**

There were no items of any other business.

 **112. Confidentiality [Item 15]**

The Audit Committee agreed that there were no matters considered in the meeting to be kept confidential from published minutes once approved.

 **113. Date of next meeting [Item 16]**

Thursday, 13 May 2020 at 4pm

The meeting closed at 6.12pm.