



HARTPURY

AUDIT AND RISK MANAGEMENT COMMITTEES HARTPURY UNIVERSITY AND HARTPURY COLLEGE

Minutes

10.00am Wednesday 17th June 2020

Via Videoconferencing – Microsoft Teams

Members	University Audit Committee	College Audit Committee
Ms Lisa Oliver	Present (Chair)	-
Professor Ian Robinson	Present	-
Dr John Selby	Present	-
Ms Katrina Napthine	Present	Present
Mr Patrick Brooke	-	Present (Chair)
Mrs Barbara Buck	-	Present
Ms Mary Heslop	-	Present
In Attendance		
Mr Russell Marchant	Present (Vice-Chancellor)	Present (Principal)
Ms Lynn Forrester-Walker	Present (Chief Operating Officer)	Present (Chief Operating Officer)
Ms G Steels	Present (Clerk to the Board)	Present (Clerk to the Board)
Mr Iain Williams	Present (Head of Finance)	Present (Head of Finance)
Mr Efe Ayeni	Apologies (PWC)	Apologies (PWC)
Mr Kevin Williams	Present (PWC)	Present (PWC)
Ms Vicky Davies	Present (TIAA)	Present (TIAA)
Ms Helen Cargill	Present (TIAA)	Present (TIAA)
Mr Richard Bott	Present (Mazars)	Present (Mazars)
Ms Carol Davey	Present (Mazars)	Present (Mazars)

		ACTION & DATE
AR01/06/20	<p>Apologies & Confirmation of Quoracy</p> <p>Apologies were received as noted above.</p> <p>It was confirmed that the University Audit and Risk Management Committee and the College Audit and Risk Management Committee meetings were quorate.</p>	
AR02/06/20	<p>Declaration of Interest.</p> <p>The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests. There were no further declarations of members' interests for agenda items.</p>	

		ACTION & DATE
AR03/06/20	<p>Minutes of the Meetings – 9th April 2020</p> <p>The minutes of the University Audit and Risk Management Committee and the College Audit and Risk Management Committee 9th April 2020 meetings were APPROVED as true records.</p>	
AR04/06/20	<p>Matters Arising</p> <p>There were no matters arising.</p> <p>It was noted that prior to the meeting, to facilitate the process of videoconferencing Governors had been given the opportunity to ask written questions in advance. These had been responded to and would form part of the record of the meeting.</p>	
AR05/06/20	<p>Risk Management</p> <p>5.1 Review Risk Management Register</p> <p>The Committees considered the Register. The Chief Operating Officer highlighted the movement related to the Covid-19 risks and the removal of the Agri-tec risk which was no longer relevant. It was confirmed the full register had been updated on the governance site. Governors challenged as to whether the Covid-19 Risks were optimistically scored given the continuing uncertainty and the fact that so much was outside Hartpur’s control, whilst recognising mitigation actions had been put in place. The Vice-Chancellor and Principal recognised that it was a unique time but highlighted that a lot of work was ongoing to consider guidance and advice. A governor suggested it would be helpful to see the Covid-19 Risk Register to provide assurance and the Chief Operating Officer advised that a Covid - 19 Risk Assessment was being developed which would be provided once it was complete. It was recognised that Risk Management was a science and that it was key that the right issues were being considered. On this basis it was considered that the Risk Registers and processes provided assurance.</p> <p>It was agreed that until enrolment took place in September that the position could not be clear cut. It was noted that currently indicators (such as bookings for accommodation and livery) were strong but the degree of uncertainty was understood. It was confirmed the budget was being developed to reflect current knowns. It was confirmed potential Capital Projects would be reviewed once there was greater certainty on cash being generated post enrolment. A governor queried whether there had been many deferrals and was advised that there hadn’t been a significant number. It was noted some universities were not allowing deferrals but that</p>	COO July 2020

		ACTION & DATE
	<p>Hartpury had not put such a restriction in place. It was noted some universities with higher volumes of international students were facing significant financial challenges.</p> <p>A governor queried the level of ongoing communication with students to get an understanding of how they were feeling currently. It was confirmed students were being actively engaged and given the opportunity to provide feedback. All students, HE and FE had been surveyed – engagement had been strong as had involvement in safeguarding and wellbeing activities. There had also been an extensive programme of student representatives meeting and input from the Student Union on delivery for 2020/21. There had been a range of communications targeted at different types of student (HE, FE, returners, new etc.). Tutors were also following up on a one to one basis where students were not engaging.</p> <p>A governor commented positively on the support being given to manage wellbeing and mental health. The Vice-Chancellor and Principal advised the College had been within the top three for a beacon award for its mental health support and had joined a university mental health pilot.</p> <p>A governor questioned the level of risk associated with New Vicarage Fields, noting only one funder was available. The Chief Operating Officer advised the level of risk reflected the full process that had been undertaken to date to take forward this proposal. She noted the governor’s comment.</p> <p>A governor questioned if it would be helpful for governors to attend the Risk Management Group as observers to get a fuller understanding of the process. The Chief Operating Officer advised that the Strategic Risks were overseen at the Executive meeting with Risk Management sitting across the whole organisation.</p> <p>The Risk Registers and the Covid-19 update were NOTED.</p> <p>5.2 Review Top Risks The governors considered the updated version of which had been provided to the Committee to reflect June risks. It was noted there were currently more risks on the Register due to Covid-19.</p> <p>The Committees reviewed and NOTED the top risks.</p> <p>5.3 Risk Management Group Minutes The Risk Management Group Minutes were NOTED.</p>	

		ACTION & DATE
AR06/06/20	<p>Audit Recommendations Follow Up Update</p> <p>The Committee considered the update. It was noted the points relating Hartpury Rugby had been on the wrong way round and had been amended. It was confirmed a new Management Accountant would start on 6 July and that post year end work on recording procedures would be taken forward. Governors stressed the need to ensure this was actioned in a timely way, given there had already been delays in progressing the recommendations. The Chief Operating Officer provided assurance that procedures were in use although they had not been formally recorded.</p> <p>A governor queried when the Recommendations relating to Cyber Security would be completed. The importance of recommendations being worded to ensure clear actions could be put in place to complete them in a timely way to have the required impact was highlighted.</p> <p>It was noted the Risk Management Policy had not been included within the papers as planned and agreed this would be taken forward outside the meeting.</p> <p>The Audit Recommendations Update Report was NOTED.</p>	Clerk June 2020
AR07/06/20	<p>Internal Audit Reports</p> <p>The Internal Audit Partner from PWC took the Committee through the Audit Reports highlighting key points, noting that there were not a significant number of recommendations from the audits.</p> <p>7.1 HESA Student Record Review Report Classification – Low Recommendations – 2 low</p> <p>It was noted that the objective of this review was to provide assurance to management over the categorisation of students in terms of funding source and that HE level entry profile documentation is accurate and in line with the OfS guidance. It was noted the review also assessed the governance and review process that underpins the Higher Education Statistics Agency (HESA) Student Records.</p> <p>User access–There is no process for promptly notifying the Information Systems team when a staff member leaves the University. From a sample of 20 staff tested, we identified one staff member who left the organisation within the last month but still had access to the student records system at the time of our fieldwork. It was noted one action had already been completed and one would be completed by the end of</p>	COO

		ACTION & DATE
	<p>June.</p> <p>7.2 Complaints and Appeals Report Classification – Low Recommendations – 3 low</p> <p>It was noted that the review assessed the design and operating effectiveness of the controls and processes for ensuring that the complaints and appeals handling practices are accessible, timely, clear and fair to students. The focus of this review is limited to academic complaints and appeals only.</p> <p>It was confirmed the recommendations were accepted and would be actioned by 31/12/2020. It was noted a number of areas of good practice had also been identified.</p> <p>It was agreed the Report should also be taken to the HE QuEST meeting for information.</p> <p>7.3 Value for Money Audit Report Classification – Medium Recommendations – 2 medium, 1 low</p> <p>The focus of this review was to assess the value for money (VfM) that Hartpury University provides from the perspective of its student population (Higher Education only) and the mechanisms in place to address VfM concerns identified. The review also assessed whether the VfM activities are in line with the principles of the Office for Students (OfS) VfM strategy.</p> <p>This review identified that whilst the University can demonstrate aspects of VfM across various initiatives, the concept of 'value for money from the student perspective' and how it is understood and communicated to all stakeholders is still in its infancy.</p> <p>It was recognise that the University is on a journey, having only achieved full University status in 2018 and that management time has been focused on other priorities. However, VfM is a key regulatory objective of the OfS and the University should prioritise consolidating its initiatives in this area to clearly demonstrate to stakeholders what it is doing to address the issue.</p> <p>Governors recognised that this was an issue of increasing importance. The Chief Operating Officer updated on actions to date and plans to take the issue forward. It was noted that Value for Money was viewed differently by students, parents and tax payers. It was confirmed this was considering it against the Office for Student requirements. A governor commented on the need for Hartpury to define Value for Money and the related metrics to support this.</p>	<p>Clerk June 2020</p>

		ACTION & DATE
	<p>7.4 Internal Audit Annual Report The Committee considered the report which summarised the work of the Internal Audit Service over the year and included their overall opinion which will be used by the Committee to inform its Annual Report to the Board.</p> <p>Internal Audit Opinion Generally satisfactory with some improvements required Governance, risk management and control, and value for money arrangements in relation to business critical areas are generally satisfactory. However, there are some areas of weakness or non-compliance in the framework of governance, risk management and control and value for money arrangements which potentially put the achievement of objectives at risk.</p> <p>Improvements are required in those areas to enhance the adequacy and effectiveness of governance, risk management and control and value for money arrangements.</p> <p>PWC confirmed that this rating was the most common and was not an issue of concern.</p> <p>A governor queried whether breaches against the general ledger controls were logged and this was confirmed. It was confirmed that if any issues occurred these were discussed with staff and staff were reminded of the processes. It was recognised that as Finance was a small team that it was important procedures were written down.</p> <p>The Internal Audit reports were NOTED and it was confirmed the recommendations would be followed up as detailed and then reported to the Committees.</p> <p>The Internal Audit Annual Report was NOTED.</p>	
AR08/06/20	<p>Procurement Compliance The Head of Finance presented the Procurement Compliance Report and provided assurance where there had been any variation on the standard compliance requirements, for example where work was bespoke or there was a need to align to current services. The costs related to Sockmonkey were raised. It was confirmed these were a one off cost. It was confirmed Hartpury had in place preferred contractors, although noted that the new facilities manager planned to market test them over the next 12 months. It was confirmed that some of the payments, for example in relation to the summer ball were in the process of being refunded.</p> <p>The Procurement Compliance Report was NOTED.</p>	

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AR09/06/20	<p>Internal Audit Plan</p> <p>The Committee considered the Draft Internal Audit Plan which had been developed based on the draft considered during the procurement process, discussions with management and feedback from the Committees. It was noted it was a three year strategy which contained fewer more detailed audits as had been requested. It was agreed that the audits on Business Continuity in the light of Covid-19 and Cyber given the increased use of digital would be very helpful. It was noted the Financial Systems reviewed this year would cover payroll. It was confirmed that this year the HESA Staff Return would be reviewed as the HESA Student Return had been reviewed the previous year. A safeguarding Audit considering 16-18 accommodation and Prevent would be undertaken. It was agreed there was a good balance of University and College activity.</p> <p>A governor questioned if Risk Management should be moved to the first year of the plan. Governors were reminded that Risk Management had been audited in November and the report considered in April. Helen Cargill, TIAA advised a small audit focusing on controls could be undertaken. She advised she was in discussions with the Chief Operating Officer on the development of a Board Assurance Framework outside the meeting. The option of a deep dive was also considered. It was agreed the scope of the previous review should be further considered before further work was commissioned. It was confirmed the plan remained flexible and could be updated at future meetings.</p> <p>It was AGREED that the Internal Audit Plan be APPROVED For RECOMENDATION TO THE BOARD.</p>	COO
AR10/06/20	<p>External Audit Strategy</p> <p>Richard Bott, Mazars, commented that Covid-19 made this an unusual time to undertake an audit. He confirmed that it could be undertaken remotely. Carol Davey, Mazars, took the Committees through the strategy. She advised there would be additional focus on fraud because of increased digital and remote working. She advised that additional regularity work would be undertaken to meet the Office for Students requirements. Further clarity was required on this and ESFA Regularity. She outlined the audit approach – an interim audit would be undertaken remotely from 13th July. Accruals and the impact of Covid-19 would be considered. Richard Bott, Mazars, updated on the Going Concern approach – highlighting there was a new accounting standard and the impact of Covid-19 to consider. There would be more certainty in September/October based on student</p>	

		ACTION & DATE
	<p>enrolment. Pensions and the discount rate would need to be considered. The level of materiality was highlighted, and new requirements outlined.</p> <p>It was confirmed that the Business Committee considered the monthly cashflow position within the Management Accounts which were provided to all governors.</p>	
	The External Audit Strategy was APPROVED>	
AR11/06/20	ESFA Regularity Self-Assessment	
	The Committee considered the assessment which had been updated from the previous year (outlined in red). It was agreed a clearer response was required on page 9 and it was agreed this would be put in place.	
	Subject to the revision highlighted above it was agreed the ESFA Self-Assessment would be RECOMMENDED to the Board for APPROVAL and SIGNING.	
AR12/06/20	<p>Any Other Business</p> <p>Hartpury Charity – to be brought to the November meeting.</p> <p>The Chair thanked PWC for their work over the year.</p> <p>11.49am The meeting moved into confidential session with all auditors leaving the meeting.</p>	
AR14/06/20	Dates of future meetings all at Wednesday 4th November 2020	

AR13/06/20	Confidential Minutes – 9 April 2020	
	The Confidential Minutes were APPROVED as a True Record.	

Approved November 2020

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Approved November 2020