MEETING OF THE AUDIT COMMITTEE
MONDAY 16 JULY 2018

4th floor Board Room, Beacon House, Queens Road, Bristol BS8 1QU, 14:00-16:00

Minutes

Present: Ms Julie Goldstein (lay member), Mr Andrew Poolman (University Treasurer and Chair), Dr John Manley (lay member), Mr Andrew Willis (co-opted member).

In attendance: Mr Mick Axtell (Corporate Finance Director), Ms Robin Geller (Registrar and COO), Dr Erik Lithander (PVC International), Dr Anett Loscher (Senior Governance Officer and Secretary), Mr Jason Smerdon (Group Finance Director), Professor Guy Orpen (DVC).

Ms Heather Ancient (PwC, External Auditor), Mr Richard Bott (Mazars, Internal Auditor), Mr Alastair Campbell (RSM, Internal Auditor), Mr Ben Endersby (Internal Auditor), Mr Tom Loader (Internal Auditor), Mr Andrew Manning (RSM, Internal Auditor).

Apologies: Dr Mary Bishop (co-opted member), Mr Ian Robinson (co-opted member); Professor Hugh Brady (VC), Mr Robert Kerse (CFO).

1. Welcome and apologies
1.1 The Chair welcomed all attendees to the meeting and noted apologies.

2. Declaration of interests
2.1 Members were reminded that they had an obligation to disclose any pecuniary, family or other personal interest that they had in any matter under discussion at any meeting of the Audit Committee as soon as practicable.

2.2 No interests were declared.

3. Minutes of meeting on 30 April 2018
3.1 The Committee APPROVED as true and accurate record the minutes of its meeting on 30 April 2018.

4. Matters arising and actions
4.1 This being an additional meeting solely for the purpose of dealing with internal audit, the Committee agreed that it would consider the action register at its meeting in September 2018.

4.2 Matters arising:
   a) [REDACTED: likely to prejudice commercial interests]
   b) [REDACTED: likely to prejudice commercial interests]

      Action (Secretary): To add whistleblowing update as standing item to future Audit Committee agendas.

   c) Disclosure requirements of the Office for Students (OfS) would need close attention. PwC will circulate a relevant briefing note to the Audit Committee. The University will
need to ensure that it can report the required information to the regulator, and contextualise it with an appropriate narrative.

**Action (FD):** To ensure the required data is reported as per the regulator’s requirement in the University’s annual report to the OfS.

d) The Registrar reported an FOI request to disclose remuneration details, which had so far been contested. However, with the OfS increasing the levels of transparency and disclosure requirements, a change in attitude towards remuneration disclosures will be required, including at lower pay staff levels who may so far not have recognised that and how their remuneration would be disclosed. The Audit Committee will have to be assured of the governance and oversight framework around senior pay, and of the review and scrutiny of senior management remuneration packages.

**Action (Secretary):** To facilitate a report from the Remuneration Committee to the Audit Committee about process(es) to set executive pay.

5. Internal audit strategy 2018-21

5.1 RECEIVED AUD/17-18/051

5.2 Mazars, the University’s current internal auditors, left the meeting for the purposes of the Committee’s discussion of the Audit Strategy 2018-21 and internal audit plan 2018/19 as proposed by RSM, the University’s incoming internal auditors.

5.3 The Committee in principle agreed with RSM’s approach and plan, highlighted the following however: [REDACTED: likely to prejudice commercial interests]

5.4 Following careful consideration, the Committee

- ENDORSED the Internal Audit Strategy 2018-21;
- APPROVED the Internal Audit Programme 2018/19 with the understanding that it might be (re)calibrated over the year;
- APPROVED the Internal Audit Charter.

5.5 Officers observed that it had been helpful to present/discuss the internal audit strategy to/with UMT, not least with a view to ensuring managers would be alerted, in time, to any audits in their respective area of responsibility.

**Action:** To embed the practice of bringing internal audit plans to UMT as standard item of business.

**Action (RSM):** To bring an updated Internal Audit Plan to the Audit Committee meeting in September 2018, reflecting the detailed scoping work over the summer.

5.6 Recruitment to the internal audit function was underway. RSM and officers were formulating the operational side of the co-sourced internal audit model, to ensure the auditor’s independence was both safeguarded and clearly perceived.

**Action (RSM, Corp FD):** send to Chair of AC the person specification for staff in the internal audit function.

6. Internal audit progress report

6.1 RECEIVED AUD/17-18/052

6.2 Mazars, the University’s current internal auditors, re-joined the meeting and presented their internal audit progress report since the Committee’s last meeting. In considering the reports, the Committee discussed: [REDACTED: likely to prejudice commercial interests]
Action (Mazars): To bring to the Committee’s meeting in September 2018 any outstanding audit reports and an updated follow-up report.

7. Meeting of the auditors without officers present

7.1 The Chair thanked officers for their attendance and asked them except the Secretary to leave the meeting for the Committee’s annual dialogue with the auditors.

7.2 The Chair noted the high levels of cooperation/collaboration from the University’s executive, and was confirmed in his view by the external and internal auditors that senior managers were generally open and collaborative with auditors. [REDACTED: likely to prejudice commercial interests]

7.3 The Committee observed that communications between executive and the Committee should be improved, so that crucial information did not come to the Committee as a surprise, in the peripheries of business on the meeting agenda, or with delay. It was felt that improved communications would enable the Committee to focus on strategy and decision-making. In particular, the Committee would have liked to be informed of the whistle-blowing cases as they arose. Consequently, the Committee agreed to revisit the whistle-blowing policy and to discuss if disclosures should be made to a non-executive within the parameters set by the non-executive for such disclosure.

Action (Secretary): Schedule a review of the Whistleblowing Policy and the Acceptable Behaviours Policy for the Committee’s meeting in September 2018.

8. Equality, Diversity and Inclusion

8.1 The Committee agreed that the business discussed during the meeting had reflected appropriately on matters of equality and diversity. Noted the IA report re gender equality as positive.

9. Communication and Consultation

9.1 The Committee agreed that the business discussed during the meeting had received appropriate discussion and consultation.

10. AOB

10.1 The external audit tender went live on 16 July and was expected to close on 31 July. The selection process throughout August would culminate in candidate which are provisionally scheduled for 5 or 10 September. The Treasurer will be a member of the selection/interview panel; other members of the Committee are invited to join. The incoming Chair of the Board would be alerted and invited to this also.

10.2 There being no other business, the Chair thanked all members and attendees, and closed the meeting.

Date of next meeting: Monday 10 September 2018, Beacon House, Board Room, 14:00-17:00