

## BOARD OF GOVERNORS

### AUDIT COMMITTEE

Minutes of the meeting held on 2 November 2020

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#### Present

Lisa Greenhalgh	Independent member	Committee Chair
Helen Smallbone		Clerk to the Board
Kashif Azeem	RSM	Internal Audit representative
Christine Donnelly	Independent member	
Clive Elliott	Independent member	
Joanne Flitcroft	Independent member	
Louise Robinson	Independent member	
Debra Chamberlain	KPMG	External Audit representative
Richard Lee	KPMG	External Audit representative

#### Officers in attendance

John Cater	Vice-Chancellor
Carl Gibson	Director of Finance
Craig Hutchinson-Howorth	Director of Strategic Planning
Steve Igoe	Deputy Vice-Chancellor

#### Apologies

Lisa Randall	RSM	Internal Audit representative
Mike Rush	Independent member	

#### AC.20.018 In-camera meeting

Prior to the commencement of scheduled business, Independent members held a private meeting with the Internal and External Auditors which is minuted separately. This session included a scheduled briefing on the Financial Statements, provided by KPMG.

**AC.20.019 Declarations of Interest**

There were no Declarations of Interest.

**AC.20.020 Chair's Announcements**

There were no announcements.

**AC.20.021 Chair's Action**

There was no Chair's Action to report.

**AC.20.022 Minutes of the previous meeting**

*Received: Document AC/010/20*

The minutes of the meeting held on 7 September 2020 were agreed as a correct record.

**AC.20.023 Action Log**

*Received: Document AC/011/20*

Members received the Action Log for the year noting that all items were complete or in progress.

**AC.20.024 Matters arising not included elsewhere on the agenda**

There were no matters arising.

<b>SECTION A ITEMS</b>
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**AC.20.025 Coronavirus (COVID-19) Update**

*Received: Document AC/012/20*

The Deputy Vice-Chancellor introduced the report, noting that the paper had been prepared some two weeks earlier and that, due to the fast-paced environment we are operating in, there were a number of updates to provide:

- The University has experienced some pushback from staff in relation to our continued delivery of in-person teaching. This reflects the national position given the University and College Union (UCU) has issued a legal challenge over the

Government's handling of advice from the Scientific Advisory Group for Emergencies about the likelihood of outbreaks if teaching didn't move online. The Deputy Vice-Chancellor has responded to any issues and the University's position continues to be that, in line with Government advice and directives, the University will continue to meet its commitment to students to deliver a blended approach until such point as the Government or public health requirements dictate otherwise. This includes a minimum of six hours in-person teaching, which is complemented by online sessions to ensure that students are, overall, receiving a high-quality offer that is comparable to the University's normal provision.

- The University's position has not been impacted by Lancashire's move into a Tier Three risk category, and the Department of Health and Social Care has confirmed that universities should continue face-to-face teaching irrespective of their region's status if the University's risk rating indicates it is safe to do so, which Edge Hill's does. In line with other providers in Lancashire, the University will continue our current mode of delivery, and await further guidance relating to any extension of restrictions.
- A summary of the case rates since the start of term for staff and student populations was provided. The DVC drew particular attention to the University's rolling seven-day total noting that this measure, rather than historical data, was key in understanding the current position. The University's Outbreak Management Plan has been approved by Public Health officials and is fully underway in terms of reporting. The University reports infection rates to the Office for Students (OfS) and Lancashire Public Health on a daily basis, and the Directorate team is carefully monitoring the data. The University's case numbers for staff and students have reduced and are low, with the mitigations in place to prevent transmission proving to be effective. This was especially pleasing since the campus was still busy, and the positive trajectory reflects the University community's adherence to COVID protocols and procedures.
- In addition to academic support, the University is continuing to prioritise students' wellbeing. The current restrictions mean that we are limited in the use of sports and arts facilities, though colleagues across Student Services and in other support

functions are working hard to ensure active engagement with our student community through all available means.

In discussion members highlighted positive comments they had noted on social media regarding the way the University was handling the situation, and commended the management team for their ongoing work to achieve positive outcomes in very difficult circumstances.

In concluding the discussion, the Chair expressed confidence in the University's risk management arrangements and control environment, and members agreed.

The COVID-19 update was received.

**AC.20.026 Risk Management Report (including risk registers)**

*Received: Document AC/013/20*

The Director of Strategic Planning introduced the report explaining that he would address it in two parts.

Firstly, the substantive report which indicates that our primary risk in the short term is student retention which is increasingly subject to factors outside of the University's control. Although retention levels are currently very positive, the University is acutely aware of the backdrop of the pandemic and the impact this may have on individual's circumstances and choices. This will be particularly relevant over the Christmas period, when students may reflect on whether to return to their studies having had the first main break of the year. A related link is the ongoing potential for a Government directive to move all teaching online and the implications this might have for student satisfaction and retention if the University was required to revert to online provision.

As indicated in an update from the Prime Minister today, the situation continues to be a rapidly changing one. The University must continually be prepared for updated guidelines and new requirements which of itself presents a risk, and the University is working hard to manage this by ensuring that briefings and requirements are immediately digested and actioned, with timely updates to students and staff to ensure clarity in so far as we are able to. Contingency arrangements are also in place and plans are well-formed for the scenario where the University is required to revert to online delivery or otherwise.

Looking forward, there is increasing risk associated with Government policy and in particular the Government's wish to rebalance further

education and higher education. The Government's response to the Augar Review is imminent and this will most likely sharpen the focus on narrowing the mainstream provision in the higher education sector to disciplines valued by the Government, and those which lead to graduates progressing into highly skilled employment or higher study. In terms of particular risks for the University, the Director noted the new experimental statistic from the OfS, 'Start to Success'. He explained how this metric multiplies a university's retention rate by their graduate jobs rate to determine a performance indicator. In some areas this statistic would work well for the University- for example, nursing, teacher education, biosciences, computing, English, sport, and business and management. However, the statistic is not favourable to disciplines across the sector such as performance, media and other creative subjects which may have low levels of people going into graduate employment. The University will watch carefully for any associated policy development, and respond swiftly.

The final area to highlight is the University continuing to work with a fixed unit of income. The full-time undergraduate fee level has not increased substantially since 2012, and is unlikely to do so. However, the University has the potential to increase student enrolments, both because of the demographic upturn and because our portfolio development means we are experiencing growth in the Faculty of Health, Social Care and Medicine, and increasing interest in science courses in the Faculty of Arts and Sciences.

A detailed discussion ensued, with members asking a series of questions around:

- modelling the potential impact of students not returning after Christmas
- the necessity for students to return if a wholly online offer could be delivered to a high standard
- levels of risk associated with students' mental health
- the controls in place to mitigate any risk of poor performance in the next National Student Survey (NSS)
- the steps being taken to protect the University in response to the Government's proposed rebalancing of higher education

Members were assured by management's responses to these questions, and noted that:

*.01 Student Retention.* The University is closely monitoring student retention. The latest fees report indicates we are 749 students ahead of where we were last year, which has supported the University achieve a c.£9m increase compared to our position at the same point in the previous period. While our cash balances afford us significant protection, there is very little evidence of retention issues at the moment, and we also have a robust January intake into the health professions. Even with a substantial drop in students returning in January we are still well positioned to manage through the next 12 months. In respect of 2021/22, members noted that the University would have initial indications of application rates in mid-January.

*.02 Teaching and Learning model.* Evidence through student surveys shows that the majority of students want to return to campus. They want to be in a learning space, interacting with their peers in-person, even given the unusual experience at the moment. Those students living in off-campus accommodation are still in their friendship groups and all are having a type of university experience. Further, in September we entered into a contract with our students indicating that we were going to deliver a minimum of six hours in-person teaching per week where we were legally able to do so. Students would have substantial reason to complain if the University elected to remove in-person teaching without a Government directive requiring this.

*.03 Mental Health.* The current pandemic and ongoing uncertainty at a national level means there will be an inevitable pressure on people's mental health and resilience. This has in many respects however been mitigated by the relative stability of higher education and the University. Staff and students currently on campus can be reassured by the signs and symbols demonstrating that the situation is being well controlled and that the campus is Covid-secure. Regular attendance on campus contributes towards personal and professional development, and the structure this brings can support positive mental health. Actions such as the food parcels provided for students also supports the development of community spirit, and in turn positive mental health. However, the University remains cognisant of the increased risk of poor mental health, and has delivered resilience training and offered a whole host of activity within the Wellbeing for All programme to ensure that staff and students are supported to preserve their mental health and wellbeing during these difficult times. The TogetherAll service, which is an online community for people who are stressed, anxious or feeling

low – with 24/7 support from trained professionals – has also been rolled out to include all staff and students.

*.04 NSS.* Each department is required to review their NSS results and put remedial action or enhancements in place where possible. While the latest NSS results were disappointing, they reflected a few areas underperforming, rather than any University-wide issues. Action has been taken as appropriate in those departments where results were poor. The format of the NSS is about to change substantially, although those details are not yet clear. This change means that although we need to remain vigilant about the quality of the student experience, meeting the current NSS format is less concerning.

*.05 Government policy.* The University is actively responding to Government policy both in immediate initiatives that have been developed to support students' continuation and successful outcomes, and through long-term portfolio planning to 2030. We are also undertaking substantial work to position ourselves as a leading campus-based provider for in the region of 22% additional students that may progress to a university education given the imminent demographic upturn; and also to be able to offer qualifications for students to step onto where they have undertaken earlier levels within the further education system. This includes portfolio development, strategic partnerships, outreach with key stakeholder groups, and continuing to maintain and invest in the estate to ensure the University's outstanding facilities are showcased and we are positioned as a residential provider of choice.

In bringing this aspect of the item to a close, the Chair acknowledged that Edge Hill had been named in the House of Commons by the Universities Minister as one of two universities providing exceptional support for students, and commended the University for this.

The Director of Strategic Planning then turned to the second part of the risk management report. He outlined that following input from governors, he was reconsidering how the report is delivered to the Audit Committee.

He recognised that the current narrative format successfully generates discussion and interchange but referred to an alternative way of presenting the information (included in the papers). He explained that the proposed framework combines an extended risk register which enables more joined up discussion about the relationship between risk and key performance indicators, and risk appetite. He indicated that the

attached example is a first step in the discussion and there were still some areas to be developed.

The Committee noted this was a positive development and **agreed that the new format could start being introduced from the March Audit Committee meeting.**

The DVC supported this move, outlining that the proposed new format would enable better reporting links to support the achievement of strategic objectives, and result in a tighter assurance framework.

The Risk Management Report was received.

**Action: Director of Strategic Planning**

**AC.20.027 2020 Financial Statements**

*Received: Document AC/014/20*

The Chair introduced the item by highlighting that earlier that evening members had received a detailed briefing on the Financial Statements, delivered by KPMG. This briefing had covered the University's draft statements for 2019/20 set in the context of the Audit Committee's general responsibilities and specific duties. Members had noted that some elements of the statements and associated items were in draft form because of ongoing audit work which was not expected to change the primary statements. Individual transactions had been discussed where these were large or complex and members had agreed the areas they sought to explore.

Noting the Chair's comments, the Director of Finance introduced the Financial Statements. He acknowledged the documentation was still in draft form though reiterated that there were no changes expected to the primary statements. He highlighted the following key points:

- *Core Operating Surplus.* The accounts record a core operating surplus of £9.2m for the year which, when compared to an original (and pre-pandemic) forecast of £6.7m, reflects an outstanding operating performance. This was especially impressive considering the fiscal pressures flowing from the lockdown, which included £3.9 million losses from hall fees and catering outlets. This result had been achieved through a combination of tight central control of the budget, supported by excellent engagement from budget holders, and reduced spend

emanating from the lockdown, for example reduced spend on travel and subsistence.

- *Statement of Comprehensive Income and Expenditure (SOCl) Surplus.* The SOCl surplus has reduced by £2m when compared with the previous year, down from £1m in 2019 to -£1m in 2020. The Director of Finance indicated that several items which did not relate to operating performance had affected the SOCl surplus. Significant areas to note included pension adjustments at -£6m, and -£3.1m for the refurbishment of student accommodation.

In respect of the SOCl deficit, members noted that the Core Operating Surplus is the University's key measure of financial performance internally since this excludes non-cash items which are outside the University's control (eg actuarial loss related to pension schemes).

- *Cash.* The cash position is very strong. Whilst cash generated from operations was down, at £10.5m, the University has achieved a year-end cash balance of £48.4m. This has resulted in a record net cash position of £19.7m when investments less long-term loans are taken into account. This is in the region of £2m up on the previous year. Noting the precarious operating environment, this cash continues to provide the University with sufficient protection should any further impacts of COVID carry significant financial implications, for example loss of residential income.
- *Pensions.* The USS provision is starkly different to the movement that we had in the previous year which is a direct result of the deficit recovery model that is being applied. Given the model changed in 2018, we were too late to apply the change in the 2019 financial statements. Had we been able to apply the updated deficit recovery model in 2019, the figure would have been more consistent with the figures presented in 2020. This underlines the need for caution when interpreting assessments of pension adjustments.
- *Access and Participation and Going Concern.* There is a new note in the Financial Statements regarding Access and Participation expenditure, introduced this year as a result of new requirements in the OfS Accounts Direction. The requirements

concern expenditure on access investment, financial support, support for disabled students and research and evaluation related to Access and Participation during the period. The disclosure must be covered in the External Auditor's opinion, and KPMG are still completing their work on this, and finalising the Going Concern opinion, though they do not envisage any issues.

- *Accounting policies.* Following a change in the methodology applied by the University's actuaries in respect of CPI, there has been an increase in the level of defined benefit obligation. Details of this change will be disclosed in the accounts. KPMG also recommend that management document how they challenge pension valuations provided by external experts.

In response to questions, the Director of Finance outlined the following

- The interest payable that is in the statement of comprehensive income is gross interest payable. That is, it includes pension adjustments that are all driven by assumptions and a slight change can have a very disproportionate impact on the Financial Statements. The Core Operating Surplus does not include pension adjustments, and the core interest payable figure is the actual amount we pay to the bank
- The 2019 accounts included a contingent liability note reflecting uncertainty around the USS scheme, with the final figure transpiring to be less than anticipated. This is reflected in the figures presented for 2020, where it appears at face value that the USS figure has reduced
- The balance sheet shows significant increase in Trade and Other Receivables at £9.256m compared to £6.9m last year. This is primarily due to the increased number of students enrolling mid-year which results in the University receiving only part of our Student Loan funding by 31 July given the students' studies straddle financial years. Members were assured this is simply a matter of timing and that our credit control position remains very strong
- An acknowledgement that the draft included some standard text carried forward from the previous statements, which can cause confusion. It was explained that the information was kept as holding text until the auditor's final report was provided, at which point the text would be updated.

Concluding the discussion, the Chair referred members to the Committee's specific responsibilities in relation to the operation of the University's internal control system and financial governance arrangements. Members agreed these were appropriately addressed in the comprehensive commentary and in line with reports received during the year. Members were also comfortable with the accounting policies applied, and were content that all significant or complex transactions had been considered.

Noting the minor scope for change, it was resolved to recommend the 2020 draft Financial Statements to the Board.

**Action: Chair/Deputy Vice-Chancellor**

**AC.20.028 External Auditor's Letter of Representation**

*Received: Document AC/015/20*

The KPMG representative (DC) introduced the Letter of Representation, noting that it followed a specified format and provides confirmation that any estimates or assumptions made in the statements are reasonable and that unrestricted access has been provided to all information and persons within the organisation.

It was highlighted that the ongoing work around the University's Going Concern status and Access and Participation data meant the letter was still in draft form, but that no material changes were anticipated.

Members were pleased to note assurances to date that the Financial Statements have been properly prepared, and that they present a fair and accurate view.

Noting the minor scope for change, it was **resolved to recommend the draft Letter of Representation to the Board**, with a final copy to be received by the time of the Board meeting.

**Action: Chair/Deputy Vice-Chancellor**

**AC.20.029 External Auditor's Audit Highlights Memorandum and Management Letter**

*Received: Document AC/016/20*

The KPMG representative (DC) introduced the audit highlights, outlining that while audit work was largely complete, some work on Access and Participation (which reflects a new requirement) and Going Concern (which can only be completed in the final stages of the process) was outstanding. She outlined that of the key risks identified, enough work had been completed for KPMG to conclude there were no areas of concern.

KPMG representative (RL) indicated that significant progress had been made since the time of writing the report and the accounts were now close to completion. He reiterated that there were no areas of concern to bring to the Committee's attention, and highlighted the following points:

- *Land and buildings.* New lease arrangements entered into this year have been specifically reviewed. Other than one low priority recommendation around how management's decisions are documented, KPMG is satisfied with the classification of the leases, and valuation of the land and buildings.
- *Pensions.* Numbers included within the pension disclosures are very susceptible to minor changes in assumptions. Much benchmarking work has been done in relation to the assumptions that underpin and drive the numbers, and from an audit perspective, these are seen as balanced assumptions. KPMG is satisfied that the amount of time before the average employee draws their pension was in line with expectations. Similarly, they were satisfied that the discount rate around USS pensions met their expectations and KPMG can give positive assurances in this regard.
- *Testing process.* A very detailed process incorporating a data analytics tool was undertaken to test the revenue (and in particular tuition fee) figures and KPMG can confirm University had a very positive outcome which should provide the Audit Committee with strong assurances that income is flowing through systems in line with expectations. Following an amendment in the approach to testing, for next year's audit process the external auditors will work with the University on how the reconciliation processes are documented. In terms of management override, a

significant assessment of journals and reconciling the trial balances has been undertaken, with no issues to report.

- *Areas outstanding.* It was confirmed that KPMG had undertaken considerable work in the Access and Participation and Going Concern areas of the accounts. Although work is ongoing, there is no expectation of any concerns in these areas.
- *Recommendations.* Two recommendations were made. Firstly to enhance the documentation around lease classification, and expand this to the University estate more broadly from an impairment perspective. Secondly, an area which is likely to feature in all of KPMG's Highlight Reports, a recommendation to document how the University has reviewed external actuarial assumptions.
- All recommendations from the previous audit had been implemented, and the Committee can be confident in the University's arrangements through the very positive outcomes from the audit work.

In discussion about the recommendations, the DVC confirmed that the University will accept the recommendations and provide the relevant assurances to comply with accounting standards. He did however stress that the pension valuation data is provided by a firm of qualified actuaries and is constructed in a robust and professional manner which the company (Mercer) is transparent about and gives the University's management confidence in the outputs. In terms of the issue around impairment, he described the process for establishing the valuation for physical and economic impairment and the role he and the Director of Finance had played in ensuring the robustness of the data, along with acquiring external expertise for the physical impairment valuation. He recognised that it would be helpful to document this in a framework of requirements, and noted this would be progressed in line with KPMG's recommendation.

A question was raised regarding the pension consultants as the date was missing from the report. The Director of Finance confirmed that 31 October 2021 was the proposed implementation date.

The External Audit Highlights Memorandum and Management Letter were received.

**AC.20.030 Going Concern Statement**

*Received: Document AC/017/20*

The DVC introduced this item noting it provided a summary of key institutional performance data used to assess organisational sustainability. He observed that traditionally there had been an implicit assumption that functioning organisations prepare their accounts on a Going Concern basis. Given the impact of the pandemic, accounting firms now consider this to be a high-risk area with central review panels brought in to assess assumptions once seen as standard, which is why it has taken longer than usual to finalise the Financial Statements this year.

Referring to the report, and key performance indicators, he highlighted that the data clearly supports the fact that the University is a Going Concern. Members were in agreement that, in respect of student numbers and income, and cash balances, the University is in a strong position and evidently able to meet its liabilities as they fall due.

The Going Concern statement was received.

**AC.20.031 Value for Money Report**

*Received: Document AC/018/20*

The Director of Finance introduced the report by referring to the impact of the pandemic on some areas of work originally scheduled for this year which would be carried forward. Pleasingly however, he noted the pandemic has also had some positive changes on the control environment. In the early stages of the pandemic the University made it clear that cost control was of paramount importance and guided budget holders through that phase, with improved internal processes, communication efficiencies and time savings. In terms of the control environment, in response to the lockdown the University introduced the concept of an 'MPAS' (Maximum Possible Additional Saving), with the DVC and Director of Finance personally working with all individual budget holders to ensure maximum savings across all account codes. This has resulted in significant cost savings for the University which is reflected in the year-end position.

In terms of other successes, members noted that the online enrolment work and the Corporate Communications restructure had been completed and positively received by the Value for Money Group. The

student support services workstream has also substantially progressed.

Looking ahead, the key areas for development are:

- Online payment of atypical workers
- Restructure of Finance operations
- Restructure of HR and Payroll operations
- Asset Management Strategy
- Online e-portfolio builder
- Making Tax digital
- Review of Edge Hill Sport operations
- Engage2Serve implementation
- Tenders and Evaluation review

The Director of Finance is particularly enthused about the restructuring work across HR and Finance as this is already presenting tangible benefits, with staff able to maximise their contribution by benefiting from the synergies between the teams.

Members welcome the update, and commended the University for the enhancements it had been able to make during the difficult circumstances presented by the pandemic. In particular they welcomed the developments that would enhance the student experience, such as the implementation of online enrolment and development of student support services, given the imperative for students to perceive that value for money is being delivered.

The Value for Money Report was received

**AC.20.032 Serious Incidents and Whistleblowing Annual Report**

*Received: Document AC/019/20*

The Deputy Vice-Chancellor introduced the annual report on Serious Incidents and Whistleblowing. He highlighted that there had been one notification during the year which purported to be a Whistleblowing notice. As reported to the Committee on 7 September, the issue raised was in fact a commercial disagreement which was referred to the appropriate process.

The annual report on Serious Incidents and Whistleblowing was received.

**AC.20.033 Draft Audit Committee Report to the Board**

*Received: Document AC/020/20*

The Clerk introduced the report noting that it followed a standard format and had been prepared in view of the papers presented that evening. She outlined the requirement for the Board to consider this report in full before signing off the Financial Statements and detailed the Committee's role in providing the Board with assurances about the University's arrangements for:

- Governance
- Risk management
- Internal control
- Economy, efficiency and effectiveness
- Data quality assurance

She highlighted that, with the exception of the Covid-19 pandemic, there had been no unusual business during the period. In respect of the pandemic, the Committee had received and tested full updates on the University's risk management, control environment and governance arrangements for areas including:

- Business continuity
- Health and Safety
- Student Experience
- Quality and Standards

Reports from internal and external audits, including an external review of the University's health and safety arrangements in response to Covid-19, have been very positive and there are no concerns highlighted to raise to the Board.

In view of all the information considered, members were content that the report provided a fair and accurate reflection of the Committee's work during the period. In particular, members endorsed the Audit Committee Opinions expressed in relation to governance, risk management, internal control, economy, efficiency and effectiveness, and data quality assurance.

**The annual Audit Committee Report to the Board was approved and recommended to the Board.**

**Action: Clerk**

**AC.20.034 Internal Audit Report (Academic Governance Framework)**

*Received: Document AC/021/20*

The Internal Audit Representative introduced the report on this assignment, which had tested whether the University's academic governance structures operate in line with defined responsibilities and, in view of the Covid-19 pandemic, whether changes to the delivery of taught provision and assessment had been properly considered and validated.

Overall the audit provided Substantial Assurance, with no management actions identified. It was found that the University has robust governance structures in place and these had continued to be highly effective during the pandemic.

In discussion a member referred to the executive summary which included an example of how projected student numbers are monitored at another university and queried whether this indicated a potential issue at Edge Hill. The Internal Audit Representative confirmed that this did not indicate a potential issue for Edge Hill but was an example of good practice which Edge Hill may want to consider in future. In response the Deputy Vice-Chancellor described the vital role of the Academic Planning Committee in ensuring the University only develops programmes where there is a clear market for recruitment. He also referred to the role of the University's monitoring functions in tracking recruitment and retention, which members were assured by.

Members welcomed the positive report and commended the University for achieving this during a difficult yet vital time for students.

The Internal Audit Report was received.

**SECTION B ITEMS**

**AC.20.035 Committee Effectiveness Evaluation and Future Planning**

*Received: Document AC/022/20*

The Clerk introduced the report which summarised the Committee's activities and role during the past year. She observed that from the documentation it was evident that the Committee played a very significant and effective role during the period. Membership remained appropriate, attendance levels were generally very good, and the Committee's primary responsibilities were fulfilled.

The Clerk noted that the Governance Working Party (GWP) is progressing a significant piece of work to review the Board, its committee structures and business schedules. This work will take account of the Committee of University Chairs (CUC)'s revised Code of Governance for Higher Education and effective practice guidance from the OfS. Updated CUC guidance for audit committees is also being factored into that work, and a report will be presented to the Committee in due course.

Given the GWP's ongoing work, the Clerk highlighted that the requirement at this stage was to confirm the Committee's effectiveness for the previous year rather than to open a detailed analysis of areas to enhance.

Following discussion, and in view of the detailed reports and documentation considered, members confirmed that

- membership was appropriate and attendance was very good
- primary responsibilities were fulfilled
- the Terms of Reference remain appropriate
- the Committee was effective during the period.

Whilst recognising the ongoing enhancement work through the GWP, a member observed that there is always room for continuous improvement, and for learning about best practice from our auditors. The **Clerk agreed to reflect this in the report** to avoid any potential interpretation of complacency.

**Action: Clerk**

**AC.20.036 RSM Progress Report**

*Received: Document AC/023/20*

The Internal Audit Representative presented the report, noting that it provided an update on progress against the Internal Audit Plan and summarised RSM's work since the Committee's last meeting. As reported in an earlier item, the Academic Governance Framework review has been completed, which provided substantial assurance for this area. Management's response to the draft report was swift, and submitted within two days against an expectation of ten days. A further three audits are due to commence in November and will be reported on in March.

There are no concerns to raise and work is progressing well.

The RSM Progress Report was received.

<b>SECTION C</b>
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**AC.20.037 Date and time of next meeting**

An extraordinary meeting to consider the TRAC return will be held on 25 January 2021.

**AC.20.038 Higher Education News Briefing**

*Received: Document AC/024/20*

The Higher Education News Briefing from RSM was noted.

**AC.20.039 HR Update – Autumn 2020**

*Received: Document AC/025/20*

The HR Update Autumn 2020 from RSM was noted.

**AC.20.040 Higher Education Technical Update**

*Received: Document AC/026/20*

The KPMG Higher Education Technical Update was noted.

