

[Confidential in respect of Minutes 19/30-34, 19/38, 19,41]

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON 2 JULY 2019

Present

Alison Colley	Independent Governor
James Rimmer	Independent Governor
Lena Samuels	Independent Governor
John Simpson (Chair)	Independent Governor
Captain Emma Tiller	Independent Governor

In attendance

Professor Graham Baldwin	Vice-Chancellor
Professor Julie Hall	Deputy Vice-Chancellor
Andy Riggs	Chief Finance Officer
Emma Butler	Audit Director, PwC
David I'Anson	Audit Partner, BDO
Lucy Driver	Audit Manager, BDO
Bridget Woolven	Clerk to the Governors

19/26 Welcome & Apologies

Apologies: Harry Mears and Dr Caroline Carpenter. The Committee was quorate.

19/27 Conflict of Interests - No conflicts of interest were declared.

19/27 Minutes of the previous meeting on 20 March 2019 - approved.

19/28 Matters arising from the previous meeting - There were no matters arising.

19/29 Confidential Pre-Meeting**Oral Report**

This minute is confidential.

19/30 Review of Risks**Presentation - Confidential**

Presented by: Professor Graham Baldwin, Vice-Chancellor *'Augar Review of post 18 education and funding'*

This minute is confidential.

19/31 Report from Risk Management Group**Paper 19/AC/07**

Presented by: Andy Riggs, Chief Finance Officer

Confidential

This minute is confidential.

19/32 Annual Report on GDPR & FOI**Paper 19/AC/08**

Presented by: Professor Graham Baldwin on behalf of Dr Caroline Carpenter

Confidential

This minute is confidential.

19/33 Internal Audit Progress Report 2018/19
Presented by: Emma Butler, Audit Director, PwC

Paper 19/AC/09
Confidential

This minute is confidential.

19/34 Internal Audit Plan for 2019/20
Presented by: Emma Butler, Audit Director, PwC

Paper 19/AC/10
Confidential

This minute is confidential.

19/35 External Audit Planning Report 2018/19
Presented by: David I'lanson, Audit Partner, BDO

Paper 19/AC/11

- i. The report outlined the process of planning, interim audit, year-end audit and finalisation;
- ii. He highlighted that BDO had been offered the appointment as auditor to Solent Campus Pathway Limited, the joint venture between Solent University and QAHE (Solent) Ltd;
- iii. The report had given an overview of the audit risks, and BDO's planned audit responses; detailed the basis of BDO's materiality calculations; confirmed BDO's independence as auditors; and listed their audit fees for the year.

In discussion the following points were made

- iv. The service fees for current year were significantly lower than the prior year's costs which had included work on the financial due diligence for the proposed merger between the University and City College, Southampton.
- v. The 'Clearly Trivial' threshold of £59K set for BDO's materiality calculations was discussed and consideration given to whether this was too high. It was noted that lowering the threshold would involve BDO undertaking a much greater level of work which, at the end of the day, was unlikely to change opinion of the financial standing of the University, as presented in the accounts.
- vi. In response to a question from the Chair, Andy Riggs, Chief Finance Officer, reminded members that Audit Committee had in June 2018 reviewed, and approved revisions to, the University's accounting policy for depreciation;
- iv. The Committee noted the content of BDO's planning report which would be made available to the whole Board via 'Information Resources for Governors' - the secure area of the Portal.

19/36 Annual Self Evaluation of Audit Committee

Paper 19/AC/12

- i. The Committee Chair highlighted the low attendance rate for 2018/19 and encouraged members to improve attendance.
- ii. It was agreed that for the November meeting, Skype could be trialled for members who could not attend. **ACTION: CLERK.**
- iii. Members would also be polled to see if there was a preferred alternative time of day for the Committee meetings to take place. **ACTION: CLERK.**
- iv. Consideration could be given to appointing an additional member to the Committee in the next academic year once new appointees are identified.

19/37 Complaints received under the Public Information Disclosure Act and the University's Fraud Policy

The Committee noted that, since the last meeting,

- i. no complaints had been received by the Chairman of the Board or the Clerk to the Governors under the Public Information Disclosure Act;
- ii. No cases of fraud had been reported to the Chief Finance Officer of the Clerk to the Governors.

19/38 Serious and Reportable Incidents

Confidential

This minute is confidential.

19/39 Order of Business 2019/20

Paper 19/AC/13

Noted.

19/40 Meeting Dates for 2019/20

Wednesday 6 November 2019
Wednesday 15 January 2020
Wednesday 25 March 2020
Wednesday 17 June 2020

All meetings will commence at 17:30 hrs, preceded by pre-meeting discussion by Governors at 17:00hrs.

The External and Internal Auditors left the meeting at this point.

19/41 External Audit Contract

**Paper 19/AC/14
Confidential**

This minute is confidential.