

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON 15 JANUARY 2020

Present

Don Iro	Independent Governor
Harry Mears	Co-opted Member
James Rimmer (Chair)	Independent Governor
John Simpson	Independent Governor

In attendance

Dr Caroline Carpenter	University Secretary
Kerrie Clark	Financial Controller
Paul Colbran	Chief Information & Infrastructure Officer
Professor Julie Hall	Interim Vice-Chancellor
Andy Riggs	Chief Finance Officer
Bridget Woolven	Clerk to the Governors
Emma Butler	Audit Manager, PwC
David l'Anson	Audit Partner, BDO

20/01 Welcome & Apologies

Apologies: Lena Samuels and Captain Emma Tiller. Lena Samuels had indicated by email her approval of the minutes and the TRAC paper.

Welcomed: Don Iro to his first Committee meeting. The Committee was quorate.

20/02 Conflict of Interests - None.

20/03 Minutes of the previous meeting on 6 November 2019- approved including proposed revisions from BDO that had been circulated in advance of the meeting.

20/04 Matters arising from the previous meeting -

- i. Min 19/45: It was confirmed that the internal audit to review Treasury Policy would commence on 24 February 2020.
- ii. The outstanding actions had been scheduled for closure by, or at, the meeting on 25 March 2020.

20/05 Confidential Pre-Meeting**Oral Report**

There was nothing significant to report from the members' pre-meeting.

**20/06 Transparency Review submissions 2018/19
Presented by Andy Riggs, Chief Finance Officer****Paper 20/AC/01**

In discussion the following points were made:

- i. Professor Julie Hall explained to members that TRAC is a method of reviewing research costs and how they underpin teaching. Solent had a small amount of research activity but the University opted to make a TRAC submission because it was a useful method for tracking those costs.

- ii. The data for the submission was obtained from the annual financial statements as well as Research Council income and grant information. The data provided by Finance is then ‘tested’ in the University to ensure it accurately reflects the pattern of teaching.
- iii. Looking ahead, Andy Riggs said that it was the University’s aim to increase the recovery rate on research and non-publicly funded teaching.
- iv. Emma Butler said that as a low risk area, this would usually be internally audited every two to three years. **ACTION: Andy Riggs to confirm when the most recent internal audit was conducted.**

The Committee:

- v. Noted the paper and confirmed the University’s compliance with the TRAC Assurance Requirements, per the reports at Annex 1;
- vi. Approved the TRAC and TRAC (T) returns for sign off by the Accountable Officer before submission to the OfS.

**20/07 Roles of Audit and Resources Committee
Presented by: Bridget Woolven, Clerk to the Governors**

Paper 20/AC/01

- i. The terms of reference for each Committee had been circulated to members together with their annual business programmes. At the meeting, the Clerk circulated an additional note indicating whether items on each programme were for noting or approval.

In discussion the following points were made:

- ii. James Rimmer, Audit Chair, noted that currently both Audit and Resources Committees reviewed and recommended the annual financial statements (AFS) to the Board of Governors.
- iii. Kerrie Clark confirmed that currently in relation to the AFS, Audit Committee considered the accounts and internal controls, Resources Committee considered ‘going concern’.
- iv. It was noted that the external auditors, BDO, do not attend Resources Committee.
- v. James Rimmer felt that the current approach allowed scope for conflict between the two Committees and noted the governance framework clearly allocated responsibility for oversight of the accounts and everything associated with them to Audit Committee. He felt that it would be more appropriate for Audit Committee to be solely responsible for the recommendation of AFS to the Board, with Resources Committee receiving and noting them.
- vi. David l’Anson and Emma Butler confirmed that in their experience, where HEIs had a Finance Committee as well as an Audit Committee, Finance Committees received and noted the AFS but Audit had the sole authority for their recommendation to the Board.

The Committee

- vii. Based upon the governance framework and the advice of both the external and internal auditors, agreed to recommend to the Board that in future Resources Committee should receive and note the AFS but Audit should have the sole authority for their recommendation to the Board. **ACTION: Clerk to**

communicate with Chair of the Board and Resources Committee Chair regarding Audit's Committee's recommendation.

(Naomi Rigby of PwC and Liz Harris, Environmental Officer at Solent University, joined the meeting.)

20/08 Confidential Presentation: 'Sustainability/ESG (Environmental, Social and Governance) Reporting' by Naomi Rigby, Non-Financial Reporting Specialist - PwC

This minute is confidential.

20/09 No complaints had been received under the Public Information Disclosure Act and the University's Fraud Policy and:

- i. No complaints have been received either by the Clerk to the Governors, University Secretary, or Chairman of the Board under the Public Information Disclosure Act;
- ii. No cases of fraud had been reported.

20/10 Serious Incidents and Reportable Events

The Committee noted that, since the last meeting:

- i. No serious incident(s), or suspicion or allegation thereof, as defined as reportable to the OfS by the Charity Commission and outlined in the University's Financial Regulations, has been reported to the Chief Finance Officer or the Clerk to the Governors;
- ii. Since the last meeting, there has been the following reportable event(s), as defined by the OfS, that *'could materially affect or materially effects the provider's legal form of business model and/or its willingness or ability to comply with its conditions of registration'*:
 - a) The appointment of Professor Karen Stanton as the new accountable officer from 1 February 2020.

20/11 Meeting Dates for 2019/20

Wednesday 25 March 2020 - Members' Pre-Meeting at 5pm, Meeting at 5.30pm
Wednesday 17 June 2020 - Members' Pre-Meeting at 5pm, Meeting at 5.30pm