

AUDIT AND RISK COMMITTEE

Thursday 14 June 2018

CONFIRMED MINUTES

Present:

David Willis (Chair)
Peter Thompson

Kath Barrow

Melissa Tatton

In attendance:

Professor Colin Bailey
Laura Gibbs

Professor Edmund Burke
Jonathan Gooding (External
Audit)

Paul Cuttle (Internal Audit)
Dr Nadine Lewycky

Sian Marshall
Neil Thomas (Internal Audit)

Jonathan Morgan
Janice Trounson

Julian Reeve (External Audit)
Sarah Cows (2017.057)

Apologies

Monica Chadha

Nadim Choudhary

Joanne Jones

Part 1: Preliminary Items

Welcome

2017.054 The Chair welcomed everyone to the meeting.

Executive Summary and Minutes of the meeting 08 March 2018 [ARC2017/37]

2017.055 The Committee **confirmed** the non-confidential and confidential minutes and **noted** the executive summary of the meeting on 08 March 2018.

Matters Arising [ARC2017/38]

2017.056 The Committee **received** the following matters arising from the non-confidential minutes of the meeting on 08 March 2018.

GDPR update

[a] The Committee received an update on Queen Mary's compliance with the General Data Protection Regulation (GDPR). Future updates would be incorporated into the annual report on legal compliance, starting in autumn 2018.

[b] Queen Mary would aim to fully implement the Records Retention Schedule and to undertake a desk-based emergency response exercise with external legal input to test Queen Mary's arrangements for responding to data breaches by January 2019. A greater number of enquiries about compliance with GDPR were being received by the Records and Information

Compliance Manager, which demonstrated that awareness had been raised about the GDPR requirements.

- [c] The Committee commended the Records and Information Compliance Manager for the considerable work undertaken to ensure Queen Mary has due regard for the GDPR.

Health, Safety and Fire annual report

- [d] Tables with the correct data on fire alarm activations had been provided, which had addressed the Committee's concerns. Going forward, the Committee would receive the annual report at its November meeting to improve the timeliness of reporting.

Internal audit report on staff recruitment

- [e] At the last meeting, the Committee had requested information on grievances submitted in relation to ineffective recruitment and selection policies and procedures. The Interim Director of Human Resources had reported that she was not aware of there having been many grievances of this nature. Procedures would be reviewed as part of the development of a policy on staff recruitment. The Committee was satisfied that appropriate actions were being taken and that it did not require further information to be provided at this stage.

Part 2: Risk Management

Deep dive: student experience (retention) [ARC2017/39]

2017.057 The Committee **received** a deep dive report on steps being taken to improve the student experience in the Faculty of Humanities and Social Sciences, presented by the Director of Academic and Student Services. The following points were made:

- [a] *Minute 2017.057[a] is confidential.*
- [b] The high rate of non-continuation had a financial impact on the institution and personal impacts on the students. Research has shown that students who commence but do not complete university degree programmes have lower attainment levels than those who complete A-levels but do not continue into higher education. Students who left Queen Mary for other institutions chose largely to attend other universities in London.
- [c] Responsibility for student retention came under the TEF working group, the Engagement, Retention and Success team in Student and Academic Services, the Students' Union, Careers and Employability, and Advice and Counselling. The incoming Vice-Principal for Education would take ownership of retention and related issues.
- [d] Steps were being taken to improve the non-continuation rate. The issue was multifaceted and varied between schools and between cohorts. The current culture towards students and the support provided to them were identified as key areas for improvement.

- [e] A review was being conducted of the Engagement, Retention and Success programme to address its lack of impact on university retention levels. The review aimed to establish a programme which focused on tangible actions and recommendations. The outcome of the review would be published in late summer. A review was also being conducted into the Careers and Employability service. Student earnings over time were generally good, partly skewed by the School of Medicine and Dentistry, but short-term student employability outcomes could be improved.
- [f] The TEF working group had commissioned a student experience action matrix to link interventions to areas of concern which had been highlighted in student surveys and in other TEF metrics. The TEF working group would also look at the subject level data sets at its next meeting, which would help identify where improvements were needed. Benchmarking figures were used in the TEF and showed that QMUL was an outlier within the Russell Group.
- [g] A new withdrawal form and process was being introduced for 2018/19 which would enable the university to understand better the reasons for student withdrawal, and which would ensure that any student considering withdrawing would be required to discuss their concerns with a member of staff. The withdrawal forms could be used to inform the action plans.
- [h] Queen Mary normally experienced a high dropout rate during the first few weeks of the academic year. Last year, improvements had been made to Welcome Week, including improved pre-arrival communications and providing IT and QMplus helpdesks. These changes had resulted in a slight reduction in the number of students leaving. This year, the focus would be on creating a sense of belonging for the students and increasing their awareness of the support services and training available to them.
- [i] Local initiatives were being implemented in the faculties. All Schools were engaging with a Student Experience Action Plan, which recorded actions for the improvement of the student experience. In the Faculties of Humanities and Social Sciences, and Science and Engineering, this was overseen by dedicated student experience managers.
- [j] The Faculty of Science and Engineering had a significant number of students whom were not eligible to progress (17.2%). The Faculty had made retention a top priority and had appointed a student experience manager. Action plans had been developed in each of the Faculty's schools. The Faculty's foundation programme contributed to the higher rates of non-progression, but this was only a small part of the overall figures, and other universities with higher retention rates ran similar programmes. The Faculty was also looking at the culture of over-assessment, which placed unnecessary pressures on staff and students. This would build on the changes to late assessment penalties and the introduction of semester-based examinations at the university level.
- [k] The Committee noted that the strategic risk register did not adequately capture the breadth of risks related to student experience, but focused on the elements which could be measured such as estates, capital framework

and IT. More discussion was needed about the appropriate controls for managing risk in this area. Clear measures for how faculties would be held to account on student attainment should also be developed.

- [l] There was a concern that Queen Mary could be perceived to be setting up students for failure by not providing the support they needed to be successful. Other institutions admitted students with similar grade profiles but offered better support.
- [m] The issue of retention had gained greater prominence across the university, and there was a better understanding that supporting the student experience was not solely the responsibility of the schools. Although there was significant variation across the faculties, and local level initiatives would be important, improving the overall university experience would improve retention in all areas.
- [n] Understanding the 'pinch points' in the student journey and the key steps to mitigate them would help ensure that interventions would have the maximum impact. Queen Mary would seek to engage more actively in discussions about good practice in student experience in the sector going forward.
- [o] The Committee **agreed** to receive an update on progress at its meeting in October 2018.

Action: Director of Student and Academic Services [o]

Strategic Risk Register [ARC2017/40]

2017.058 The Committee **received** the termly report on QMUL's strategic risk management framework. The following points were made:

- [a] The Chair said that members had not had sufficient opportunity to review the strategic risk register given that it had been circulated to Committee members the day before the meeting. It was emphasised that papers for the Committee need to be circulated in good time before each meeting. The Chair asked Committee members to send detailed comments or questions to the secretariat following the meeting, and that members who were unable to attend the meeting should be asked for their input.
- [b] The current version of the register had incorporated the main recommendations made as part of the internal audit into risk management, including an enhanced description of the risk to include cause and impact, and the introduction of a target risk score. Dates for achieving target risk scores were also included.
- [c] The Committee agreed that the changes to the register were positive but that more information could be provided on further actions and notes, which would enable the Committee to make judgments about whether the controls and timescales in place for achieving the target risk scores were appropriate.

[d] Concerns had been raised about the wider impact on the university of slippage in the capital programme. The Strategic Risk Management Group was asked to reflect on whether the impacts on student experience, and the related risks and controls, were reflected clearly enough in the register.

Actions:

Council Secretariat [a]

Chief Operating Officer, Vice-Principal (Science and Engineering) [c], [d]

Whistleblowing cases since the last meeting [Oral report]

2017.059 *Minute 2017.059 is confidential.*

Part 3: Statutory and Regulatory Compliance

Internal audit reports [ARC2017/41]

2017.060 The Committee **considered** the following internal audit reports:

- **Data quality – TRAC**
- **Financial management – accounts receivable and accounts payable**
- **Immigration compliance under tier 4 of the points based system**

The following points were made in discussion:

Data quality – TRAC

[a] The Committee commended the Finance Director and her team for achieving a rating of 'significant assurance'.

Financial management

[b] The report had found that the controls in place were well designed and operating effectively. Several recommendations had been made to improve efficiency. The overall rating was 'significant assurance with minor improvement opportunities'.

Immigration compliance

[c] Whilst the report had received a rating of 'significant assurance with minor improvement opportunities', the Committee acknowledged that risk appetite and exposure in this area should be minimal given that it was a compliance matter with potentially significant implications for the university's reputation and finances. It expected that best practice should be implemented at all times or consideration given as to why this would not be appropriate.

Internal Audit plan 2018-19 [ARC2017/42]

2017.061 The committee **approved** the internal audit plan 2018-19. The following points were made:

- [a] The internal audit plan had been developed with reference to the strategic risk register to ensure the alignment of reviews with Queen Mary's objectives and key risks.
- [b] There would be an internal audit of research governance and the schools audit would also consider governance within the selected schools. There would not be an audit of corporate governance, which had originally been included in the plan, as this would be the subject of a separate, externally facilitated review overseen by the Governance Committee.
- [c] It was noted that it seemed timely for future plans to include internal audits of social media, IT and performance data related to the new university strategy.
- [d] Two reports were still to be completed from the audit plan for 2017-18 on preparations for the Research Excellence Framework (REF), and Health and Wellbeing, which would be considered by the Committee in October.

Actions: Chief Operating Officer [c]

Part 4: Statutory and Regulatory Compliance

***Annual assurance letters [ARC2017/43]**

2017.062 The Committee **received** the outcomes of the 2016-17 HESA reconciliation exercise and the Prevent duty annual reporting process. It was noted that the Office for Students (OfS) would give their decision on QMUL's application for registration by mid-July. The OfS had requested additional information about Queen Mary's access and participation plan, which had been provided.

Annual review of Financial Regulations and Scheme of Financial Delegation [ARC2017/44]

2017.063 The Committee **noted** the change to the Scheme of Delegation of Financial Authority, and the planned work to refresh the Financial Regulations, Scheme of Delegation of Financial Authority, and Travel and Expenses Policy. The Committee would consider the revised policies and regulations at its November meeting.

Part 5: Financial Control

Fraud/Financial irregularities occurring since the last meeting [Oral report]

2017.064 *Minute 2017.064 is confidential.*

Part 6: Committee Management and Reporting

Review of Terms of Reference, membership and effectiveness [ARC2017/45]

2017.065 The committee **received** the terms of reference, membership and review of committee effectiveness. The following points were made:

- [a] The Committee **noted** that the terms of reference had been updated to include references to the Office for Students, and that the membership had been updated to include Peter Thompson's appointment to the Committee.

- [b] Overall feedback on the effectiveness of the Committee had been positive. The main concerns related to the quality and timeliness of papers; information provided in the deep dive reports/presentations; making better use of meetings at other campuses; ensuring that co-opted members were sufficiently informed about the wider university context; receiving more input from the auditors about best practice; and improving communication to Committee members about training and development opportunities.
- [c] The Committee **agreed** to the recommendations proposed in the paper on Committee effectiveness. It was also noted that arrangements had been made to bring in external speakers to address the Committee about issues in the higher education sector. Aaron Porter, Associate Director (Governance) at the Leadership Foundation, had been invited to speak to the Committee at the next meeting.

Actions: Council Secretariat [c]

Annual Schedule of Business 2018-19 [ARC2017/46]

2017.066 The Committee **approved** the annual schedule of business and **considered** topics for deep dives for inclusion. The following points were made:

- [a] The Health, Safety and Fire report, which would include a four page executive summary, would now be received by the Committee in November rather than March.
- [b] The annual accountability return to the Office for Students would include a Value for Money (VfM) report but not an annual efficiency return as was previously required by HEFCE. Guidance was still to be issued by the Office for Students on the reporting requirements.
- [c] Initial proposals for deep dive topics for next year included international engagements, with a particular focus on China, and IT. The Committee felt that a horizon scanning session given by the Principal would also be useful.
- [d] The new QMUL Strategy was in development and would be launched in spring 2019. It was proposed that the Committee could consider the risks associated with the implementation of the Strategy and the development of performance data in March 2019.
- [e] The November meeting had been moved from Tuesday 13th to Wednesday 14th at 1500 hours.
- [f] The references to the External Audit under the June meeting should be removed.

Actions: Council Secretariat [c], [d], [f]

***Draft Agenda for next meeting [ARC2017/47]**

2017.067 The Committee **received** the draft agenda for the next meeting on 04 October 2018. The agenda would include the presentation from Aaron Porter.

Any other business

2017.068 **External Audit Plan 2018-19 and fees**

Minute 2017.68 is confidential.

2017.069 **Internal audit performance**

Minute 2017.069 is confidential.