

**TEESSIDE UNIVERSITY  
BOARD OF GOVERNORS**

**The Annual General Meeting of the Board of Governors was held on 17 November 2017.**

**Present:** Mr A MacColl (Chair) Mr R Bloom  
Mr P Booth Professor P Croney  
Mr J Cross Mr D Cooley  
Mr C Fleetwood Dr K Gillen  
Mr J Hogg Professor P Jones  
Ms S Khan Mrs H Page  
Mr T Platt Ms A Preston  
Mr D Russell Mr S R Tonks  
Mr G Worsdale

**Apologies:** Dr J Atkinson Ms A Burns  
Mr R Cuffe Ms S Kiddle  
Ms Siobhan McArdle Mr I Wardle

**Officers:** Ms J Amos Dr D Bell  
Mrs H Cutting (Secretary) Professor S Hodgson  
Mr M Page Professor M Simpson  
Mrs S Thompson (Asst Secretary)

**Apologies:** Professor J Turner

**TU 3308 COMMITTEE TERMS OF REFERENCE & WORKPLANS**

It was **NOTED:**

1. That the Terms of Reference and associated work plans for a number of Board Committees have been reviewed as part of the ongoing process to modernise University Governance.
2. That, where relevant, each Committee has endorsed its proposed revisions for approval by the Board.

It was **AGREED:**

3. To approve the revised Terms of Reference and workplans for each of the following committees:

Audit Committee  
Resources Committee  
People & Organisational Development Committee  
Student Experience Committee

**TU 3309 ANNUAL COMMITTEE REPORTS**

It was **NOTED**:

1. That Members have received the Annual Reports for the following committees:
  - 1.1 Audit Committee (TU 3313 refers)
  - 1.2 Resources Committee
  - 1.3 People and Organisational Development Committee
  - 1.4 Remuneration Committee
  - 1.5 Student Experience Committee
2. That the Annual Reports are intended to provide assurance to the Board that each Committee is fulfilling its remit.

**TU 3310 ANNUAL REPORT AND FINANCIAL STATEMENTS 2016-2017**

It was **NOTED**:

1. That the Audit Committee recommends approval by the Board, of the Annual Report and Financial Statements, for the period from 1 August 2016 to 31 July 2017; approval of the associated Statements, including those on Corporate Governance and Internal Control; acceptance of the Independent Auditor's Report; and approval of the draft Letter of Representation.
2. That the Consolidated Financial Statements have also been considered by the Resources Committee at its meeting held on 13 November 2017.
3. That, additionally, the Audit Committee has been satisfied that reports on such matters as Risk Management, Value for Money and Corporate Governance, have provided it with sufficient evidence to enable the Committee to endorse the Statement of Internal Control.
4. That the Chair of the Audit Committee, relayed the Committee's congratulations to the University on the positive progress and improvement relating to the financial statements.

It was **AGREED**:

5. To endorse the Operating and Financial Review included in the Annual Report and Financial Statements 2016-17.
6. To approve the Statement of Corporate Governance and Internal Control.
7. To approve the Annual Report and Financial Statements 2016-17.

**TU 3311 LETTER OF REPRESENTATION – TEESSIDE UNIVERSITY**

It was **NOTED**:

1. That Members have received the Letter of Representation related to the audit of the Group and University financial statements of Teesside University for the year ended 31 July 2017.
2. That these financial statements comprise the Group and University balance sheets as at 31 July 2017, the Group and University statements of Comprehensive Income, the Group and University Statements of Changes in Reserves, and Group and University Statements of cash flows, and notes, comprising a summary of significance policies and other explanatory notes.

It was **AGREED**:

3. To approve the draft Letter of Representation.

**TU 3312 REPORT FROM EXTERNAL AUDITORS ON THE 2017 AUDIT**

It was **NOTED**:

1. That the Audit Committee, at its meeting of 6 November 2017, received the Final Report on the 2017 Audit from KPMG.
2. That the overall report is positive.
3. That the Auditors have not identified any significant deficiencies in the final reporting systems.
4. That the Auditors concluded that the overall control environment of the University is well-maintained.

It was **AGREED**:

5. To accept the Audit Highlights Memorandum and Management Letter Report of the External Auditors.

**TU 3313 INTERNAL AUDITORS ANNUAL REPORT 2016-2017**

It was **NOTED**:

1. That Pricewaterhouse Coopers (PwC) have completed their third year as the University's Internal Auditors, and were re-appointed for a further two years, by the Board at its meeting held on 24 March 2017.
2. That the Internal Audit opinion is 'generally satisfactory with some improvements required'.

3. That this is a strong and positive opinion particularly given the size and complexity of the University and PwC do not expect HEIs to achieve a 'satisfactory' opinion.
4. That PwC have not made any critical or high recommendations during the year.
5. That the overall reduction in the number of recommendations is reflective of progress made and the continuing improvements within the University.

#### **TU 3314      AUDIT COMMITTEE ANNUAL REPORT**

It was **NOTED:**

1. That the Audit Committee has presented its Annual Report to the Board of Governors, and the Vice-Chancellor, prior to submission to the HEFCE.
2. That the Annual Audit Report outlines the basis for the Committee's decision, that it is satisfied that the University is properly financially managed; has effective internal control and management systems; has effective risk management control and governance arrangements; has satisfactory arrangements to promote the economy, efficiency and effectiveness of the University's activities; and has satisfactory arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, HEFCE, and other bodies.

It was **AGREED:**

3. To approve the Annual Report of the Audit Committee for submission to HEFCE.

#### **TU 3315      ANNUAL ASSURANCE RETURN**

It was **NOTED:**

1. That the Vice-Chancellor has provided Members with his draft Annual Assurance Return to the HEFCE, confirming that the Institution has met its objectives to the HEFCE under the Memorandum of Assurance and Accountability, and that the Institution is complying with its duties as a charity.

It was **AGREED:**

2. To approve the Annual Assurance Return for submission, by the Vice-Chancellor, to the HEFCE.

**TU 3316 HEFCE ACCOUNTABILITY RETURN 2016-17**

It was **NOTED**:

1. That the Financial Commentary to be submitted to the HEFCE explains the material changes from the forecast outturn submitted in July 2017 for 2016-17.
2. That material changes to the 2016-17 data, relate to a decrease in other operating expenses and a reduction in the LGPS deficit as calculated by the scheme Actuary.
3. That the report was considered by the Resources Committee, at its meeting of 3 November 2017, and recommended to the Board for approval.

It was **AGREED**:

4. To approve the 2017 Financial Commentary for submission to HEFCE.

**TU 3317 REPORT FROM AUDIT COMMITTEE - 6 November 2017**

1. It was **NOTED** that at its meeting on 6 November 2017 the Committee considered:
  - 1.1 Annual Internal Audit Report 2016/17
  - 1.2 Annual Value for Money Report 2016/17
  - 1.3 Annual Risk and Assurance Report 2016/17
  - 1.4 Annual Fraud Report 2016/17
  - 1.5 Annual Report of the Audit committee 2016/17 for submission to HEFCE
  - 1.6 Annual Report and Accounts 2016/17
  - 1.7 Annual Prevent Report 2016/17
  - 1.8 Assurance Framework Update 2017/18
  - 1.9 Risk and control Assurance Update No 2
  - 1.10 Audit Report: Financial Regulations and Scheme of Delegation
  - 1.11 Implementation of Internal & External Audit Recommendations Update
  - 1.12 International Compliance Report
  - 1.13 GDPR Progress Update No 2

**TU 3318 ANNUAL REPORT ON THE IMPLEMENTATION OF THE PREVENT DUTY**

It was **NOTED**:

1. That, in August 2017, HEFCE issued a revised 'Framework for the monitoring of the Prevent Duty in Higher Education in England (2017 onwards) which sets out how HEFCE will monitor Providers implementation of the statutory Prevent Duty, and that the Providers must follow this framework to demonstrate 'due regard' to the Duty.
2. That the Audit Committee, at its meeting of 6 November 2017, has received, and recommended for approval by the Board, the Annual Report on the Implementation of the Prevent Duty for 2016-17.

It was **AGREED**:

3. To approve the Annual Report and the associated declaration for submission to HEFCE.

**TU 3319 ANNUAL STATEMENT OF PENSION FUNDS**

It was **NOTED**:

1. That Members have been provided with an Annual Statement of Pension Funds for the year ended 31 July 2017, which was also considered at the meeting of the Resources Committee on 3 November 2017.
2. That a review of the University's pension schemes is now being commissioned to determine and confirm the most effective pension arrangements for the University and its staff moving forward. This will include independent external input and advice and will be reported to members in due course.

**TU 3320 ANNUAL VALUE FOR MONEY REPORT (VFM) 2016/17**

It was **NOTED**:

1. That the Annual Value for Money Report informs Members of the arrangements that were in place during 2016/17 to ensure that the University provided VFM across the full ranges of its activities.
2. That the report also enables the Audit Committee to provide an opinion within its Annual Report of the adequacy and effectiveness of the University's arrangements for VFM (economy, efficiency and effectiveness).

3. That the report confirms that strong and positive progress continues to be made across a range of University activities, taking a more strategic approach to VFM activities, including the development of the VFM Strategy and embedding VFM within the Business Planning process.

**TU 3321 ANNUAL REPORTS AND ACCOUNTS (SUBSIDIARY COMPANIES)  
2016-2017**

It was **NOTED**:

1. That the Statement of Accounts of the University's Subsidiary Companies, and the associated Directors' Reports relating to the financial year 2016-17, have been approved by the respective Boards of Directors and are presented to the Board of Governors.
2. That the Audit Committee of 6 November 2017, recommended to the Board, the Accounts of these Subsidiary Companies.
3. That the External Auditors noted no significant deficiencies in the financial reporting systems or material mis-statements and no areas of risk which need to be drawn to the attention of the Board in relation to the subsidiary entities.

It was **AGREED**:

4. To accept the 2016-17 Statements of Accounts (and note the associated Directors' Reports) of the following subsidiary companies, as an appropriate basis for consolidation into the University's Annual Report and Financial Statements 2016-17:
  - 4.1 University of Teesside Enterprises Ltd (UTEL).
  - 4.2 TEESNAP Ltd
  - 4.3 Teesside Sports Injury Centre Ltd