

**Minutes of the forty second meeting of the Board of Governors
held on 17 March 2010**

Present:

Peter Anwyl – Chair
Yeashir Ahmed (not present for item on Senior Staff)
Philip Bignell
Kay Dudman (not present for item on Senior Staff)
Prof Malcolm Gillies
Rob Hull
Jeremy Mayhew
Tony Millns
Bob Morgan (not present for item on Senior Staff)
Prof Zenobia Nadirshaw
Raj Patel
Abdul Rahim
Sir Michael Snyder

In attendance:

Bob Aylett)
Sean Connolly)
Paul Lister) (not present for item on Senior Staff)
Pam Nelson)
Rachel Thomas)

Glynne Stanfield, Eversheds (for item BG 42/6.1)
Carol Rudge, Grant Thornton (for item BG 42/4.1)
Kate Blenkinsop, Grant Thornton (for item BG 42/4.1)

Clerk to the Board:

John McParland (not present for item on Senior Staff)

Apologies:

Stephan John and Sarah Tyacke

541. Report on Issues Relating to Senior Staff

1. The Chair declared the meeting validly convened and quorate. He said it was being convened under article 40(c) of the University's Articles and, therefore, staff and student governors were not invited to this part of the meeting. That extended to the University's Secretary because he too was involved in the matters to be discussed at the meeting. That approach was approved.
2. The Chair authorised Glynne Stanfield of Eversheds to distribute to each attendee at the Board meeting a copy of an interim report which Eversheds LLP had drafted into the issues relating to senior staff. It was agreed that the attendees at the meeting be given an opportunity of reading through the paper and that copies of the paper be handed back to Eversheds at the conclusion of the debate on it so as to maintain, so far as possible, the confidentiality of the report.
3. After giving the attendees the opportunity of reading through the paper a discussion followed on it following the introduction by Glynne Stanfield. He started by saying that he found it extraordinary that neither Sir David Melville or Deloitte had interviewed the internal auditors as part of their investigations, noted that the external auditors had not been contacted and expressed surprise at the lack of email traffic which the Melville and Deloitte investigations had reviewed. He then introduced the recommendations in the report (section 6) and the following points emerged:
 - 3.1 Finlay Scott was Chair of the Audit Committee from 2008 and, therefore, any information he may have as Chair of Audit could only date from that time.
 - 3.2 In respect of the internal audit Sir Michael Snyder said as the Chair of the University's Audit Committee for part of the relevant period he was not aware that there were now 11 members of the internal audit consortium. His understanding was there were only three or four members and that it was effectively a more effective way of sharing the costs. He was not aware that any of the internal auditors

were or are employees.

- 3.3 Sir Michael also said he was extremely surprised that neither Sir David Melville or Deloittes had spoken to the internal auditors since he had understood from both Sir David Melville and Deloittes that they were going to talk to the internal auditors. He added that the internal auditors had been present all meetings of the Audit Committee at which he had been present.
- 3.4 He said that Bob Aylett rarely attended the audit meetings.
- 3.5 He did recall the HESES03 and 05 reports coming to the audit committee but they were much later than they should have been. He recalled that the 2005 report didn't come until 2006, that the 2005 report did show that there was a possibility of a recovery to HEFCE of £3m and that Pam Nelson had discussed that in that meeting.
- 3.6 He continued that the Audit Committee meeting reviewing the 2005 HESES audit report had expressly asked the internal and external auditors if they knew whether HEFCE was aware of anything untoward in the non completion returns of the University. Both the internal and external auditors confirmed they were not aware of anything untoward.
- 3.7 His view was that the issue, with regard to any further investigations, is around the scale of the problem rather than the fact that there was no problem.
- 3.8 He is also clearly of the view that internal audit is an external resource.
- 3.9 He said he thought it would be useful if he could be interviewed as part of the ongoing investigation and that was agreed.
4. There followed a free ranging debate about the report, following which it was resolved that the Board accept the findings as set out in Eversheds' report and further that:
 - 4.1 the Board approve the continuation and investigations by Eversheds on the lines proposed in the conclusions and

recommendations section of their report;

- 4.2 that the Board delegates to its Chair, Vice Chairs and Vice Chancellor the authorisation of continuing progress in those investigations, on its behalf between meetings of the Board;
 - 4.3 that Eversheds attempt to conclude their investigations within one month so that they can report back to the next meeting of the Board on 5 May 2010;
 - 4.4 that the Chair immediately inform all staff and student governors of the Board of its determination by the lay governors as required in the Articles of Association of the University;
 - 4.5 that as soon as possible the Chair and Vice Chancellor inform Robert Aylett (DVC academic) and Pam Nelson (Director of Finance) of the Board's determination to authorise the additional investigations involving them;
 - 4.6 that as soon as possible the Chair and Vice Chancellor inform Maria Vetrone and Trevor Warner of Kingston City Group of the Board's determination to involve them in its further investigations. In respect of Mazars and the external auditors the investigation to be confined to desk based research at present;
 - 4.7 that because of the continuing nature of the investigations an interim report will not be released at this time, but that the Vice Chancellor would provide relevant extracts to those affected by the report;
 - 4.8 that a draft Press release in respect of the outcome of the investigation be issued.
5. Eversheds' report on possible claims against the University's former Vice Chancellor, Professor Brian Roper, was distributed to the attendees at the meeting. Attendees were given the opportunity of reading through the note and then Glynne Stanfield of Eversheds introduced it, including setting the context of it, which was that such an investigation had been promised in the joint statement issued by the

University and HEFCE in December 2009.

6. Glynne Stanfield summarised the report (as per section 2 of the report) to the effect that:
 - 6.1 there was no reasonable prospect of a successful claim against Mr Roper because of his compromise agreement but it seemed clear that he had breached his duties as a director;
 - 6.2 although he may have breached his duties as a director to the University it may be difficult to show that the University itself had suffered any financial loss;
 - 6.3 others, such as HEFCE, may have claims against him but that is a matter for them;
 - 6.4 because of the possibility of such a claim that it was recommended that the University's directors and officers' insurers be told about it.
7. There followed a discussion about the report and thereafter it was resolved that the Board accept the findings of the Eversheds' report, as expressed in the executive summary of the report, namely:
 - 7.1 there are a number of potential claims against the former Vice Chancellor and Chief Executive, Professor Brian Roper. None of the University claims have much possibility of success since the University's compromise agreement with Professor Roper of 16 March 2009 may effectively prevent any such claim being brought by the University against him;
 - 7.2 that it is not certain that the University suffered any, or any real, financial loss as a direct result of Professor Roper's actions. Others such as HEFCE may have suffered a financial loss as a result of his actions;
 - 7.3 Professor Roper benefits from an insurance policy which could cover up to £3m of claims against him, though there are a number of exclusions from coverage which the insurers will be likely to invoke. The Clerk was authorised to inform the insurers now of the possibility of claims by others arising

from Professor Roper's actions;

- 7.4 that third parties such as HEFCE may have claims against Professor Roper which will be easier to make out than by the University. Accordingly that Sir Alan Langlands (of HEFCE) immediately be notified by the Vice Chancellor of the outcome of this Board meeting with respect to Professor Brian Roper and provided with a copy of the confidential advice note.
- 7.5 that Professor Roper be notified by the Clerk of the Board of the Board's response and provided with a copy of the confidential advice note;
- 7.6 that given the public interest arising from Professor Langlands' letter of 20 November 2009 the University immediately issue a short Press release through the Vice Chancellor's office.
8. The meeting then adjourned to allow staff and student governors, together with the University Secretary, to join the meeting. The meeting recommenced. At this point the Chair informed the whole Board of the determinations of the Board of Governors in the early part of the meeting.

542. Announcements

The Board welcomed Rob Hull, newly appointed Lay Governor and member of the Audit Committee, to this first meeting of the Board. The Board also welcomed Carol Rudge and Kate Blenkinson, External Auditors, attending the meeting for item BG 42/4.1 (Final Accounts).

It was also announced that this would be the last meeting for the Chair of the Board, Peter Anwyl, Vice-Chair, Abdul Rahim and Stephan John and Sarah Tyacke.

The Board thanked them for all their hard work over the years and their contribution to the work of the Board.

The Board also noted the comments by Peter Anwyl who acknowledged the support of the Governors of International Students

House (ISH) for allowing him to commit time to resolving the problems arising from the funding issues at LondonMet. The Board placed on record its gratitude to the Governors of ISH for allowing Peter Anwyl to spend substantial time on this work.

543. Minutes of the meeting held on 15 December 2009
(Agenda item BG 42/1)

The minutes of the meeting held on 15 December were confirmed as a correct record subject to attaching a statement Kay Dudman had asked Alfred Morris to read to that meeting in her absence. This had not taken place at the time.

544. Matters Arising

Minute 535 - TVU London

It was noted that another University had objected to the proposed name change.

545. General Report from the Vice-Chancellor
(Agenda item BG 42/3.1)

The Board received and noted the report from the Vice-Chancellor. As this was his first report to the Board he invited Governors to provide any comments on its format.

The Board noted:

- Progress on items on the Joint Statement and in particular that the Vice-Chancellor would be presenting his first report as required to HEFCE by 16 April.
- Change of culture and the steps being taken to achieve this.
- Items considered at the Executive Group.
- External events attended.

The Board also noted the additional points:

- That arrangements were in place between the Vice-Chancellor and the Chair of the Board to complete the outstanding performance reviews for Senior Staff.
- That a legal opinion had been commissioned concerning the implications of treating performance related pay as pensionable.
- That after discussion with senior staff a proposal has been put to the Board (Agenda item BG 42/6.5) about LondonMet re-entering all the standard league tables of the sector.
- That Honorary Awards would be suspended for 12 months while the University's position stabilised and positive public perception was re-established.

The elected Staff Governor welcomed the proposal on League Tables.

546. Revision of the University's Strategic Plan: Consultation Documents
(Agenda item BG 42/4.1)

The Board received the report from the Vice-Chancellor on the University's Strategic Plan. The Board noted the arrangements for the consultation process following which the Plan would be submitted to a special Board meeting on 5 May for approval.

The Vice-Chancellor noted the points raised by the President of the Student Union and responded to them. These included diversity, widening participation issues, the balance of postgraduate and undergraduate students and graduates' prospects of employment.

The Board commented as follows:

That the plan was positive and forward thinking acknowledging the scale of change the University needed to make.

The elected Staff Governor supported the use of in-house expertise to develop the strategy.

Governors welcomed the way in which the Strategic Planning process was being conducted.

The Strategic plan was required to accompany the submission of the Strategic Fund Development bid and a group within the University were working on the bid and seeking specialist advice from HEFCE. Using ICT (Section 10 Strategic Plan) to transform the University would be a platform for the bid.

The Board supported and approved the process for revision of the University's Strategic plan.

547. Risk Policy, Strategy and Updated Register
(Agenda item BG 42/3.3)

The Board received the report on Risk policy, Strategy and Updated Risk Register. It was noted that the policy proposed changes on how risks would be managed on a corporate and departmental level.

The Board noted that there were two red risks relating to the appointment of the new VC and improvements in data quality. It was also noted that the raw risk and the residual risk were both red as mitigation of the risks had not had time to take effect. The Chair questioned whether it was correct that in some of the risks the raw and residual risk score remained the same despite there being controls in place and suggested that this required review.

The elected Staff Governor commended the way the report was presented.

The Board approved the Risk Management Policy and Strategy.

It was noted that the policy would be published on the University's Intranet, together with the corporate and departmental risk registers and mechanisms for review.

548. Final Accounts 2008/09 and Financial Forecast
(Agenda item BG 42/4.1)

The Board received the report from the Director of Finance on the

University Final Accounts 2008/09, together with the Financial Forecasts and the Draft Accounts. It was noted that final adjustments had been made to the Financial Statements on the basis of the issues set out in the Key Issues Memorandum. Copies of the amended accounts showing the revisions had been considered by the Audit Committee and were tabled at the Board.

The University's External Auditors were present for this item and pointed out that there had been two key issues which had delayed finalisation of the accounts:

1. HEFCE Holdback
2. Going Concern

The Auditors were now satisfied on these points but drew attention to the Letter of Representation that had been prepared for signature by the University. In addition to the standard clauses there were two specific points (paras xxi and xxii) which were included to reflect the position which the representations to the auditors required in respect of 1 and 2 above.

These paragraphs stated that:

xxi The Board of Governors has considered the HEFCE funding shown within the accounts for the period to 31 July 2009 of £66m. The Board's view is that the likelihood of material adjustment to this figure is remote (where materiality is set at £1m).

xxii The Board of Governors have reviewed the forecasts including income and expenditure, balance sheet and cashflow for the period to 31 July 2015, the University will have a cash shortfall of £75m which it currently plans to meet through further efficiency savings of this amount. In the Board of Governors' view these forecasts contain no material uncertainties that cast significant doubt about the ability of the University to continue as a going concern. The Board of Governors have therefore prepared the financial statements on the presumption that the University is a going concern.

1. HEFCE Holdback

The following comments were noted:

- Several Governors were of the opinion that before the representations in para xxi could be made, written assurance from HEFCE was required. It was felt that the statements made by HEFCE to the University and the auditors as set out in the Key Issues Memorandum were insufficiently precise and did not allow the University to make the representation required.
- It was pointed out that the University was in the same position as other institutions and that the likelihood of HEFCE requiring clawback of funding was very low. It was suggested that an independent professional opinion could be sought to provide further comfort to Governors before the accounts were signed. However, it was agreed that this approach could cause further delay and could not be absolute.
- Concerns were expressed about the HESA return not being audited until a later date. The Deputy Vice-Chancellor assured the Board that a substantial amount of work had been undertaken to ensure the accuracy of the data in the return.
- That it would not be possible to set a higher materiality figure than £1m in the accounts as this would be out of the scope of the Financial Statements.
- That the University's relationship with HEFCE was now different and HEFCE had gone as far as they could in providing reassurance about holdback and the University was being treated in the same way as other institutions.
- That it may be possible for the University to arrange for the HESA return to be audited by Deloitte. However, it was noted that the time this would take would again cause further delays to the signing of the University's accounts and could cause damage to the University's reputation.

It was noted that the Audit Committee had met preceding the Board meeting and were prepared to recommend the Final Accounts to the Board on the basis of the comments made to the Audit Committee

which were set out in the Key Issues Memorandum tabled at the Audit Committee meeting and repeated at the Board meeting:

*"The HEFCE Board agreed that the funding allocation for LMU in 2008-09 should have a capped reduction of £15m compared to 2007-08. This referred to the University's initial funding allocation for 2008/09. There will not be further reductions to the 2008-09 allocation provided that the University has met its HEFCE contract range * (i.e. between -5% and +17.6%). Should the University have not met its contract range, then there may be additional holdback; but this would be subject to our moderation policy that is likely to mitigate all or most of any additional amount.*

** Under HEFCE's funding method for teaching, they calculate a standard level of resource for each institution, and an assumed resource (actual HEFCE teaching grant plus an assumption of income from fees). The percentage difference between assumed and standard resource for the academic year 2008-09 must be within a given range – known as the contract range.*

We further discussed the position with HEFCE who have provided a letter confirming that they have no plans to make further adjustments to the 2008-9 HEFCE income and also stated via email: "we cannot give you absolute certainty. We have no plans to change the amount of grant paid to the University and have no reasons to see why anything should now crop up concerning 2008-09. But it is conceivable with any institution that we fund that new data issues will arise which have to be tracked backwards. And in that event our external auditor – the NAO – is quite clear that we have to recover funds. I estimate that the probability of such an event is now the same for LMU as every other University, i.e., very low.

The University have discussed the position with HEFCE setting out their rationale for why they do not believe that there will be any adjustment for 2008-9. HEFCE have responded in writing saying that they would be content for the University to forward that rationale to Grant Thornton. In discussion with HEFCE we were advised that this meant they did not dispute the University's rationale but made it clear that it was the University's rationale and not HEFCEs and they would not confirm that in writing."

In addition, the Committee had received the following comments from the officers, which the Director of Finance repeated to the Board.

"As at today's date, we (the university) believe that the possibility of material

adjustment to our 2008-09 grant is remote. For this purpose, materiality is set at £1 million. The reasons for this are as follows:

- 1. The HESA 09 return showed us within the tolerance band, so no holdback arises.*
- 2. We have confidence in the HESA 2009 return because the preparation of the HESA return has been overseen by the Data Quality and Management Programme Board, to give us assurance that the HEFCE methodology has been correctly applied. Deloitte has advised the Board, but they did not "audit" the 2009 HESA return. The internal audit opinion on data quality, which referred to the 2008 HESA return prepared during 2008-09, did not provide full assurance because of the caveats the university itself had applied to that return.*
- 3. No audits of the 2008-09 returns currently are planned by HEFCE.*
- 4. If at any stage there were to be an adjustment to 2008-09 data for any reason then, to quote HEFCE guidance of 12 October 2009 "Should the University have not met its contract range, then there may be additional holdback; but this would be subject to our moderation policy, which is likely to mitigate all or most of any additional amount".*

2. Going Concern

It was noted that the Financial Statements had been prepared by the University on a going concern basis to the end of July 2011 as a minimum. It was also noted that given the points set out in the Key Issues Memorandum and the information known, the Auditors agreed with the University's view there was no reason to believe that the uncertainties cast significant doubt about the ability of the University to continue as a going concern. It was noted that full disclosure of the principal risks and uncertainties had been included in the Financial Statements to support the going concern assumption, the key items being sale of the Arcade for £20m, staff and pension costs and risks to income.

The Director of Finance pointed out the basis of the preparation of the financial statements as a going concern and the principles set out of page 58 of the agenda which Governors would need to review. The report included an update to the Financial Forecasts provided to the December

Board.

The following points were noted:

- That the Director of Finance was reasonably confident that the sale of the Arcade would go ahead as the buyer had provided confirmation of an offer of loan finance.
- That the University had received a preliminary grant letter indicating funding of £2.8m more than the figure included in the forecasts.
- That the forecasts allowed for a reduction of 10% in student numbers.
- That the Cost Improvement Programme (CIP) was helping to reduce costs and work on this would continue.
- That the Project Capital 5 work needed to be completed by 31 March 2011 to fulfil the terms of the grant.
- That there was time to plan and achieve the savings in the Financial forecasts through the impact of the sustainability action plan.
- The impact of the repayments to HEFCE and the implications for the CIP and the number of job losses.

The Board agreed that they would accept the Statements as drafted as they believed they had considered elements of the annual financial statements in the presence of the external auditor, the statement of members' responsibilities and the statements of internal control, in accordance with the funding Council's accounts directions and had exercised reasonable care and judgment in coming to this decision.

The Board also agreed that having carefully considered the comments above on both the issues of HEFCE income and going concern and the report from the Audit Committee that the Letter of Representation could be signed subject to the amendment of para xxii by the addition of the word "cumulative" prior to "cash shortfall of £75m..."

The Board on the recommendation of the Finance and Human Resources Committee, and the recommendations from Audit Committee:

- (a) confirmed the preparation of the financial statements on a going concern basis
- (b) authorised the Chair and Chief Executive to sign the Balance Sheet as required under Section 414(1) and (2) of the Companies Act 2006
- (c) authorised the Company Secretary to sign the Governors' Report as required under Section 419 (1) of the Companies Act 2006 prior to the Annual General Meeting on 30 June
- (d) authorised the Chair and the Vice-Chancellor to sign the Letter of Representation
- (e) approved the University's profit and loss account as required under section 408 (3) of the Companies Act.

549. Monthly Management Information
(Agenda item BG 42/4.2)

The Board received the Monthly Management Information for the six months to 31 January 2010 and the forecast for the year to 31 July 2010.

The following points were noted:

- The University was operating in surplus of £2.4m in the first six months of the financial year, some £3.8m better than budget.
- Total staffing costs were £2.1m below budget.
- Non-staff costs were below budget with the exception of maintenance costs.
- Actual bursary payments totalled £33k.
- The 2009-10 budget included £4.8m for development fund initiatives. £2.3m has been allocated.
- Contingency fund £4m. Following adjustments contingency would stand at £4.7m.

- **Changes to forecast deficit for the year:**

Confirmation from HEFCE of £400k from Strategic Development Fund.

Grant reduction of 40k for London Film School.

2009 Return within tolerance band. No provision for holdback currently required.

Staffing costs reduced by £1.8m.

Reduction of £1.3m to reflect transfer of British College of Osteopathic Medicine (BCOM).

Other operation expenses – reduction of £227k.

Depreciation – reduction of £425k.

FRS 17 – inclusion of £2.6m to reflect notional interest payable.

Restructuring costs – reduction of £600k.

- **Key Risks were noted as:**

Tuition fees. However, expected to achieve fee income targets.

Possible fine of £770k for over-recruiting.

Delays in implementation of cost improvement plan proposals.

Pension costs continued to be a significant risk.

- **Debtors**

The gross debtor position was £47.2m compared to £46.5m at the same time last year.

- **Cash**

Cash and short-term deposits totalled £33m compared to £65.4m at the same time last year.

Year-end cash balance projected to be £33.4m.

- **Capital Expenditure**

Expenditure on capital projects and equipment amounted to £2.6m.

Detailed planning of PC5 projects underway.

- **Net assets/total funds**

Net assets represented total funds of £29.5m.

Creditors payable within one year included deferred fee income of c£33m.

Forecast balance sheet showed net assets representing total funds of £25.6m.

FRS Pension liability increased to £79.7m.

- **London Metropolitan Enterprises Limited**

That the company had made a net loss of £198k, £262k worse than budget.

A loss of £305k forecast for the year.

- **Student Numbers**

Total enrolments 83.8% of full year target. 5.1% fall in numbers compared with last year.

Approximately 92.1% towards full-time target and 81.8% towards part time target for students attracting tuition fees.

- **Fee income**

Budget £73m.

Spring semester enrolments should allow the University to exceed the budget figure.

Short course fee income on target.

The Board noted the Academic Board Governor's concerns about the transfer back into contingency of savings made in departmental budgets for unfilled posts. It was noted that the departments would not lose the posts but would not retain the savings made for the periods when these posts were unfilled.

The Board approved the following additional transfers to and from contingency:

- £14k transfer to Academic Quality and Review Unit, to support preparations for the Institutional Audit visit from the QAA
- £370k transfer to Campus Services. The 09/10 Budget was incorrectly allocated in relation to the submission by £500k. The adjustment reflects a partial correction by the addition of £370k.
- £117k reduction in the surplus budgeted in the Print Centre, due to a reduction in print volumes
- £275k transfer for the costs of the Melville and Deloitte reports
- £185k transfer to Library Services to cover additional copyright license fees
- £100k transfer to ISS to cover additional SAP licenses and the expected

- non-pay costs of the planned move of the data centre from Tower Hill
- £100k transfer to the legal costs budget to cover fees on an industrial tribunal
- £1.8m transfer to contingency from departmental pay budgets to reflect an additional vacancy factor saving from posts not filled in the first half of the year plus the pay settlement at 0.5% compared to the 1% included in the budget.

The Academic Board Governor dissented from the decision on the final transfer.

The Chair of the Board commended the excellent result achieved in difficult circumstances.

(Action: Director of Finance/Interim Vice-Chancellor)

550. HEFCE Grant Allocations 2010/2011
(Agenda item BG 42/4.3)

The Board received the report and noted that the University had received a preliminary grant letter indicating that the grant would be £56.8m an increase of £2m from the forecast of £54m.

It was noted that the increase for research funding appeared to be linked to the provision of bursaries.

It was noted that as the bursary scheme appeared to be so successful it may be worth considering providing partial bursaries for masters students, a matter which could be considered in the strategic planning process.

Human Resources Reports

551. CIP Update
(Agenda item BG 42/5.1)

The Board received on the report on the CIP.

Concerns were expressed about achieving savings through natural wastage and whether this included savings from unfilled posts. It was noted that 220 post reductions had been achieved by natural wastage and achieving further savings in this way may result in an imbalance between professional service area staff and academics. It was noted that in making any further staff savings the University would be looking towards designing the future.

Reports on Formal Matters

552. Revisions to Memorandum and Articles

(Agenda item BG 42/6.1)

The Board received the report on the revisions to the Memorandum and Articles of Association and noted the comments of the University's Solicitor. The Board agreed the revisions prior to final approval of the required resolution at a meeting of the Company on Monday 22 March. It was noted that thereafter the Articles would be submitted to the Privy Council for necessary approval.

553. Board Membership

(Agenda item BG 42/6.2)

The Board received and noted the report on Board Membership introduced by Tony Millns together with the tabled Addendum.

It was noted that the newly formed Governance Committee, chaired by Tony Millns, had interviewed candidates for the new Board and in particular the position as Chair. The diversity and gender balance of the new board had been taken into account.

The Board noted the recommendations in the tabled Addendum together the attached CVs.

The Board agreed the following:

Board

Clive Jones to be appointed to serve until 30/09/12 with effect from 1 April 2010 serve as Chair for the remainder of the year in accordance with Article 8 of the Articles of Association.

Mark Robson to be appointed to serve until 30/09/11 with effect from 1 April 2010 and to serve as Vice Chair for the remainder of the year in accordance with Article 8 of the Articles of Association.

Emir Khan Feisal to be appointed to serve until 30/09/12 with effect from 1 April 2010.

Daleep Mukarji to be appointed to serve until 30/09/12 with effect from 1 April 2010.

Committees

Clive Jones to be appointed as member and Chair of the Finance and Human Resources Committee and a member of the Governance Committee.

Mark Robson to be appointed as member and Chair of the Audit Committee.

Emir Feisal to be appointed as a member of the Audit Committee.

Daleep Mukarji to be appointed as a member of the Audit Committee.

The reconstituted Audit Committee would consist of:

Mark Robson (Chair)
Rob Hull
Daleep Mukarji
Emir Feisal

The FHR Committee would consist of:

Clive Jones (Chair)
Raj Patel
Malcolm Gillies.

The Governance Committee would consist of:

Tony Millns (Chair)
Rob Hull
Malcolm Gillies
Clive Jones

All Committees would be the subject of further review and revision once the further new Board appointments were made in June.

554. Audit Committee Annual Report (Agenda item BG 42/6.3)

The Board received the revised version of the Audit Committee Annual Report.

On the recommendation of the Audit Committee the Board approved the Annual Report subject to revising the opinion as set out below:

It is the view of the Committee that both Kingston City Group and Grant Thornton have delivered a comprehensive and robust audit service during the year. The Committee confirms that both the Operational Internal Audit Plan for the year ended 31 July 2009 and the External Auditor's Planning Report for the year ended 31 July 2009 were adequate, at their completion, to enable Kingston City to provide an Opinion on the adequacy or otherwise of the University's internal controls, the arrangements for promoting economy, efficiency and effectiveness, governance arrangements and risk management systems and for Grant Thornton to provide their opinion on the Financial Statements.

Overall, for the year ended 31 July 2009, the Audit Committee is of the Opinion that the University has maintained adequately designed and generally effective arrangements for:

- internal control and governance; and
- economy, efficiency and effectiveness.

However, the Audit Committee can only provide limited assurance for the University's risk management environment and Data Quality and management in respect of the HESA and HEFCE returns made in autumn and spring 2009. The Audit Committee has sought and received assurance that management is adequately and robustly addressing the weaknesses identified.

Deleted: The Committee has monitored progress closely on the equivalent returns for 2009/10.

555. Banking Arrangements

(Agenda item BG 42/6.4)

The Board received the report and on the recommendation of the Finance and Human Resources Committee approved:

- (i) The reappointment of Barclays Bank to provide banking services.
- (ii) The appointment of Elavon Financial Services Ltd to provide merchant services.
- (iii) The current banking signatories set out on the second page of the attached report submitted to FHR.
- (iii) That any two authorised persons could carry out (i), (ii) and (iii) as set out in section 11 of the attached report.

556. University League Tables
(Agenda item BG 42/6.4)

The Board received the report on University League Tables and noted the comments from the Vice-Chancellor and the point about legitimising the University's position for International students.

The following points were also noted:

That it was difficult to predict the University's position in the league tables. In some areas it could perform well ie Knowledge Transfer and the Green League, while in others not so well.

557. Health, Safety and Fire Safety Policy Statement
(Agenda item BG 42/6.6)

The Board received and noted the report on Health, Safety and Fire Safety Policy Statement.

The Board approved the revised Health, Safety and Fire Safety Policy Statement

558. Report from the Students Union (SU)
(Agenda item BG 42/7)

The Board received the report from the Students Union and noted the proposals to operate in a new way.

The following points were noted:

That the experience of being employed by the Students Union may help to increase students' prospects of employment.

That there may not be any cost implications of running the Student Union as an incorporated body. It would depend how it was organised.

That the Vice-Chancellor had been involved in discussions with the SU about its operation and supported the proposals for the new model outlined in the report.

The Board indicated its support in principle to the approach set out in the report.

559. Report from Academic Board
(Agenda item BG 42/8)

It was noted that the report of the meeting which took place on 10 March 2010 would be circulated to all Governors after the meeting.

(Action: Deputy Vice-Chancellor (Academic)/Clerk to the Board)

560. Any Other Business
Quality Assurance Agency (QAA) Visit November

It was noted that Governors may need to be involved with the visit and that being involved with Academic Standards, such as the Joint Standards Board, was unique to this University.

AGENDA PART TWO

561. The Board noted for information
(Agenda items BG 42/9.1 - BG 41/9.4)

- a) Dates for Future Meetings
- b) Current Membership

- c) Outline Agendas for Next Meetings
- d) Going Concern and Liquidity Risk: Guidance for Directors

562. The Board noted the unconfirmed Minutes of:

(Agenda items BG 42/10.1 – 42/10.7)

- a) The Minutes of the Joint Standards Board – 26 November 2009
- b) The Minutes of the Finance and Human Resources Committee – 27 January 2010
- c) The Minutes of the Health and Safety Council – 10 February 2010
- d) The Minutes of the Governance Committee – 10 February 2010
- e) The Minutes of the Governance Committee – 25 February 2010
- f) The Minutes of the Women’s Library Council – 3 March 2010
- g) The **tabled** minutes of the Governance Committee – 10 March 2010.

563. Date of Next Meeting

It was noted that the date of the next scheduled meeting of the Board would take place on 30 June 2010 at 5pm, 8th Floor Boardroom, Technology Tower, Holloway Road (North Campus) A special meeting had been arranged for 5 May 2010 in Room 121, 84 Moorgate at 5pm.

