

**Draft minutes of the OfS Board meeting, 15 May 2019**

**Location: Finlaison House, London**

**Timings: 13.30-17.00**

Present members:

- Sir Michael Barber (chair)
- Martin Coleman (deputy chair)
- Nicola Dandridge (chief executive)
- Gurpreet Dehal
- Elizabeth Fagan
- Katja Hall
- Verity Hancock
- Kathryn King
- Kate Lander
- Simon Levine (by telephone)
- Martha Longdon
- Chris Millward (Director for Fair Access and Participation)
- David Palfreyman
- Monisha Shah
- Steve West

Attendees:

- Ian Coates, Department for Education representative

Apologies:

- None

Officers:

- Ed Davison
- Josh Fleming
- Yvonne Hawkins, Director of Teaching Excellence and Student Experience
- Paul Huffer, Head of Legal
- Susan Lapworth, Director of Competition and Registration
- Paula McLeod, Corporate Governance Senior Adviser (clerk)
- Richard Puttock, Director of Data, Foresight and Analysis
- Conor Ryan, Director of External Relations
- Nolan Smith, Director of Resources, Finance and Transformation

**Chair's welcome**

1. The chair welcomed Ian Coates from the DfE and noted that Simon Levine was joining the meeting by telephone.
2. In introducing the meeting, he advised the board that the recent insight event on 1 May 2019 on fairer access and participation had been successful and well attended.
3. The chair updated members on his recent meetings and visits:
  - i. He had been involved in a number of discussions regarding higher education policy, funding and the post-18 review, including with the Secretary of State, and with officials at Number 10 and the Treasury. In relation to the post-18 review, Ian Coates from the DfE provided the board with an update from the DfE perspective and what the outcomes might mean for the OfS.
  - ii. He had undertaken a number of visits to providers including the University of Birmingham and the University of Cambridge. He had also spoken at a QAA event.
4. The board noted its general duties as set out on the agenda and the need to have regard to these as it considered papers and made decisions.

**Approval of March minutes (paper 2.1)**

5. The minutes of the meeting held on 26 March 2019 were approved.

**Chief executive's report (paper 3.1)**

6. The chief executive presented her paper which provided an update on work undertaken and issues that have arisen since the date of the last board meeting on 26 March 2019. The following issues were highlighted:
  - i. The OfS is continuing its investigation of matters at De Montfort University and is working with the University to ensure that issues of concern are identified and addressed.
  - ii. This case could provide the OfS with an opportunity to draw out some broader themes which could usefully be communicated to the rest of the sector. It also raised wider questions around provider governance and the board agreed it would discuss this further at a future meeting.
  - iii. Work continues on the registration of providers with new providers being added to the register on a regular basis.
  - iv. The final piece of secondary legislation relating to HERA is expected to go through the House of Lords in the next few weeks.

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- v. The terms of reference for the Risk and Audit Committee required updating to delete an element of historic work relating to the HEFCE accounts.

7. The board:

- i. Noted the updates contained in the paper.
- ii. Approved an amendment to the terms of reference for the Risk and Audit Committee.
- iii. Noted the report on delegated decision making.
- iv. Noted the report on strategic risks.
- v. Received the report.

**Student Panel report (paper 4.1)**

8. The chair of the Student Panel updated the board on its recent training day and meeting on 2 May. She noted that:

- i. 5 new members had been appointed to the panel from a high quality field of applications which indicated a rising awareness of the OfS amongst the student community.
- ii. She was looking to build on the panel's previous work and this included developing the relationship between the panel and the board as well as increasing the impact of the panel. Working groups could also be set up to give more time to consider key issues.
- iii. Recruitment will be important next year as 9 members of the panel are due to complete their terms of office. As part of this she would be looking to engage with groups not currently represented on the panel.

9. The following points were made in discussion:

- i. A number of board members confirmed their willingness to attend future meetings of the panel or periodic meetings could be timetabled between the panel and the board. There may also be an opportunity to involve the panel in the board planning event in September.
- ii. Members of the panel could be invited to join the Horizon Scanning panel.
- iii. The panel could be further involved in looking at student protection plans and provide advice on how these could be developed to ensure their clarity and usefulness to students.

10. The board noted:

- i. The updates contained in the paper and the points raised in discussion.
- ii. That the chair of the panel would report back to members at its next meeting on the receptiveness of the board to the points raised.

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### **Report from the Provider Risk Committee (paper 5.1)**

11. The chair of Provider Risk Committee noted that his paper provided an update to the board on the outcomes of the committee meetings held on 8 and 29 March 2019. Detailed issues arising from the meetings were considered in the presentation which followed.
  
12. The board received the report of the Provider Risk Committee

### **Presentation on the registration process**

13. The Director of Competition and Registration and the chair of the Provider Risk Committee (PRC) gave a presentation on the OfS registration process. Their key points arising from the presentation were that:
  - i. A substantial number of registration decisions have been made and new applications to register are still being received. The robustness of the process and the interaction with individual providers means reaching a final decision can take some time.
  - ii. A significant majority of registered providers have had one or more post-registration mitigations applied, either specific conditions, enhanced monitoring or formal communication.
  - iii. In making registration decisions, the OfS's general duties for competition and choice needed to be balanced with other general duties, particularly those for quality, value for money, and equality of opportunity.
  
14. Elizabeth Fagan and Kathryn King, members of the PRC, endorsed the earlier statement on the rigour and robustness of the registration process. They advised that the approach of the committee is to test recommendations from officers, taking into account proportionality and consistency, whilst ensuring the interests of students are protected.
  
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17. In concluding the discussion the board:
  - i. Noted the way in which the PRC was approaching the consideration of representations from providers that had been issued with a 'minded to refuse registration' letter and endorsed the judgements the PRC was making about the weight that should be given, in general, to relevant factors.
  - ii. Noted that a thorough review of the outcomes of the registration process would be conducted, and that this would include the assessment framework used to guide registration decisions, and the metrics used to underpin those decisions.

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- iii. Thanked the Director of Competition and Registration for the presentation and for all the work she and her colleagues had achieved in delivering the registration process. They also thanked the chair of the Provider Risk Committee and its members for their commitment and contributions to this important work.

### **Guidance for managing potential conflicts of interest (paper 7.1)**

18. The Director of Resources, Finance and Transformation introduced the paper updating the board on revised guidance on the identification, reporting and management of potential conflicts of interests.

19. The board:

- i. Agreed the revised guidance subject to some small amendments.
- ii. Noted that the guidance would be published on the OfS website in due course.

### **OfS Risk and Audit Committee annual report 2018-19 (paper 8.1)**

20. The chair of the Risk and Audit Committee introduced the committee's annual report and formal opinion to the board and to the chief executive as Accounting Officer on the effectiveness of the OfS's control systems. She noted that:

- i. Throughout the year the year the focus of the committee has been about ensuring the OfS has a robust risk management process in place. Seeking assurance that actions to improve cyber security have been carried out and that data protection processes are fit for purpose following GDPR have also been important.
- ii. Internal Audit have continued to offer robust challenge. In the coming year a new provider of internal audit services (KPMG) has been appointed who will bring a new perspective. Through their work as external auditors, the NAO also provide challenge to the OfS and its work.

21. The board:

- i. Noted it would find it helpful to hear more about the work being done to improve and maintain appropriate cyber security arrangements at the OfS.
- ii. Received the report.

### **Oral report from the Risk and Audit Committee**

22. The chair of the Risk and Audit Committee updated the board on the outcomes of the meeting held on 10 May 2019. She reported that:

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- i. A member of the DfE Audit and Risk who provides the link to the OfS's committee had attended the meeting and had been positive about the work the committee is undertaking.
- ii. There continues to be transparency over the level of reporting of OfS risks to the committee and this is replicated at board level. There is some work to do to tie the risks around the strategic objectives into the business plan.
- iii. The outgoing and incoming internal auditors were both in attendance at the meeting and have an effective handover in place.
- iv. The committee had considered and endorsed the annual report and accounts but, in carrying out this work, agreed it would be helpful to have more time next year.

23. The board:

- i. Thanked the chair of the committee for her work and for the work of the committee overall.
- ii. Received the report from the committee.

#### **OfS annual report and accounts (paper 10.1)**

24. The Director of Resources, Finance and Transformation introduced the OfS's annual report and accounts for 2018-19 following final audit by the National Audit Office (NAO), noting that the financial position was as expected. He confirmed that the accounts had been considered and endorsed by the Risk and Audit Committee and the remuneration report similarly by the Remuneration and Nominations Committee chair. Following sign off by the chief executive, he expected that the accounts would be laid in Parliament in late May or early June 2019.

25. The board:

- i. Reviewed the annual report and accounts for 2018-19 and requested some amendments to the wording of the report.
- ii. Noted that the NAO are expected to be of the opinion that the financial statements show a true and fair view, and have been properly prepared in accordance with the Government Financial Reporting Manual (FRoM) 2018-19.
- iii. Approved the accounts and authorised the chief executive and Accounting Officer of the OfS to sign the OfS's annual report and accounts for 2018-19 on behalf of the board.

#### **AOB**

26. The board agreed it would be helpful to use time at its planning event to consider some of the major issues coming over the horizon that could have a major impact on higher education. This needs to be done alongside considering any outcomes from the post-18 review.

**Closing remarks**

27. In closing the meeting the chair noted that the board would meet next on 3 July 2019.

The meeting concluded at 16.01.

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**Outstanding actions arising from current and previous board meetings:  
Status update**

Exempt from publication.