AUDIT AND RISK COMMITTEE
Thursday 28 September 2023

CONFIRMED MINUTES

Present:

Peter Thompson (Chair)	Simona Fionda	Patricia Gallan
Celia Gough	James Hedges	

In attendance:

Professor Colin Bailey	Dr Sharon Ellis	Karen Kröger
Dr Nadine Lewycky	Jonathan Morgan	Amy Taylor [Internal audit]
Neil Thomas [Internal audit]		

Apologies:

James Aston [External audit]	Sarah Durrant [External audit]	Indy Hothi

Welcome, apologies and declaration of interests

2023.001 The Chair welcomed everyone to the meeting and noted the apologies. There were no declarations of interest.

Update on the strategic risk register [ARC23/01]

2023.002 *Minute 2023.002 is confidential*.

Update on JISC cyber questions [ARC23/02]

2023.003 *Minute 2023.003 is confidential*.

Annual report on research integrity 2022–23 [ARC23/03]

2023.004 *Minute 2023.004 is confidential*.

Progress on actions from the 2022 management letter [ARC23/04]

2023.005 The Committee **considered** the progress on actions from the 2022 management letter. The following points were noted in the discussion:

[a] We had started an asset management project to take stock of our physical Estates and IT assets and bring them together into one interface.

[b] The Committee commended management for completing the actions from the 2022 audit promptly.

Interim comments on the 2023 audit [Oral report]

2023.006   The Committee **considered** the interim comments on the 2023 audit. The following points were noted in the discussion:

[a] The audit was underway with the team from BDO on site since last week. We had submitted the July payroll data for BDO to run through their payroll analyser and would receive the report shortly. The audit partner had expressed high confidence that the audit would be ready for the November Committee meeting. BDO had reviewed the risk templates and had not changed their risk profiling. BDO had increased the capacity of their team this year.

Draft narrative for the financial statements 2022–23 [ARC23/05]

2023.006   The Committee **considered** the draft narrative for the financial statements 2022–23.

[a] The Committee suggested the following changes to the narrative:

i.   The use of 2021–22 figures should be reviewed or explained where more recent data are not yet available.

ii.   The section on the strategy review would benefit from a better balance between the student experience and research.

iii.   Most of the examples had been drawn from science and health. A wider range of examples would showcase the breadth of the University.

iv.   More could be made of the National Coordinating Centre for Public Engagement (NCCPE) platinum watermark as we were the first university to receive this award.

v.   The piece on social mobility should be expanded given our track record in this area.

vi.   There was an opportunity to explain management's stance on industrial relations.

vii.   We described the pressures of inflation and the cost of living but not our ability to deal with them. This could link to the going concern statement.

Action: [a] Senior Executive

Internal audit plan final draft 2023–24 and internal audit progress report [ARC23/06]

2023.007   The Committee **considered** the internal audit plan final draft 2023–24 and internal audit progress report. The following points were noted in the discussion:

[a] The Committee discussed the scope for the internal audit on staff wellbeing. Staff engagement would be captured through the take up of wellbeing initiatives. KPMG would consider including an objective on staff

engagement in the terms of reference and discuss with management. An update would be provided in the next progress report.

[b] There was no specific IT audit in the five-year plan but most audits would touch on the IT systems.

[c] The Committee **approved** the final draft of the 2023-24 internal audit plan.

Actions: [a] KPMG

Planned internal audit reports [ARC23/07]

2023.008   The Committee **considered** the planned internal audit reports. The following points were noted in the discussion:

[a] The two amber-red reports on sustainability governance and international partnerships had been expected as these areas were under development. The international partnerships audit had focused on articulation partnerships which carried some local reputational risks, but not financial risks. The Partnerships Board, which reported to Senate, had responsibility for overseeing academic and research partnerships. We had a set of criteria for assessing the risk levels of partnerships.

[b] This was the third report on business continuity. We expected to resolve the outstanding recommendations within the next few months.

[c] The Committee commended management for largely positive internal audit reports.

Whistle blowing cases since the last meeting [Oral report]

2023.009   *Minute 2023.009 is confidential*.

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

2023.010   *Minute 2023.010 is confidential*.

Minutes of the meeting held on 22 June 2023 [ARC23/08]

2023.011   The Committee **confirmed** the minutes of the meeting held on 22 June 2023.

Matters arising [ARC23/09]

2023.012   The Committee **noted** the matters arising from the previous meeting. The following points were noted in the discussion:

[a] Turnover among professional services staff was higher than for academic staff. This could be partly attributed to the employment market after the pandemic. The executive would explore the areas with an unusually high turnover to understand the underlying causes.

Committee terms of reference, membership and effectiveness [ARC23/10]

2023.013   The Committee **considered** its terms of reference, membership and effectiveness. The following points were noted in the discussion:

[a] The Committee asked whether approval of the risk management framework sat within its remit. The Chief Governance Officer and University Secretary would confirm whether this responsibility lay with Council.

Action: [a] Chief Governance Officer and University Secretary

Audit and Risk Committee annual report 2022–23 draft 1 [ARC23/11]

2023.014   The Committee **considered** the first draft of its annual report for 2022–23. The following points were noted in the discussion:

[a] Section 4.6 would be updated to reflect the most recent internal audit reports.

[b] Section 11.1 would be updated to include the cyber incident discussed by the Committee in June.

Actions: [a], [b] Committee Secretary

Draft agenda for the next meeting [ARC23/12]

2023.015   [a] The Committee **noted** the draft agenda for the next meeting on 14 November 2023. The hold for the deep dive item under risk management would be removed.

Action: [a] Committee Secretary

Dates of meetings in 2023–24:
➢ Tuesday 14 November 2023 at 1515 hours.
➢ Tuesday 12 March 2024 at 1500 hours.
➢ Tuesday 18 June 2024 at 1500 hours.