

**AUDIT AND RISK COMMITTEE**  
**Wednesday 06 November 2024**

**CONFIRMED MINUTES**

**Present:**

Peter Thompson (Chair)  
Indy Hothi

James Hedges

Malcolm Hitching

**In attendance:**

James Aston [external audit]  
Karen Kröger  
Neil Thomas [internal audit]

Professor Colin Bailey CBE  
Dr Nadine Lewycky  
Amy Warby [internal audit]

Dr Sharon Ellis  
Jonathan Morgan

For m. 2024.022:

Thomas Skeen

For m. 2024.025:

Rebecca Jones

**Apologies:**

Sarah Durrant [external audit] Patricia Gallan

**Welcome, apologies and declaration of interests**

2024.019 The Chair welcomed everyone to the meeting and noted the apologies for absence. There were no declarations of interests.

**External auditor's annual report [ARC24/16]**

2024.020 The Committee **considered** the external auditor's annual report. The following points were noted in the discussion:

[a] The audit had progressed well with a small number of outstanding items to be completed. Data analytics on payroll and tuition fees were improving the accuracy and efficiency of the audit. The external auditors reported that there was a good working relationship with the Finance team and commended the team on the quality of the information provided to support accounting judgements. The external auditors had no concerns about the going concern assessment but would necessarily reserve their position until the accounts were signed.

[b] The Committee noted that there would be additional consideration of the loan notes next year. The valuation provided by Mazars had been assessed by the internal team at BDO. The considerations raised by BDO were not sufficient to make a difference in the current year's accounts but had been fed back to tighten the assumptions for the next valuation.

[c] The Committee congratulated everyone involved on a successful audit.

## Letter of representation [ARC24/17]

2024.021 The Committee **considered** the letter of representation. The following points were noted in the discussion:

- [a] The Letter of Representation would be provided by Council to the external auditors to confirm that the accounts had been prepared in accordance with applicable accounting regulations. The content of the letter was standard and did not contain anything that was specific to Queen Mary. The Chief Financial Officer confirmed that she was comfortable with the Committee recommending it to Council for approval.
- [b] The Committee agreed to **recommend to Council** the Letter of Representation.

## Audited financial statements for 2023–24 [ARC24/18]

2024.022 The Committee **considered** the audited financial statements for 2023–24. The following points were noted in the discussion:

*Minute 2024.022 [a] – [g] is confidential.*

### **Summary of key estimates and judgments**

- [h] We had followed sector guidance on calculating the pension provision assumptions. The 2023 valuation of the USS pension scheme had been positive, resulting in a significant release of pension provision. There was a risk that the scheme would return to deficit at the next valuation in 2026. We had made allowances for increased employer contributions in the budget.
- [i] We had a number of non-basic loan notes as part of the private placement which needed to be valued annually. There had been a small movement this year.

### **Financial statements**

- [j] The Committee asked for clarification about the £196m in bank deposits being classified as investments instead of cash. Cash or cash equivalents were deposits held for less than 90 days, while those held for longer were classified as investments. Of the original £160m private placement, some had been utilised to purchase Plot C at Whitechapel (c.£9m) and to clear a revolving credit facility (£30m). The remaining amount had been ringfenced for capital expenditure. The remainder of the reserves originated from cash generation. The plausible downside scenario would not require us to use our ring-fenced cash. In the stress scenario without mitigations, our cash balance would run low, but we would take action before reaching that point. Management provided assurance to the Committee that the private placement would not be used to fund operating costs.
- [k] The Committee agreed to **recommend to Council** approval of the financial statements for 2023–24.

### **Internal audit annual report for 2023–24 [ARC24/19]**

2024.023 The Committee **considered** the final draft of the internal audit annual report for 2023–24.

### **Progress with the internal audit plan 2024–25 [ARC24/20]**

2024.024 The Committee **noted** an update on the progress of the internal audit plan 2024–25. As the plan was in its early stages, a more substantive update would be provided at the next meeting.

### **Fire, Health and Safety annual report for 2023–24 [ARC24/21]**

2024.025 The Committee **considered** the fire, health and safety annual report for 2023–24. The following points were noted in the discussion:

- [a] We had improved the specialist technical expertise in the team by recruiting to two posts in fire and chemical safety. The Directorate continued to work with colleagues in Estates and Facilities to provide advice on risks and on ensuring auditable infrastructure compliance.
- [b] A significant piece of work in the period related to a Health and Safety Executive investigation following a needlestick injury in the Faculty of Medicine and Dentistry. We had completed our own investigation into the incident prior to this, the findings from which were later endorsed by the Health and Safety Executive, save for the addition of two further actions. One action related to an auditable record of communicating updates to risk assessments, while the second related to ensuring that all staff complete refresher training at the relevant time. Both actions were completed by September this year.
- [c] There had been a 50% reduction in reportable incidents during this reporting period which resulted from better identification of hazards. Near miss incidents accounted for c.15% of all incidents reported. There was good practice in the Blizzard Institute on encouraging near miss reporting that we were looking to share more widely.
- [d] A pilot scheme to reclassify some of the laboratory generated clinical waste had started in the Blizzard Institute, reducing the amount of clinical waste going to high temperature incineration. The pilot aligned with the University's sustainability objectives.
- [e] The Committee asked about key indicators for the coming year. The Director of Health and Safety said that data on near miss reporting would demonstrate how effective we had been in strengthening further the culture around health and safety and reporting.
- [f] We had committed to work towards the University Mental Health Charter. A Wellbeing and Mental Health Steering Group had been established, chaired by Director of Student Experience, which had representation from across the institution including students, staff and trade unions. The steering group reported directly to the Senior Executive Team.

- [g] The Committee commended the Director and her team on a positive report and recommended the report to Council.

### **The Prevent Duty annual return 2023–24 [ARC24/22]**

2024.026 The Committee **considered** the Prevent Duty annual return for 2024–25. The following points were noted in the discussion:

- [a] We were required to provide assurances to the Office for Students around the policies, procedures and risk assessments for carrying out our responsibilities in relation to the Prevent Duty. The recent Ofsted inspection of our degree apprenticeships had raised no concerns with our safeguarding arrangements.
- [b] It was not unusual to have no or very few referrals to the Channel programme. The key data related to events, where it was suggested that the Committee could take assurance from the fact that no external speakers had been denied a platform at the University and that there were examples in the data of mitigations relating to the Prevent duty being put in place.
- [c] The Committee agreed to **recommend to Council** approval of the Prevent Duty return for 2023–24.

### **Transparent Approach to Costing (TRAC) process [ARC24/23]**

2024.027 The Committee **considered** the Transparent Approach to Costing (TRAC) process. We were reporting on the TRAC process as part of the requirements for the Office for Students. The terms of reference for the TRAC oversight group had been updated in 2023 in line with OfS guidance, and the group had been following the required steps, including a review of the benchmarking report and consideration of changes to guidance for this year's return. The Committee could therefore be assured that the correct process had been followed. The return would be shared for discussion at the next meeting.

### **Whistleblowing policy [ARC24/24]**

2024.028 The Committee **considered** an update to the Whistleblowing Policy. The following points were noted in the discussion:

- [a] A planned review of the policy had been undertaken, drawing on guidance from the independent whistleblowing charity Protect as well as a benchmarking exercise of policies at other Russell Group institutions. We had reflected on the level of disclosures that had been made and improved the language and flow of the policy to make it more accessible and reassuring to potential whistleblowers. We had improved the interface between this and other policies, such as those for investigating concerns about research integrity. The appeal process had been updated to move responsibility from the Chair of Audit and Risk Committee to the President and Principal so that the Chair could retain a more consistent governance role in relation to the policy and disclosures.
- [b] Since the policy had been circulated to the Committee, new guidance had been issued by the UK Research Integrity Office and Protect for people

working in research settings. We had reviewed the guidance and determined that no changes to the policy were needed, but a reference to the guidance would be added.

[c] The Committee agreed to **recommend to Council** approval of the revised Whistleblowing Policy.

**Any disclosures under the Whistleblowing procedure since the last meeting [Oral report]**

2024.029 *Minute 2024.029 is confidential.*

**Any allegations of fraud or financial irregularities since the last meeting [Oral report]**

2024.030 *Minute 2024.030 is confidential.*

**Audit and Risk Committee Annual Report 2023–24 Draft 2 [ARC24/25]**

2024.031 The Committee **considered** the Audit and Risk Committee annual report for 2023–24 draft 2. The outstanding text would be completed ahead of submission to Council.

**Minutes of the previous meeting [ARC24/26]**

2024.032 The Committee **confirmed** the minutes of the meeting held on 17 September 2024.

**Matters arising [ARC24/27]**

2024.033 The Committee **noted** the matters arising.

**Draft agenda for the next meeting [ARC24/28]**

2024.034 The Committee **noted** the draft agenda for the next meeting on 11 March 2025.

**Dates of meetings in 2024–25:**

- Tuesday 11 March 2025 at 1500 hours, rooms 2.16/2.17, Department W.
- Thursday 19 June 2025 at 1500 hours.