

AUDIT AND RISK COMMITTEE
Tuesday 17 September 2024

DRAFT UNCONFIRMED MINUTES

Present:

Peter Thompson (Chair) Patricia Gallan James Hedges

In attendance:

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

For m. 2024.003 only: Dr Rachel Bence Richard Holland
For m. 2024.004 only: James Patterson

Apologies:

James Aston [external audit] Sarah Durrant [external audit] Indy Hothi
Amy Taylor [internal audit]

Welcome, apologies and declaration of interests [ARC24/01]

2024.001 The Chair welcomed everyone to the meeting and noted the apologies for absence. The Committee **noted** the declarations of interests by members and attendees.

Update on the Strategic Risk Register [ARC24/02]

2024.002 *Minute 2024.002 is confidential.*

Update on cyber security [ARC24/03]

2024.003 *Minute 2024.003 is confidential.*

Research Integrity annual report 2023–24 [ARC24/04]

2024.004 The Committee **considered** the research integrity annual report 2023–24. The following points were noted in the discussion:

[a] The number of complaints had increased this year with two leading to full investigations. The complaints were surfacing disputes over authorship between PhD students and their supervisors. A formal misconduct investigation was not the appropriate route for resolving these complaints. Good practice at other universities included formal agreements and early dispute resolution.

[b] We had published a statement about the use of AI in research on our website, which was in line with the sector. We acknowledged that researchers would use AI but encouraged transparency.

- [c] It was expected that complaints would continue to grow and a triage committee had been established to identify which of them warranted further investigation. Greater awareness among staff and research students was a contributing factor. It was in the nature of research to disagree, but such disagreements should be resolved through academic discourse rather than through the research misconduct process. We were also seeing incidents of poor research practice that might not meet the definition of misconduct.

Progress on actions from the 2023 management letter [ARC24/05]

2024.005 The Committee **considered** the progress on actions from the 2023 management letter.

An update on the progress of the 2024 audit [Oral report]

2024.006 The Committee **received** an update on the progress of the 2024 audit. The following points were noted in the discussion:

- [a] The interim audit was completed and proceeded in line with expectations and the final audit had now started. A new audit manager was in place but there was continuity in the rest of the team. A draft narrative for the front of the accounts would be going to the auditors this week in line with the timetable. There had been challenges with the payroll analyser in the first year of the audit, but no problems were anticipated this year. The auditors had piloted a new way of testing tuition fee income which had been successful.
- [b] We had conversations last year with the auditors' technical team about the valuation of the private placement. We had been using the same methodology and same accounting policy as in previous years and were hopeful that this would not be an area of contention.
- [c] The most recent valuation of the Universities Superannuation Scheme (USS) pension scheme would result in a large surplus. We would provide an explanation for this in the notes to the accounts.

Draft narrative for the financial statements 2023–24 [ARC24/06]

2024.007 The Committee **considered** the draft narrative for the financial statements 2023–24. The following points were noted in the discussion:

- [a] The Committee had been provided with the statements from the Chair of Council and the President and Principal, along with the section on risk. The rest of the front of the accounts were progressing well and the whole document would come to the Committee in November.
- [b] The Committee asked for an explanation of the 27% growth in outbound student mobility. This figure referred to the amount of our students going abroad for a year during their studies. This figure would be pulled out into a separate bullet point to make this clear.

- [c] The Committee suggested that the statements by the Chair of Council and the President and Principal be reviewed for balance. Our key messages were around the university's unique position in combining a social mobility mission with a strong research profile, and the thread around taking difficult decisions for the long term.

Actions: Chief Financial Officer [b], [c]

The internal audit plan final draft 2024–25 [ARC24/07]

- 2024.008 The Committee **approved** the revised internal audit plan for 2024–25. The plan had been updated to reflect the Committee's conversation in June.

Draft internal audit annual report 2023–24 and internal audit progress report [ARC24/08]

- 2024.009 The Committee **considered** the draft internal audit annual report 2023–24 and the internal audit progress report. The following points were noted in the discussion:

- [a] The progress report showed an increase in the number of overdue actions. More robust conversations around timescales could help to address the setting of over-ambitious deadlines. Recommendations for policies could be susceptible to longer governance processes and this would need to be factored into deadlines.

Planned internal audit reports [ARC24/09]

- 2024.010 The Committee **considered** the planned internal audit reports. The following points were noted in the discussion:

Course quality assurance

- [a] The Course Quality Assurance report was an interim report which focused on the processes and controls for module evaluation and programme review. The report had an initial rating of 'partial assurance with improvements required' (amber-red) which was in line with management expectations. Enhancements to the governance and action monitoring processes to the module evaluation programme and review processes were being rolled out, and once in place, testing would be conducted and a final conclusion delivered.

Faculty Governance (Business continuity)

- [b] The report covered the local business continuity arrangements and found a rating of 'partial assurance with improvements required' (amber-red), which was in line with management expectations. There were generally well-designed centralised processes and progress had been made since the last business continuity review. However, progress had stalled, partly due to turnover within the business continuity team, and actions from the previous audit had not been completed.

Staff engagement

- [c] The report on staff engagement had reviewed the process and controls to monitor staff engagement and was rated 'significant assurance with minor improvement opportunities' (amber-green), which was in line with

management expectations. The rating was driven by the design and implementation of the annual staff survey; the engagement of staff to create action plans; and the reporting of the staff engagement KPI. There was appropriate design and operation of the institution level governance through the Staff Survey Steering Group. Action plans at each level of the institution had appropriate stakeholder involvement. The Committee was pleased that the report had found many areas of good practice in the sharing of, and acting on, staff feedback, and commended management for the positive report.

Annual summary of disclosures under the Whistleblowing Procedure [ARC24/10]

2024.011 The Committee **considered** the annual summary of disclosures under the Whistleblowing Procedure. The following points were noted in the discussion:

- [a] The annual summary included for wider context some disclosures that had not been investigated specifically under the Whistleblowing Procedure. There was a mechanism in place for sharing disclosures between the University Secretary, the Director of Human Resources and the research integrity lead so that the most appropriate processes for investigating concerns could be identified.
- [b] The summary included one disclosure that started as a complaint under one of the employment policies but was investigated under the Whistleblowing Procedure. It comprised a collection of individuals who had raised related concerns about their line manager and the possibility of retribution for raising their concerns. It was agreed that investigating the complaint under the Whistleblowing Procedure would be the most appropriate course. An external investigation into the concerns and lessons learned had been commissioned. Some of the allegations were found to be supported and the individual in question was referred to the disciplinary procedure. One of the learning points had been increasing the range of employment data available which might have caught the issue earlier. There were also learning points in relation to the interface between the whistleblowing and disciplinary procedures, particularly around briefing panel members. Since the initial hearing, the same individual had made comments to a team member about confidential details of the investigation and had been suspended while a second disciplinary investigation was conducted.
- [c] The Committee asked how the rights of the individual were being protected. The approach being taken drew a distinction between what was being shared with the individual as part of the investigation and hearing, and what it was appropriate for them to discuss with members of their team.
- [d] The Whistleblowing Procedure would be brought to the next meeting for its regular review. We would review how the policy interfaced with other policies, and benchmark against policies at other research-intensive universities. An expanded front section would articulate messages around protections and encouraging people to raise concerns without fear of reprisal.

An update on any disclosures and investigations under the Whistleblowing procedure [Oral report]

2024.012 *Minute 2024.012 is confidential.*

An update on any instances of fraud or financial irregularities [Oral report]

2024.013 *Minute 2024.013 is confidential.*

Minutes of the previous meeting [ARC24/11]

2024.014 The Committee **confirmed** the minutes of the meeting held on 18 June 2024.

Matters arising [ARC24/12]

2024.015 The Committee **noted** the matters arising.

Committee terms of reference, membership and effectiveness review [ARC24/13]

2024.016 The Committee **considered** the Committee terms of reference, membership and effectiveness review.

Audit and Risk Committee Annual Report 2023–24 Draft 1 [ARC24/14]

2024.017 The Committee **considered** the Audit and Risk Committee Annual Report 2023–24 Draft. The following points were noted in the discussion:

- [a] The Committee asked for an update to paragraph 4.3 to reflect the general upward trend in recent internal audit reports. Less positive reports had been used to surface known problems and had been expected.

Draft agenda for the next meeting [ARC24/15]

2024.018 The Committee **noted** the draft agenda for the next meeting on 06 November 2024.

Dates of meetings in 2024–25:

- Wednesday 06 November 2024 at 1515 hours, Rooms 2.16/2.17, Department W.
- Tuesday 11 March 2025 at 1500 hours.
- Thursday 19 June 2025 at 1500 hours.