

AUDIT AND RISK COMMITTEE
Thursday 19 June 2025

DRAFT UNCONFIRMED MINUTES

Present:

Peter Thompson (Chair)
Malcolm Hitching

Patricia Gallan
Indy Hothi

James Hedges

In attendance:

Sarah Durrant [external audit]
Dr Nadine Lewycky
Amy Warby [internal audit]

Dr Sharon Ellis
Jonathan Morgan

Karen Kröger
Neil Thomas [internal audit]

Apologies:

James Aston [external audit] Professor Colin Bailey CBE

Welcome, apologies and declaration of interests

2024.047 The Chair welcomed everyone to the meeting and noted the apologies for absence.
There were no declarations of interests.

External risks and the regulatory landscape [ARC24/39]

2024.048 *Minute 2024.048 is confidential.*

Charterhouse Square lease [ARC24/40]

2024.049 *Minute 2024.049 is confidential.*

KPI lead indicators [ARC24/41]

2024.050 *Minute 2024.050 is confidential.*

Legal compliance [ARC24/42]

2024.051 *Minute 2024.051 is confidential.*

Economic Crime and Corporate Transparency Act [ARC24/43]

2024.052 *Minute 2024.052 is confidential.*

Planned internal audit reports [ARC24/44]

2024.053 The Committee **considered** three planned internal audit reports. The reports had come back with 'significant assurance' or 'significant assurance with minor improvement opportunities', continuing a positive trend in audit reporting. The

'significant assurance' rating on space management was among the highest of the Russell Group institutions audited by KPMG.

Capital projects internal audit [ARC24/45]

- 2024.054 The Committee **noted** the terms of reference for an additional internal audit on the costing of capital projects, which the Committee had approved previously via email circulation. The audit had been commissioned following challenges with costings on the School of Business and Management and Queens' Building projects. The audit was underway and would be circulated to the Committee when complete.

Internal audit plan 2025–26 [ARC24/46]

- 2024.055 *Minute 2024.055 is confidential.*

External audit plan and fees 2024–25 [ARC24/47]

- 2024.056 *Minute 2024.056 is confidential.*

US funding audit [Oral report]

- 2024.057 *Minute 2024.057 is confidential.*

Higher Education Standard of Recommended Practice [ARC24/48]

- 2024.058 The Committee **considered** an update on the Higher Education Standard of Recommended Practice (SORP), which would come into effect for the 2026–27 financial year. Proposed changes to the revenue recognition and treatment of bursaries and scholarships would be challenging, considering the scale of this activity at Queen Mary. The changes would not have an impact on covenants.

Whistleblowing [ARC24/49]

- 2024.059 *Minute 2024.059 is confidential.*

Fraud or financial irregularities [Oral report]

- 2024.060 *Minute 2024.060 is confidential.*

Delegation framework [ARC24/50]

- 2024.061 The Committee **considered** an update to the Delegation Framework. A section had been added to confirm Council's role in ensuring that the articles of association of subsidiary entities align with the governing documents of the University. Finance and Investment Committee had reviewed the document and proposed that Council's role should extend to the approval of financial and tax structures of subsidiaries. A further iteration of the Delegation Framework in the next academic year would tie together the document more closely with the Scheme of Delegation of Financial Authority.

Scheme of Delegation of Financial Authority [ARC24/51]

2024.062 The Committee **considered** an update to the Schedule of Delegation of Financial Authority. Changes to the capital expenditure thresholds previously approved by Finance and Investment Committee and Council were now included. The document also provided greater clarity around the requirement for commitments of over £5m per annum which span over five years or more to be approved by Council on the recommendation of Finance and Investment Committee.

Minutes of the previous meeting [ARC24/52]

2024.063 The Committee **confirmed** the minutes of the meeting held on 11 March 2025.

Matters arising [ARC24/53]

2024.064 The Committee **considered** the matters arising.

Annual schedule of business [ARC24/54]

2024.065 The Committee **considered** the annual schedule of business for 2025–26. The schedule showed a roll forward of the standard items. The deep dive on student employability had been provisionally rescheduled for September, when relevant benchmark data would be available, but may be moved onto the Council agenda instead.

Annual review of the internal and external auditor appointments [ARC24/55]

2024.066 *Minute 2024.066 is confidential.*

Dates of meetings in 2025–26:

- Wednesday 17 September 2025 at 1515 hours.
- Tuesday 04 November 2025 at 1515 hours.
- Tuesday 03 March 2026 at 1500 hours.
- Tuesday 09 June 2026 at 1500 hours.