

MINUTES

AUDIT AND RISK COMMITTEE

Date:	Tuesday 04 June 2019
Time:	1500 for external Committee Members and <u>internal</u> Auditors; 1530 for all other attendees
Location:	Boardroom, University House, Leek Road Campus

Notes:

1. Items marked with an asterisk (*starred items*) were for information only or regarded as noncontentious. Starred items will not be discussed and will be assumed to have been noted or approved unless a request to unstar a named item is received from a Board member in advance, or at the commencement, of the meeting.
2. Items classified as Confidential, and their subsequent minutes, will be redacted before publication of the agenda and minutes on the University's public website.

Members		
Kevin Gould	External Member	P
Cathryn Hickey (Deputy Chair)	External Member	P
Sara Williams (Chair)	External Member	P
In attendance		
Professor Liz Barnes	Vice Chancellor	A
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Mark Dawson	KPMG (external audit)	IA
Alex Hire	RSM (internal audit)	IA
Professor Martin Jones	Deputy Vice Chancellor	IA
Clare Mayer	Business Risk Manager	IA
Lisa Randall	RSM (internal audit)	IA
Sue Reece	Pro Vice Chancellor – Student Experience	A
Lauren Rooke	Assistant Clerk to the Board of Governors (minutes)	IA
Pascale Vermassen	Acting Director of Finance	IA

1500 - 1530 Pre-meet for External Committee Members with internal auditors (without the presence of University staff)

1 MEETING MANAGEMENT	
1625	Apologies for absence were received from Liz Barnes and Sue Reece.
1626	There were no new Declarations of Interest .
1627	The Minutes of the last meeting of the Committee , 12 March 2019 AR/113/01, were signed as a true and accurate record (subject to minor corrections to the attendance list).
1628	Matters arising: <ul style="list-style-type: none"> • Minute 1615 (i) – it was noted that the BAME Student Experience IA report had been shared with Cordella Bart-Stewart as agreed. • Minute 1615 (ii) – it was noted that the Students' Union Governance IA report had been shared with the committee by email on 1 May 2019 (and appeared at item 2.2 on the agenda), • Minute 1615 (iv) – it was noted that given the timing of the University's Apprenticeships provision Ofsted

	inspection, a full report on this would come to the first committee meeting of the 2019-20 academic year.
2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
1629	<p>The committee received the Overview of Annual Business AR/113/02 for the year.</p> <p>It was noted that the committee wished to add a Review of the Performance of the Internal and External Auditors to the Schedule of Business for the next academic year.</p>
1630	<p>The committee discussed the following Internal Audit Reports 2018-19:</p> <p>i) Students' Union: Governance AR/113/03 (previously circulated by email), introduced by Alex Hire of RSM.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> Kevin Gould enquired about the Students' Union (SU's) involvement in the compiling of the report. Ian Blachford clarified that the SU had been involved in the scoping of the report and the discovery work. Following the committee's approval of the report, it would be shared with Ken Sankson, the Chief Executive of the SU. Cathryn Hickey noted the challenges presented by the relatively short-term nature of the SU officers' terms. Ian Blachford agreed that given this, it was important that the overall governance structure of the SU enabled the elected reps to carry out their mandate and effectively serve the student body. Ian further noted that both the University and the SU would benefit from more clarity and transparency around the conditions of the block grant and reporting performance against this. <p>ii) Estates Management: Compliance with Statutory Duties AR/113/04, introduced by Alex Hire, who highlighted how the University's current move to an electronic compliance record-keeping system had contributed to significant improvement in Estates compliance assurance.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> Kevin Gould asked for clarification on the definitions of statutory compliance used within the report. It was confirmed that agreed legal definitions had been used, not the University's. <p>It was agreed that the Estates Management: Compliance report would be referred to Sustainability and Resources Committee for information.</p> <p>iii) IT Healthcheck (including cybersecurity) AR/113/05, introduced by Alex Hire who noted that this review had been carried out by RSM's IT specialists and that there was no opinion given in the report; it was advisory.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> Martin Jones noted that colleagues within Digital Services had found the review very useful. <p>iv) Risk Management AR/113/06, introduced by Alex Hire, who noted that the samples seen by RSM had demonstrated a good level of record-keeping around risk.</p> <p>Members commented as follows:</p> <p>NONE</p> <p>v) Governance KPIs AR/113/07, introduced by Alex Hire, who noted that the report provided substantial assurance around the KPI Governance framework with an element of sample-testing around one particular KPI (NSS results).</p> <p>Members commented as follows:</p> <p>NONE</p> <p>vi) Internal Audit Actions Follow-up Report AR/113/08, introduced by Alex Hire, who noted that only one action had been flagged within a generally very positive report.</p> <p>Members commented as follows:</p> <p>NONE</p>

	<p>vii) Internal Audit Progress Report AR/113/09, introduced by Alex Hire, who noted that this expanded report had been prepared at the committee's request, and that any high-risk reports would still be included in full within the committee papers (rather than made available solely on SharePoint).</p> <p>Members commented as follows:</p> <p>NONE</p>
1631	<p>The committee received and discussed the Public Interest Disclosure (Dec 2018) Report AR/113/10, introduced by Ian Blachford.</p> <p>Members commented as follows:</p> <div data-bbox="183 472 1489 824" style="background-color: black; width: 100%; height: 150px; margin: 10px 0;"></div> <p>It was agreed that the Public Interest Disclosure (Dec 2018) Report would be referred to Sustainability and Resources Committee for information.</p>
1632	<p>The committee discussed the Risk Management Framework Update AR/113/11, introduced by the Business Risk Manager, noting the following main points:</p> <ul style="list-style-type: none"> • At the last Board of Governors meeting on 9 April 2019, the University-level risks had been approved (following approval at the 12 March 2019 Audit and Risk Committee). • As agreed, these University-level risks were now being developed into risk registers for each. The first drafts of these had been considered by SLT on 21 May and were being developed further. In addition, SLT had identified two further high-level risks that would be worked up (apprenticeships and cybersecurity), to be presented to the Audit and Risk Committee for consideration. • Within the risk management cycle, previously agreed, at two SLT meetings per annum (Spring and Autumn), SLT would review the University-level risks and their supporting risk registers. This would ensure they were truly reflective of the risk profile of the University. Any changes to the University-level risks would ultimately be approved by the Audit and Risk Committee and shared with the Board of Governors at alternate meetings of the Board of Governors. • The schools and services had recently completed their second formal review of their individual risk registers and the ongoing risk profile of the school/service, which had then been signed off by Executive leads. (This was in accordance with the schedule of consideration outlined at the previous Audit and Risk Committee, the Summer review. The next formal review would allow the Audit and Risk Committee to be updated at the late Autumn meeting.) • As part of the discussions with Schools in particular, as well as reviewing the risk registers against the external landscape, discussions had also focused on a 'deep dive' theme, such as recruitment and retention. Deans and their Senior Management Teams had found this approach especially useful. <p>Members commented as follows:</p> <ul style="list-style-type: none"> • Kevin Gould asked for clarification on the process around risk escalation. Ian Blachford confirmed that with the School/service risk registers, Executive leads signed off any changes and the Chief Operating Officer and Business Risk Manager reviewed all of these to highlight any themes arising from discussions at SLT. <p>The committee agreed to refer the Risk Management Framework Update to the Board for noting.</p>
1633	<p>The committee received a paper on the Determination of Audit Plan for 2019-2020 AR/113/12, introduced by Lisa Randall and the Chief Operating Officer, who noted that the committee reserved the right to make amends to the plan at a later date if required.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> • Pascale Vermassen asked about the timing of audits, specifically the Oracle Fusion audit. Lisa Randall confirmed that

	<p>the planned dates were indicative and would be refined as necessary, to ensure that timings were appropriate both operationally and with regard to the timeline for Executive sign-off.</p> <ul style="list-style-type: none"> Kevin Gould asked about the parameters of the International Recruitment audit. Ian Blachford clarified that two aspects of the audit plan would look at recruitment; Schools and College Liaison and International Recruitment. Sara Williams noted her concern around the seemingly fragmented nature of the areas of international - student experience, recruitment, partnerships and research. Ian Blachford informed the committee that Strategy and Performance Committee would receive a paper at its meeting on 11 June on International Strategy, which would then progress on to Board for information – this focused wholly on student recruitment. Kevin Gould asked whether Digital Institute London (DIL) should be considered within this internal audit plan. Ian Blachford proposed that it be considered the following year, to enable a full-year view of the cycle, with Clare Mayer highlighting that all risks associated with DIL were included on the risk register. It was agreed that the inclusion of this would be revisited at the next Audit and Risk Committee. <p>The Internal Audit Plan 2019-20 was approved, subject to final confirmation by the Audit and Risk Committee around the requirement to include DIL, and would progress to Board for approval.</p>
3 FOR INFORMATION	
1634	<p>The committee noted the *Outstanding Actions against earlier Internal Audit Reports* AR/112/07 tracker, introduced by the Business Risk Manager.</p> <p>There were no comments from members.</p>
1635	<p>The committee received for information the *KPMG Audit Planning Memorandum 2018-19*, introduced by Mark Dawson, who gave an overview of the memorandum (<i>Clerk's note: several areas of the text had not reproduced correctly in the combined PDF, so the standalone paper was emailed out to members following the meeting.</i>)</p> <p>There were no comments from members.</p>
4 ADDITIONAL MATTERS	
1636	<p>Have we made a positive impact on our students today?</p> <p>It was agreed that working towards stronger value for money (block grant and governance issues) with SU, as well as IT resilience and ensuring areas of development are being implemented would all contribute to an improved student experience.</p>
1637	There were no additional matters .
1638	<p>Items to be referred to Sustainability and Resources Committee:</p> <p>For noting</p> <ul style="list-style-type: none"> a) Minute 1630 (iii) - Estates Management: Compliance with Statutory Duties b) Minute 1631 – Public Interest Disclosure (Dec 2018) Report
1639	<p>Items to be referred to Board of Governors:</p> <p>For noting</p> <ul style="list-style-type: none"> a) Minute 1632 – Risk Management Framework Update (proposed new University-level Risks) <p>For approval</p> <ul style="list-style-type: none"> b) Minute 1633 – Internal Audit Plan for 2019-20
1640	Next meeting: Tuesday 29 October 2019 (Boardroom, University House)