



**AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON TUESDAY 22nd SEPTEMBER 2020 @10.00
FOR GENERAL RELEASE**

Present: **Ian Falconer, Chair**
Gwyn Arnold, Member
Alan Doyle, Member

In attendance:

Ben Norris, Clerk
Kate Sayer, Secretary

1. WELCOME AND APOLOGIES FOR ABSENCE

The Chair commended the hard work that was evident from the meeting pack had gone into preparing for the meeting. Going forward, the Committee asked if supporting papers could be referenced by the agenda item number, to make the document pack easier to navigate.

2. DECLARATION OF INTEREST

None.

3. MINUTES OF PREVIOUS MEETINGS

- a. ARAC 19-20/04 7th July 2020 Minutes (**doc 1**)
 - i. Accuracy - Minutes were approved.
 - ii. Matters Arising and Action Tracker (**doc 2**) –
 1. 18-19/1.3a – the revised committee structure from the Governance and Management Handbook is to be shared with the Committee.
 2. 18-19/1.4b – Committee to perform self-assessment at end of each academic year – this is to still in progress and to be reported back on in this meeting.
 3. 19-20/1.4a – ARAC needs a strong audit trail related to Health and Safety. FD to report back with a proposal on this.
 4. 19-20/1.6a – Calendars of business – when finalised and approved, calendars of business for all committees should be consolidated and shared with ARAC.
 5. 19-20/3.4a – Board Effectiveness Review Action Tracker – to be shared with ARAC after the meeting.
 6. 19-20/4.5b – Principal to email staff regarding mental health support provision – two counselling sessions have been scheduled for staff. These are voluntary and the numbers attending these sessions will be assessed afterwards.
 7. 19-20/4.5b – Data Quality Report – the Committee commended on the document as an excellent first draft. The next iteration could be improved by adding information on the accuracy of the data, what data quality checks had been done and their outcome. An overall summary, ie the Institution’s opinion of the strength of its data security should also be stated, for ARAC to evaluate.
- b. Minutes of the Board of Directors – it was noted that these minutes gave a number of good assurances to the Committee which would inform its own annual report. There were a couple of occasions where the minutes recorded a discussion, but not the outcome, e.g that the Board had agreed to adopt the CUC Code of Governance, accepting that the Finance Director should be an officer of ARAC not a member, and



an additional external member of ARAC would be therefore be required in the future.

- c. Minutes of the Academic Board – it was noted that the Learning and Teaching group should be a formal committee as this would be required for TDAP. This will be covered in the Governance and Management Handbook which will be going to the Board of Directors in October.

[Action: FD to report back to committee regarding Health and Safety, including reporting arrangements]

[Action: approved calendars of business to be shared with ARAC.]

[Action: Secretary to share the Board Effectiveness Review updated document with committee members, to assist in the Annual Report.]

[Action: FD and VP to report back on what steps to take next with the data quality report.]

[Action: Revised committee structure to be forwarded to committee.]

ITEMS FOR CONSIDERATION, DISCUSSION AND/OR RESOLUTION:

4. COMMISSIONING ASSURANCE:

- a. Agree Workplan for the year – this is a guide to the topics for the year, with additional items of business to be added to meeting agendas where necessary. The committee agreed on the workplan shown, subject to the addition of further details. The Workplan also needs to be supported by an Assurance Plan, which summarises the key strategic risks about which the Committee wishes to receive assurance during the year, and where those pieces of assurance should be commissioned from, e.g internal sources, external audit, internal audit, or other independent sources.
- b. Internal Audit Schedule – the committee expressed disappointment that the pieces of work it had agreed should be commissioned from internal audit had yet to be progressed, and strongly encouraged the Board of Directors to ensure that these would happen as a matter of urgency.

[Action: FD to arrange for the commissioning agreed reviews from internal auditors.]

RECEIVING ASSURANCE:

5. OTHER ASSURANCE REPORTS RECEIVED SINCE LAST MEETING:

- a. COVID-19 update – a response plan document required by the DfE was circulated. Measures are subject to change alongside Government guidance. To date, the building has been quiet over the summer but this will change with the start of term. The Committee was assured that a risk-based approach had been adopted to COVID-19 planning. It was noted that strong communication channels were essential.
- b. Receive quarterly management accounts – the Committee received the accounts and noted the adverse impact of not running the short courses over the summer. Future accounts should include a forecast outturn column. The Committee noted the Finance Director's conclusion that preparing a range of financial scenarios as was required by the OfS had been a useful exercise and endorsed his decision to continue this approach going forward.
- c. Review of analysis of Committee's self-evaluation – The survey combined some institutional questions alongside others related to the CUC code of practice. The Committee agreed with the analysis which showed good to high levels of satisfaction in nearly all areas covered, demonstrating that the Committee had functioned well



in its first year. The results are to be presented to the Board of Directors as part of the annual report of the ARAC Committee. A rough plan of that annual report has already been drafted but the Chair and GA will further review it before it is ready to go to the Board.

- d. Review of Financial Regulations and supporting policies and procedures – this is a living document so will incorporate changes on a regular basis. The Chair was happy to commend this document to the Board of Directors subject to minor edits.
- e. Review of risk management arrangements and risk register – the Committee requested more urgency and focus to be placed on updating the risk register before the December meeting, particularly given its importance in underpinning its own Assurance Plan (see 4a above). The VP added that this work was underway and should be presented to the Board of Directors in October.
- f. Matrix of policies and approval responsibilities – this was noted by the committee.

[Action: FD to add column of the year end forecast into the Profit and Loss statement.]

[Action: present self-evaluation analysis to the BoD as part of ARAC annual report.]

[Action: FD to draft a plan of the outputs/reports of the ARAC committee over the coming year.]

[Action: FD to incorporate minor amendments into the Financial Regulations.]

[Action: FD and VP to do further work on the risk register before December meeting.]

REPORTING ASSURANCE:

6. INTERNAL REPORTS AND POLICIES:

- a. Annual ARAC draft report review – this very early draft was received and further work is to be done by GA and the Chair.
- b. Value for Money statement draft – the committee noted the draft document. This is pending further guidance from the OfS. It is important that factors of VfM are measurable, and consistent with the student contract.
- c. Stakeholder needs analysis – this was commended, providing an important building block to confirming the Strategic Plan currently in preparation had considered the needs of all its stakeholders. Some minor adjustments were suggested.
- d. Board Assurance Provider Matrix – the Committee expressed disappointment that this work was not further ahead, but this is to be done alongside the risk register (see points 4a & 5e).
- e. Schedule of Partnerships – the monitoring of financial, academic and contract terms of partner institutes should be formally documented. This could be built into the Terms of Reference for the Executive Committee.
- f. Receive approved policies:
 - i. Scheme of Delegation – the document was noted.
- g. Recognise Board appointment of external auditors – the External Audit Plan 2019-20 should be approved by the Committee before work commences so would need to be done outside the meeting cycle this year but should be built into the Committee's cycle of business going forward. The Committee noted that how to receive an accurate valuation of fixed assets was likely to be a key risk across the sector this year because of the current pandemic.

[Action: VP and FD to forward most up to date draft of Annual ARAC report to GA and the Chair.]

[Action: VP to forward BAPM to committee before next formal meeting.]

[Action: VP and FD to create a procedural document on how partners' contract performances are monitored. Formal monitoring of financial, academic and contract terms to be carried out.]

(Action: FD to forward external audit plan to Chair).



7. EXTERNAL REPORTS AND PUBLICATIONS:

- a. Updated OfS guidance and publications – this was noted by the committee.

[Action: VP to forward NSS results to the Chair]

8. REVIEW OF MEETING AND MATTERS FOR REPORTING TO THE BOARD OF DIRECTORS:

A number of items are to be worked on further with committee members in between the formal meetings to advance progress.

9. DATES OF NEXT MEETING

The next scheduled meeting of the Audit & Risk Assurance Committee is:

8th December 2020 @ 13.00 via Teams.