



**AUDIT AND RISK ASSURANCE COMMITTEE  
MINUTES OF THE MEETING HELD ON TUESDAY 28<sup>th</sup> APRIL 2020 @10.00  
FOR GENERAL RELEASE**

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

In attendance:

**Ben Norris, Clerk**  
**Kate Sayer, Secretary**  
**Paul McKibbin, Accountant**

**1. WELCOME AND APOLOGIES FOR ABSENCE**

All in attendance.

**2. DECLARATION OF INTEREST**

None.

**3. MINUTES OF PREVIOUS MEETINGS**

- a. Accuracy: 14<sup>th</sup> January 2020 Minutes (doc 1) was grammatically correct with minor errors to be amended. Minutes were approved subject to amendments. Item noted to be added to Action Tracker.

**[Action: KS to make amendment on minutes and add item to Action Tracker.]**

- b. Matters Arising and Action Tracker as at 14 January 2020:

- i. 18-19/1.3a - Create Scheme of Delegation – complete and to be signed off at Board of Directors in May.
- ii. 18-19/1.5h - Value for Money statement to be reviewed and revised – this needs to be split into two separate actions. The expected statement from the OfS in regard to VfM and subsequent response is to be recorded as one action. Separately addressing VfM for Futureworks' students in the coming academic year must be addressed, in relation to the readjusted educational experience they will receive in light of the COVID 19 pandemic. It was suggested to model different financial scenarios and the FD noted that work was already underway although at this stage there are many unknowns. Costs to remodel the building for reopening whilst complying with social distancing measures required consideration. Ensuring quality of provision is not compromised and having a robust Value for Money strategy is key and in line with UCLAN's ethos. It will also provide a strong argument if issues of student refunds arise.
- iii. 18-19/1.8 – Create publication policy for Board and Committee papers – publication scheme to go to Board of Directors in May.
- iv. 19-20/2.4a - External engagement policies to be created – work underway on this and a revised completion date in the autumn to be assigned.
- v. 18-19/2.4 - Agree Financial Regulations – We have an approved set of Financial Regulations. The current set have been signed off by the Board of Directors, but these can be routinely updated so will go back to the Board in August. Any changes should go through A&RA before going to the Board of Directors.



- vi. Items to reinstate onto Action Tracker:
  1. 19-20/1.3bx – Data/cyber-crime risks
  2. 19-20/1.4a Add an additional column to the Risk Register on Resilience plans/triggers to risk.
- vii. Other Actions reported – the FD gave a brief summary of the contract discussions with UCLAN. A&RA needs assurance that the contract agreement is being fulfilled and VfM is being received by Futureworks. A schedule of future meeting dates has been collated for all the main committees and is to be circulated

**[Action: all complete actions to be removed from the Tracker document. Order Tracker items in reference number order. Assign amended completion dates to items where relevant. Reinstate data/cyber-crime and resilience plans/triggers to risk to the Action Tracker. Secretary to circulate proposed meeting dates to committee members. Split Value for Money into 2 separate actions. Assign new completion dates to items on Action Tracker where necessary.]**

**ITEMS FOR CONSIDERATION, DISCUSSION AND/OR RESOLUTION:**

**COMMISSIONING ASSURANCE:**

**4. BOARD EFFECTIVENESS REVIEW**

- a. Update on work to date:
  - i. 1.4 Update matrix of policies and approval responsibilities – work is underway to update or create additional policies where necessary. Due to the current situation with COVID 19 and staff leaving shortly before this, the actual matrix structure has not been altered.
  - ii. The presentation of the Board Effectiveness review document was discussed. Further detail about progress would be beneficial. Separating out items which have been completed, and providing a coversheet noting progress of ongoing items was suggested. Items only need to be flagging as Amber when they are due.

**[Action: Secretary to reformat Board Effectiveness Review document for the next meeting.]**

**5. RISK REGISTER UPDATE**

Formal written work with academic staff on the risk register had been underway when the COVID 19 pandemic hit, which has affected progress. Risk management is however a prime focus and more formal documentation is to follow.

**[Action: Risk management processes to be formally documented and reported back to the next meeting.]**

**6. COVID 19 RESPONSE**

The COVID 19 response document was discussed. The Committee commended the overall approach by Futureworks. As the update was produced at the start of the UK's lockdown, there have been changes since and an updated document will be provided to the Board of Directors in May. It is key that each issue discussed should be followed by appropriate mitigation. The



document was structured by operational headings, and longer-term strategic objectives should also be considered.

In regard to delivery of teaching content, online delivery is proving successful in most circumstances and has in some instances resulted in more student engagement. In relation to assessment, the vast majority of work can be marked in the normal manner and the extraordinary circumstances protocol or extenuating circumstances scheme can be applied where necessary. In a very few situations for example where lack of specialist facilities has affected the final work, the extenuating circumstances scheme can be applied where necessary.

Student support has been a key focus and success has been dependent on individual student uptake. The impact of COVID 19 on staff members should be addressed and preparation for the transition and return to the 'new normal' at work needs to be formulated and reported back to the committee. In addition, the teaching and learning strategy for the 'new normal' may also need revising.

The impact of COVID 19 on student recruitment is a major focus, to be discussed at next meeting of the Board of Directors. The potential for providing digital open days was also mentioned.

**[Action: Provide updated document to the Board of Directors. Update to include: mitigation for each issue raised, consideration of longer-term strategic objectives, impact on staff members, impact on student recruitment, preparation for the return to the 'new normal' at work]**

## **7. Prevent Review**

A revised Prevent review policy is to be created which is more appropriate for Futureworks' institutional size.

## **RECEIVING ASSURANCE:**

### **8. Other assurance reports received since last meeting:**

- a. Financial Director report
  - i. Internal Audit update: Discussions had taken place with an auditor with regards to specific areas for internal audit. It had been thought that this work would need to wait until after lockdown had been lifted but it was suggested that work on Fraud and Data control could possibly be done remotely. A report on HR within Futureworks, compiled before lockdown, is to be taken on board when appropriate.
  - ii. Quarterly management accounts: The Audit and Risk Assurance committee was able to confirm that appropriate financial management processes were in place after the presentation of the accounts. The additional presentation of an overall annual forecast and explanations of variances would provide a more robust context.
  - iii. External Audit tender: it was agreed that due to time constraints, the current external auditors would remain for auditing the 2019/20 accounts, but that the draft tender document would be finalised and a tender process undertaken to appoint new external auditors with specific educational expertise for the 2020/21 financial accounts.



**[Action: FD to investigate inviting auditor to a meeting of the Audit and Risk Assurance Committee. FD to provide an annual financial forecast alongside the quarterly management accounts. FD and Secretary to finalise draft external audit tender document]**

**ITEMS FOR INFORMATION ONLY:**

**REPORTING ASSURANCE:**

**9. ASSURANCES**

- a. A&RA Chair's report: a plan for what should be overseen across the year needs to be drawn up to further give assurance. A gap analysis can then be carried out.

**[Action: Chair and GA to provide a template plan]**

**10. Review of meeting and matters for reporting to the Board of Directors**

Summing up, the Chair expressed satisfaction at the progress of the Action Tracker, and the evidence provided on risk management which now requires further formal documentation for the audit trail. The targeted response to Covid-19 was commended with gaps to be filled in the short term. Satisfaction was also expressed that internal audit work was underway and that the management accounting processes provided assurance.

**11. AOB**

[This section contains commercially sensitive information and has been redacted.]

**12. DATES OF NEXT MEETINGS**

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

07<sup>th</sup> July 2020 @ 13.00