Futureworks

AUDIT AND RISK ASSURANCE COMMITTEE
ACTIONS AND KEY DECISIONS OF THE MEETING

Meeting Date and Time:	Thursday 3rd October 2024 at 11.30am
Location:	Futureworks and via Teams
Present:	Ian Falconer, Chair
	David McIntyre, Member
	Gwyn Arnold, Member
	Prof. David Vaughan, Member
In attendance:	Ben Norris, Clerk
	Chris Mayo, Principal
	Phill Liggett, Facilities Manager
	Kate Sayer, Secretary
	Paul McKibbin, Accountant
	Liz McMullan, Head of AQS
	Ian Musgrave, UNIAC
	David Tomlinson, UNIAC

No.	ACTIONS
1	Operations team to create a management response to the Cyber Review and present this back to the committee. (2aii-1)
2	Executive to seek guidance from HR consultant regarding updating the Staff Handbook. (3b-1)
3	The Principal to discuss the issue of EDI within staff/committee member recruitment with the Chair of the Board of Directors. (3ciii-1)

No.	KEY DECISIONS
1	A discussion regarding the progress of working towards DAPs is to take place with the Board of Directors. (5f)

AUDIT AND RISK ASSURANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 3rd OCTOBER 2024 @ 11.30am
at FUTUREWORKS and via Teams
CONFIDENTIAL

Present: **Ian Falconer, Chair**
                   Gwyn Arnold, Member
                   Dave McIntyre, Member
                   Prof. David Vaughan, Member

In attendance: **Ben Norris, Clerk**
                   Chris Mayo, Principal
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1. **WELCOME BY THE CHAIR, APOLOGIES FOR ABSENCE & DECLARATIONS OF INTEREST**
The Chair welcomed the members and set out the order of the meeting. All committee members were present. [This section contains commercially sensitive information and has been redacted.] The Principal CM was present at the meeting alongside the Accountant PM and Head of AQS LM who was invited to present a paper on academic quality reviews. IM and DT from UNIAC were invited to present the findings of the Governance and the Cyber Review. There were no declarations of interest. The internal audit items were discussed at the start of the meeting. The numbers given in brackets are the original agenda item numbers.

2. **RECEIVING ASSURANCE**
   a. Internal Assurance
      i.   External Governance Review – UNIAC – (5ai) – the External Governance Review was presented by IM from UNIAC who noted that it was on the whole a positive report with few areas recommendations highlighted. There had not been a management response to these recommendations as the DAPs Steering Group had been merged into the new Operations Team, which meets fortnightly. The review is due to go to the next Operations Team meeting on 08.10.24 at which a management response to the recommendations will be given, and people responsible/target dates added. The Chair welcomed that the report gave reasonable assurance that the Governance at Futureworks was effective. [This section contains commercially sensitive information and has been redacted.]
      ii. Cyber Review – UNIAC – (5aii) – The Cyber Review was presented by DT from UNIAC. The review had been conducted through a health check approach, against the National Cyber Security steps. [This section contains commercially sensitive information and has been redacted.] Management welcomed the review as it usefully articulated where Futureworks was deficient and what steps needed to be taken. The Operations team are to provide a management response to this report, highlighting areas to prioritise.

[Action: Operations team to create a management response to the Cyber Review and present this back to the committee.] (2aii-1)

3. **COMMITTEE BUSINESS**
   a. Minutes of 11.06.24 for accuracy – the minutes were accepted in terms of content and accuracy.
   b. Action Tracker – the completed actions were signed off by the committee. Although the updated Staff Handbook had not been presented back to the committee (see action [ARAC]Jun-24|3cii(1)), the Clerk clarified that was because Mentor Digital had not made any updates. ARAC requested a new action that the Staff Handbook should be updated. Guidance is to be sought from the HR consultant on this matter.
   c. Matters Arising:
      i. Recommendations Tracker – the committee was happy that this is now a standing item on the agenda and that regular updates had been made. The Head of AQS pointed out that further progress had also been made on the CMA audit items since the papers had been circulated.
      ii. Reapprove ToR for ARAC – minor adjustments had been made to this document in order to keep terminology up to date. The document was agreed by the ARAC committee.
      iii. Committee self-evaluation – this had been reformed alongside the self-evaluation taken by the Board of Directors and Academic Board so that they were all comparable. The evaluation was found to be useful. The committee noted that the area of EDI needed some consideration, and this was an institution-wide issue, which should be kept in mind when recruiting new staff/committee members. The committee asked that the EDI issue be referred to the Principal and the Chair of the Board for further discussion.
      iv. International student recruitment risks – the committee was assured that the risks were understood and being managed. [This section contains commercially sensitive information and has been redacted.]

[Action: Executive to seek guidance from HR consultant regarding updating the Staff Handbook.] (3b-1)
[Action: The Principal to discuss the issue of EDI within staff/committee member recruitment with the Chair of the Board of Directors.] (3ciii-1)

4. **COMMISSIONING ASSURANCE:**
   a. Matters arising from meetings of other committees – no comments except for Chair's opening comments on Board minutes (see above).
   b. Risk Register – this is in the process of being fully reviewed by the Operations Team. The same framework is to be used for the Risk Register as this was deemed to be very useful, but with new content. New risks have been identified by the Team, and subsequent initial control levels were allocated by the VP (see doc 4b). These initial levels are to be ratified by the Operations Team at the next meeting on 08.10.24, then further detail added to each risk. It was queried as to who would be in charge of the Risk Register, and it was noted that this had not yet been determined.
   ARAC require a high-level overview of risk, to ensure that the main areas (for example recruitment, sales, cyber &IT) are covered. The Principal commended the Vice Principal's approach to the Risk Register, which was ensuring that all parts of the management team had input and therefore understanding into the area of risk management. The level of risk in the area of marketing was queried, given the recent departure of the Marketing Manager. It was noted that this post was currently being re-advertised, and therefore the risk levels would alter when the role was filled.

5. **RECEIVING ASSURANCE:**
   a. Internal Assurance – covered above in 2ai and 2aii
   b. Financial Update

i.   The accountant presented the draft results for the Q4 accounts. [This section contains commercially sensitive information and has been redacted.]

ii. Financial Management Review – management responses have been given and the recommendations are being actioned. There is an ambition to work toward producing management accounts every 14 days but at the moment the accountant is producing the accounts on the 21st of each month. Progress on this will be monitored through the Recommendation Tracker.

iii. Review of financial regulation and financial management – this is to be brought forward to the next meeting.

c.   Update on academic quality reviews (5f) – Liz McMullan, Head of AQS presented the results of the reviews undertaken by the AQS team. These had been based on the strategic gap analysis for DAPs. The suite of reviews had been completed and the recommendations added to the Recommendation Tracker. Many of the recommendations have already been implemented, and their success will be reviewed at the end of the academic year. ARAC was happy that update gave robust assurance that academic quality was under control and that recommendations from the reviews were being carried out.
[This section contains commercially sensitive information and has been redacted.]
Review of regulatory and data compliance (5c)- this was noted by the committee.

d.   Review of partnership arrangements and effectiveness (5d)– [This section contains commercially sensitive information and has been redacted.]

e.   Update on DAPs (5e)– [This section contains commercially sensitive information and has been redacted.] There is a stronger focus towards developing Degree Apprenticeships now that funding has been secured to develop a suite of programmes.

6. **MANAGING ASSURANCE ARRANGEMENTS:**
   a.   Assurance reviews for 2024/25 – 12 assurance reviews took place in 2023/24. There are no further assurance reviews planned for 2024/25. When working on the risk register, the Operations Team should consider where assurance is coming from to mitigate the risks. The main risks are currently financial management and recruitment.

7. **REPORTING ASSURANCE:**
   a.   Draft ARAC Annual Report – the format of this is to stay the same this year. The committee looked through the skeleton report which will be fully completed after the work of the committee has been completed (including the external audit). The Chair and Deputy Chair have volunteered to assist in writing the report.

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

9. **AOB:**
   None

10. **ITEMS FOR FUTURE DISCUSSION:**
    Review of financial regulations and financial management.

11. **DATE OF NEXT MEETING:**
    Next meeting is on Tuesday 17th December 2024 @11.00am.