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

Meeting Date and Time:	Tuesday 11th June 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
	Graham Travis, CNCA
	Azim Khokhar, CNCA
	Ian Musgrave, UNIAC
	Paul McKibbin, Accountant

No.	ACTIONS
1	[This section contains commercially sensitive information and has been redacted.] (2a-1)
2	Progress/comments on items on the recommendations tracker should be updated immediately before each ARAC meeting. (3ci-1)
3	Secretariat to contact Mentor Digital about the changes to the Staff Handbook. (3cii-1)
4	Secretary to make the suggested changes to the Committee indicative work schedule and circulate amended document. (3ciii-1)
5	Secretariat to circulate the job description for the role of Marketing Manager to the committee. (3civ-1)
6	Report explaining how potential risks of taking UKVI students would be mitigated, to be presented to next meeting. (3cv-1)
7	Risk Management team to add the risk involved in taking UKVI students to the Risk Register. (3cv-2)
8	HoAQS to add a sentence to the Scope of the CMA report that Futureworks' processes should be fair. (3cvii-1)
9	[This section contains commercially sensitive information and has been redacted.] (4b-1)
10	[This section contains commercially sensitive information and has been redacted.] (5a-1)
11	Executive Team to allocate the responsibility for overseeing internal assurance to an alternative staff member. (5a-2)
12	[This section contains commercially sensitive information and has been redacted.] (5b-1)
13	EO to forward minutes and Action Tracker from the DAPs Steering group. (5d-1)
14	Secretariat to forward any further compliance reviews to committee when appropriate (e.g. Health and Safety and EDI). (5e-1)
15	Scope of UNIAC's governance review to reflect ARAC comments. (6a-1)

No.	KEY DECISIONS
1	The committee would like reports to be presented by their author wherever possible. (3iv)
2	Accountant PM to attend the Risk Management meetings. (4b)

AUDIT AND RISK ASSURANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 11th JUNE 2024 @ 11.30am
at FUTUREWORKS and via Teams
For General Release

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

In attendance: **Ben Norris, Clerk**
                Chris Mayo, Principal
                Phill Liggett, Facilities Manager
                Kate Sayer, Secretary
                Graham Travis, CNCA
                Azim Khokhar, CNCA
                Ian Musgrave, UNIAC
                Paul McKibbin, Accountant

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.] IM from UNIAC was present to observe the meeting as part of the Governance Review. There were no declarations of interest. The external audit item was discussed at the start of the meeting.

2. **RECEIVING ASSURANCE**
    a. GT and AK from CNCA presented the external audit plan. They stated that last year a good basis had been built and so this year it is expected that the process will be smoother. There are no significant changes expected to last year's process, and the audit will be carried out by the same staff member AK for continuity. [This section contains commercially sensitive information and has been redacted.] The ARAC committee agreed to the external audit approach and the risks and materiality detailed in audit plan, therefore the plan was approved.

3. **COMMITTEE BUSINESS**
    a. Minutes of 28.03.24 for accuracy – the minutes were accepted in terms of content and accuracy. It was noted that although the Chair was not on the Board of Directors, regular communication took place between the two Chairs. This section contains commercially sensitive information and has been redacted.]
    b. Action Tracker – the completed actions were signed off by the committee with the exception of [ARAC]Mar-24|6a(1) which was felt to have been closed prematurely. The incomplete actions were discussed in more detail:
        [ARAC]Jan-23|5a(3-1) – the fixed assets register was requested by the auditors Clarke Nicklin and therefore will be completed over the summer with an expected completion date of August 2024. The threshold for asset value has been set at £200+ which was thought to be reasonable.
        [ARAC]Dec-23|4b(1) – the 3 year plan for procurement was underway; ARAC was assured that because of the amount of equipment that was purchased this academic year, management felt that this could now be extended to a 4 or 5 year cycle. This process is now embedded but could remain on the tracker for the time being.

[ARAC]Mar-24|3b(1) – the three year plan for Capital Investment is to be completed by August and the committee approved the deadline extension for this item.

[ARAC]Mar-24|3civ(1) – Independent assurance over academic quality is being given through the completion of a number of internal audits, carried out by the Head of Academic Quality and Standards. ARAC was therefore assured that the Academic risk is being managed.

[ARAC]Mar-24|4b(1) and [ARAC]Mar-24|5a(1) – the Vice Principal has met with UNIAC and the Cyber review is to be carried out in conjunction with the Governance Review. IM from UNIAC confirmed that the deadline for this review was 2 weeks before the next ARAC meeting in October.

[ARAC]Mar-24|5a(2) – extending the Board Assurance Framework – the Chair can assist with this item.

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

c. Matters Arising:
   i. Recommendations Tracker – the committee were happy that this is now a standing item on the agenda and were reassured about its completeness. It was pointed out that some comments had not altered, and it was requested that more timely updates were therefore given on the status of all outstanding items, i.e. updated immediately before each ARAC meeting.
   ii. Review of Staff Handbook – it was noted again that the update for this item had not changed since the last meeting. [This section contains commercially sensitive information and has been redacted.]
   iii. Committee indicative work schedule – a few minor adjustments were recommended to this document, which can be circulated once amended. Summary of changes in the admissions process – this report was welcomed by the committee, who in the future would like reports to be presented by their author wherever possible. [This section contains commercially sensitive information and has been redacted.] The new Marketing Manager is due to start on 1st July 2024 with a wealth of experience in Higher Education, so it is hoped that this appointment will bolster activity in this area. The weekly marketing meetings will be taken over by the Marketing Manager, who will look at the process of attracting future students and the journey from their initial interest to starting on a programme at Futureworks. The job description for the role of Marketing Manager was requested by the committee.
   iv. Procedure for International Applications – the application documents were shared with the committee. The ARAC committee would like to know how potential risks of taking international students will be mitigated. The Vice Principal clarified that international documents would be checked in the same way as all student applications, and that all international students would be required to pay an upfront non-refundable administrative fee. It was therefore believed that the risk level from taking international students was low. [This section contains commercially sensitive information and has been redacted.] The committee requested that a report explaining how any potential risks could be mitigated be presented to the next meeting in October, and that this issue be added to the Risk Register.
   v. Financial Recovery Plan – see section 5b.
   vi. CMA audit – the Terms of Reference were noted, and it was recognised that the audit report would be going to the Academic Board in August. ARAC asked that the Scope include confirmation that Futureworks' processes should be fair.

[This section contains commercially sensitive information and has been redacted.] (2a-1)

[Action: Progress/comments on items on the recommendations' tracker should be updated immediately before each ARAC meeting.] (3ci-1)

[Action: Secretariat to contact Mentor Digital about the changes to the Staff Handbook.] (3cii-1)

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[Action: Risk Management team to add the risk involved in taking UKVI students to the Risk Register.] (3cv-2)

[Action: HoAQS to add a sentence to the Scope of the CMA report that Futureworks' processes should be fair.] (3cvii-1)

4. **COMMISSIONING ASSURANCE:**
   a. Matters arising from meetings of other committees – [This section contains commercially sensitive information and has been redacted.]
   b. Risk Register – committee members commented that the Risk Register required updating; [This section contains commercially sensitive information and has been redacted.] A full review of the Risk Register was requested with a new owner of the document to be decided.

[This section contains commercially sensitive information and has been redacted.] (4b-1)

5. **RECEIVING ASSURANCE:**
   a. Internal Assurance – the governance review is now underway (see item 6a). [This section contains commercially sensitive information and has been redacted.] A review into Teaching Staff Qualifications and Experience had been completed (the review is entitled Academic Staff Recruitment on the Recommendations tracker). A CMA audit was underway (see 3cvii) and a review into the Effectiveness of the Industry Advisory Group had just commenced, which will be presented to the next ARAC meeting. The review tracking student fee payments is to be reported back to the committee with conclusions.
   [This section contains commercially sensitive information and has been redacted.]
   b. Financial Update – the Accountant gave an update on the Financial Accounts for 2023-24. [This section contains commercially sensitive information and has been redacted.]
   c. Review of regulatory and data return compliance – [This section contains commercially sensitive information and has been redacted.]
   d. Update on DAPs – the timeline with milestones was provided to the committee. [This section contains commercially sensitive information and has been redacted.] The Board of Directors require assurance from ARAC that the process towards applying for Degree Awarding Powers is on track. Therefore, ARAC would like to see the minutes and action tracker from the DAPs Steering Group.
   e. Review investigations into whistleblowing – there had been a zero return which was welcomed by the committee. It was mentioned that there were other annual compliance returns for example in Health and Safety and Electronic Data Interchange that should be presented to the committee. These will be presented when completed and in time to inform ARAC's 23-24 Annual Report.

[This section contains commercially sensitive information and has been redacted.] (5a-1)

[Action: Executive Team to allocate the responsibility for overseeing internal assurance to an alternative staff member.] (5a-2)

[This section contains commercially sensitive information and has been redacted.] (5b-1)

[Action: EO to forward minutes and Action Tracker from the DAPs Steering group.] (5d-1)

[Action: Secretariat to forward any further compliance reviews to committee when appropriate (e.g. Health and Safety and EDI).] (5e-1)

6. **MANAGING ASSURANCE ARRANGEMENTS:**
   a. External Governance Review – this is now underway. The economy and efficiency of governance processes are being reviewed, and the timeliness of recommendations and actions from the Academic Board meetings will be scrutinised as part of this work. The Vice Principal will now be the sponsor for this work.

[Action: Scope of UNIAC's governance review to reflect ARAC comments.] (6a-1)

7. **REPORTING ASSURANCE:**
   a. Draft ARAC Annual Report – the format for the report was approved by the committee. The Chair and vice Chair can assist in formulating the first draft of this report.

8. **REVIEW OF MEETING AND MATTERS FOR REPORTING TO THE BOARD OF DIRECTORS:**
   [This section contains commercially sensitive information and has been redacted.]

9. **AOB:**
   None

10. **ITEMS FOR FUTURE DISCUSSION:**
    N/A

11. **DATE OF NEXT MEETING:**
    Next meeting is on Thursday 3rd October 2024 @11.00am.

    A further online-only meeting focussing specifically on financial management may be required before that date (TBC)