


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

Meeting Date and Time:	Thursday 14 th December 2023 at 11.30am
Location:	Futureworks and via Teams
Present:	Ian Falconer, Chair
	David McIntyre, Member
	Gwyn Arnold, Member
	Prof. David Vaughan, Member
In attendance:	Alan Doyle, Finance Director
	Chris Mayo, Principal
	Rob Campbell, Chair of the Board of Directors
	Ben Norris (Clerk)
	Phill Liggett, Facilities Manager
	Paul McKibbin, Accountant
	Graham Travis, CNCA (External Auditors)
	Azim Khokhar, CNCA (External Auditors)
	Kate Sayer, Secretary

No.	ACTIONS
1	Report of any changes made/to be made to the admissions processes to be presented to the next meeting of ARAC in March 2024. (3b-1)
2	Bison Assist actions to be incorporated into overall recommendations tracker. This recommendations tracker to be presented to future meetings and should include target dates and accountability. (3ci-1)
3	Efficiency and effectiveness of communication between the Board of Directors and its subcommittees to be looked at as part of the Governance Review. (4a-1)
4	Timeline of 3-year rolling programme of procurement to be created and presented to committee. (4b-1)
5	[This section contains commercially sensitive information and has been redacted.] (4b-2)
6	External Audit recommendations are to be added to the recommendations tracker. (5a-1)
7	Academic Board to feed back its plan regarding condition B3 to ARAC. (5c-1)
8	[This section contains commercially sensitive information and has been redacted.] (5d-1)

No.	KEY DECISIONS
1	Action [ARAC]Sep-23 4b(1) should be revisited to determine whether a separate line on the Risk Register was needed for the risk of cashflow and the possible business disruption.
2	Going forward, finance pack to include clearer details of how cost savings are to be made.
3	Action [ARAC]Jan-23 5a(3-1) detailing the fixed asset register to remain open. Facilities manager to continue work on this in January 2024.
4	Reviews to be presented to ARAC on the following areas within the next 18 months: Governance review, Cyber Security, CMA review, financial control, recruitment and enrolment (front end processes and procedures)



AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 14th DECEMBER 2023 @ 11.30am
at FUTUREWORKS and via Teams
CONFIDENTIAL

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

In attendance: **Alan Doyle, Finance Director**
Chris Mayo, Principal
Rob Campbell, Chair of the Board of Directors
Ben Norris, Clerk
Phill Liggett, Facilities Manager
Paul McKibbin, Accountant
Graham Travis, CNCA (External Auditors)
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1. WELCOME BY THE CHAIR AND APOLOGIES FOR ABSENCE

The Chair welcomed the members and set out the order of the meeting. The Principal and the Chair of the Board of Directors were in attendance alongside representatives from the External Auditors and the accountant. Some items were discussed in a different order to the agenda, and this is reflected in the minutes. Original agenda numbers are shown in brackets after headings and actions numbers refer to original agenda sequencing.

2. DECLARATIONS OF INTEREST

None declared.

3. COMMITTEE BUSINESS

- a. Minutes of 28.09.23 for accuracy – the minutes were accepted in terms of content and accuracy.
- b. Action Tracker – the completed actions were signed off by the committee. The following action was discussed in more detail:
[ARAC]Jan-23 | 5a(3-1) – the fixed asset register was discussed within 5a (External Audit).
[ARAC]Sep-23 | 4b(1) – it had been decided that adding a separate risk related to cashflow was not necessary on the Risk Register, as this was inherent in other risks (see 4b for further commentary). The Finance Director and Facilities Manager now meet twice a month to review all relevant spending and to look for any ways to reduce outgoings, which has resulted in miscellaneous costs reducing significantly. This process has also enabled the gap between when money is spent and when it is recorded by the accountant to be markedly reduced.
[This section contains commercially sensitive information and has been redacted.]
- c. Matters Arising:
 - i. Bison Assist – the committee received the update and were happy that the overall risk was low (items were then prioritised within this). The committee requested that this item be incorporated within an overall recommendations tracker, which should be presented to future meetings.

[Action: Report of any changes made/to be made to the admissions processes to be presented to the next meeting of ARAC in March 2024.] (3b-1)

[Action: Bison Assist actions to be incorporated into overall recommendations tracker. This



recommendations tracker to be presented to future meetings and should include target dates and accountability.] (3ci-1)

4. COMMISSIONING ASSURANCE:

- a. Matters arising from meetings of other committees – The Chair of the Board of Directors was reassured that items raised in the Board meetings were subsequently reflected in the Risk Register. It was however queried as to whether a more robust mechanism was needed to ensure that items raised at the Academic Board were fed through to the Board of Directors (other than through meeting minutes). This is to be dealt with as part of the Governance Review.
- b. Risk Register – the Risk Register was presented to the committee. The 3-year procurement system was mentioned which covers the replenishment/updating of computers/large items of equipment. Items which fall outside of this cycle are to be recorded. It was requested that a visual timeline and process map of the 3-year rolling cycle of procurement be produced and presented to the committee.
[This section contains commercially sensitive information and has been redacted.]
The risk of cash-flow was again discussed, in particular what the business disruption would be if Futureworks did not have enough cash. It was decided that this action ([ARAC]Sep-23 |4b(1)) should be revisited to determine whether a separate line on the Risk Register was indeed needed.

[Action: Efficiency and effectiveness of communication between the Board of Directors and its subcommittees to be looked at as part of the Governance Review.] (4a-1)

[Action: Visual timeline and process map of 3-year rolling programme of procurement to be created and presented to committee.] (4b-1)

[Action: This section contains commercially sensitive information and has been redacted.] (4b-2)

5. RECEIVING ASSURANCE:

- a. Financial Update (5b) – the Finance Director gave an update on the Financial Accounts for 2023. [This section contains commercially sensitive information and has been redacted.]
- b. External Audit - (5a)– CNCA presented the external audit of Futureworks' accounts. The Directors' Report was presented and was agreed to be compliant with OfS requirements. The Corporate Governance Statement was approved, confirming that there were no incidents of significant internal control. The Chair of the Board of Directors confirmed that the Board of Directors was satisfied that the business was a Going Concern. The Audit and Risk Assurance Committee had reviewed the financial accounts and adjoining notes and could recommend to the Board of Directors that these be adopted.
The external auditor GT from CNCA confirmed that there had been no significant difficulties in carrying out the audit. [This section contains commercially sensitive information and has been redacted.] It was confirmed that employee files were up to date. The asset register was clearer, but more work was required, and it was requested that this action remain open. Futureworks' revenue had been tested and was correct. The auditors confirmed their independence and stated that they were of the opinion that Futureworks was a Going Concern.
The letter of representation was suitable to be signed by the Board of Directors. ARAC welcomed the assurance provided by the control comments that there had been no propriety issues or significant deficiencies in internal control. Recommendations from the audit are to be added to the recommendations tracker. The committee thanked the auditors and the Finance Directors and Accountant stated that the process had been very smooth with total co-operation between all parties.



[Action: External Audit recommendations are to be added to the recommendations tracker.] (5a-1)

(GT and AK from CNCA and PMK left the meeting)

- c. Review of regulatory and data return compliance – these were noted by the committee. [This section contains commercially sensitive information and has been redacted.]
- d. ARAC Annual Report (7a) – the final version of the report had been approved by the Board of Directors and was returned to the committee as confirmation.
- e. Update on DAPs (5d)– this update had gone to the Board of Directors in November. [This section contains commercially sensitive information and has been redacted.]
- f. Internal audit plan (5e)– [This section contains commercially sensitive information and has been redacted.] Disaster Recovery plans and an IT response plan are already in place alongside the relevant policies and procedures. [This section contains commercially sensitive information and has been redacted.] A meeting is scheduled with UNIAC for 15.12.23 to discuss how it would approach such a Governance Review. Further information will be provided to ARAC after the meeting. ARAC wishes to be consulted about the scope of the review, it will make recommendations to the Board, who would then sign it off.
[This section contains commercially sensitive information and has been redacted.] To date, there have not been any internal audits done on marketing, recruitment, admissions and enrolment, although an internal look at how offers were given had been conducted. A presentation regarding the changes that had been made in admissions was requested (see action 3b-1). ARAC would like to receive assurances on the following within the next 18 months:
 - Governance Review- this is to include the interplay between different committees.
 - CMA review.
 - [This section contains commercially sensitive information and has been redacted.]
 - Financial control.
 - Recruitment and enrolment – demonstration of the front-end processes and procedures.

[Action: Academic Board to feed back its plans regarding condition B3 to ARAC.] (5c-1)

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

6. MANAGING ASSURANCE ARRANGEMENTS:

- a. External Governance Review – (covered in 5f)

7. REPORTING ASSURANCE:

- a. ARAC Annual Report – (covered in 5d)

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

N/A

9. AOB:

None

10. ITEMS FOR FUTURE DISCUSSION:

N/A

11. DATE OF NEXT MEETING:

Next meeting is on Thursday 28th March 2023 @11.30am