


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

Meeting Date and Time:	Thursday 28 th September 2023 at 11.30am
Location:	Futureworks and via Teams
Present:	Gwyn Arnold, Member (Acting Chair)
	David McIntyre, Member
	Prof. David Vaughan, Member
	Alan Doyle, Finance Director
In attendance:	Colin Ralph, (Acting Clerk)
	Azim Khokhar, CNCA (External Auditors) (item 5e only)
	Laura Cheetham, CNCA (External Auditors) (item 5e only)
	Kate Sayer, Secretary

No.	ACTIONS
1	This section contains commercially sensitive information and has been redacted. (4b-1)
2	Finance Director to circulate updated proposed 23/24 budget to ARAC members alongside the Board of Directors in October. (5a-1)
3	This section contains commercially sensitive information and has been redacted. (5b-1)
4	Internal audit plan to be drawn up, informed by the Risk Register. (5f-1)
5	Full proposal for an external governance review to be presented to ARAC including ToR, costs and timescales. (6a-1)
6	Finance Director to update the ARAC annual report and circulate to committee members before the report is received by the Board of Directors. (7a-1)

No.	KEY DECISIONS
1	Bison Assist report to continue to be presented to committee until all actions completed. Target dates for high priority work are to be given.
2	The comments in the Risk Register summary to be updated regarding the lowering of risks related to IT equipment (risks 14, 18 and 3).
3	Risks regarding teaching resources to be reported to Academic Board where appropriate.
4	This section contains commercially sensitive information and has been redacted.



AUDIT AND RISK ASSURANCE COMMITTEE

**MINUTES OF THE MEETING HELD ON 28th SEPTEMBER 2023 @ 11.30am
at FUTUREWORKS and via Teams**

For General Release

Present: **Gwyn Arnold, Member (Acting Chair)**
Dave McIntyre, Member
Prof. David Vaughan, Member

In attendance: **Alan Doyle, Finance Director**
Colin Ralph (Acting Clerk)
Azim Khokhar, CNCA (External Auditors) (item 5e only)
Laura Cheetham, CNCA (External Auditors) (item 5e only)
Kate Sayer, Secretary

1. WELCOME BY THE CHAIR AND APOLOGIES FOR ABSENCE

Apologies were sent by the Chair Ian Falconer, the Clerk Ben Norris and Facilities Manager Phill Liggett. The meeting was therefore chaired by Gwyn Arnold and clerked by Colin Ralph. Graham Travis from CNCA was represented by colleagues Azim Khokhar and Laura Cheetham. The Chair welcomed the members and set out the order of the meeting. 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 18.07.23 for accuracy – the minutes were accepted in terms of content and accuracy. It was noted that the Digital Strategy was not on the agenda for the meeting. [This section contains commercially sensitive information and has been redacted.]
- 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 Assets Register – it had been recommended by the previous external auditor that the format of this register be altered. This has already been shown to the new auditors CNCA and will be reviewed again at the end of the audit.
- c. Terms of Reference – these were accepted by the committee. The role that ARAC should play had been discussed at the informal meeting of members of ARAC and the Board of Directors which took place following the Board meeting on 10.08.23. No conclusions were formed at this event, and it was suggested that although it was useful for external members to meet informally, if it were to be repeated, perhaps a broader meeting with all members and a clear agenda, may be advisable.
- d. Committee Self Evaluation – this was noted as being highly positive.
- e. Matters Arising
 - i. Bison Assist – the committee received the update and found it useful. However, whilst it was noted that the building was safe and fit for purpose, it was recommended that target dates be set for the higher priority items and that progress be made to enable the report to be closed off as complete as soon as possible; progress reports should continue to be brought to ARAC until all actions were complete. This section contains commercially sensitive information and has been redacted.



4. COMMISSIONING ASSURANCE:

- a. Matters arising from meetings of other committees –
 - i. The meeting of the Board of Directors highlighted the need for an updated operational plan to be written, and this discussion would no doubt continue in the next Board meeting.
 - ii. Independent member DV reported on the August meeting of the Academic Board which was now clerked by the Head of Academic Quality and Standards. The meeting was much more robust with informative papers detailing a number of thorough reviews. It was noted that in his view, the minutes (doc12a-ii) did not reflect the depth of the discussion at this meeting.
- b. Risk Register – the new summary page was found to be very useful and easy to read. It was stated that the Risk Register was continuing to evolve which was seen as a positive by the committee. The Finance Director pointed out that the risk levels are determined in a Risk Management meeting which takes place 2-3 weeks before the ARAC meeting. Therefore, some issues (this section contains commercially sensitive information and has been redacted) may have been solved by the time the document is seen in the meeting. Risks 14, 18 and 3 are likely to be reduced. A commentary will be provided around these risks when the Risk Register is provided to the Board of Directors meeting in October. It was agreed that risks related to teaching resources be reported to the Academic Board where appropriate. As regards to the procurement process, it was queried as to what could be done differently to ensure issues of late delivery of essential equipment did not disrupt teaching going forward. The Finance Director stated that having a 3-year replacement cycle would assist as known target dates would be set for renewing equipment. In line with this, funding should be earmarked in April/May for these items so that they can be ordered earlier. It was suggested that the issue of increased and in some cases unexpected equipment maintenance costs (see doc 12a-i) may not have become so pronounced if this had been recorded and monitored on the Risk Register. This section contains commercially sensitive information and has been redacted.

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

5. RECEIVING ASSURANCE:

- a. Financial Update – [This section contains commercially sensitive information and has been redacted.]
- b. Review of financial regulations – [This section contains commercially sensitive information and has been redacted.]
- c. Review of regulatory and data return compliance – these were noted by the committee.

(Azim Khokhar and Laura Cheetham from CNCA joined the meeting)

- d. External Audit Review (5e) – the representatives from external auditor CNCA outlined the Audit Plan and their timetable and associated deadlines for carrying out the audit of Futureworks' accounts. The auditors had experience of working with the OfS and higher education institutions which was warmly received by the committee. The committee welcomed the plan and was reassured by the organised and thorough approach.

(Azim Khokhar and Laura Cheetham from CNCA left the meeting)



- e. Update on DAPs (5d) – the new operational guidance from the OfS is proving to be very useful for DAPs preparation. The DAPs steering group meet on a weekly basis and it was felt that work was currently on target. It is anticipated that Futureworks' degree programmes will be put through an internal revalidation process in the Spring, which would ensure all processes are in place for validating new programmes after achieving DAPs. Independent member DV (who is a member of the Academic Board) volunteered to work with the Head of AQS where required, to give an external viewpoint on these processes.
- f. Internal audit – following internal discussions, the previous position had shifted and it had now been decided that a mixture of in-house activity and externally commissioned pieces with UNIAC might now be used for internal audits. An internal audit plan was therefore requested to be drawn up, based on the Risk Register which should highlight the areas in need of internal scrutiny.
- g. This section contains commercially sensitive information and has been redacted.

[Action: Finance Director to circulate updated proposed 23/24 budget to ARAC members alongside the Board of Directors in October.] (5a-1)

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

[Action: Internal audit plan to be drawn up, informed by the risk register.] (5f-1)

6. MANAGING ASSURANCE ARRANGEMENTS:

- a. External Governance Review – Futureworks has approached the QAA and Advance HE regarding their external governance review provisions. Once proposals and quotes have been received from both parties, a decision will be made regarding how to proceed. A full proposal was requested by ARAC to include the terms of reference of the review, associated costs and timescales. An update will be going to the next Board of Directors meeting in October.

[Action: Full proposal for an external governance review to be presented to ARAC including ToR, costs and timescales.] (6a-1)

7. REPORTING ASSURANCE:

- a. ARAC Annual Report – additional headings in the areas of HR, financial management and external audit were added to the report structure. The reference to the informal meeting with the Board of Directors requires further detail, and output of the review of the Digital Strategy (mentioned in the report) needed circulating to committee members. Subject to these changes/amendments the report was accepted by the committee members, further subject to final approval by the Chair.

[Action: Finance Director to update the ARAC annual report and circulate to committee members before the report is received by the Board of Directors.] (7a-1)

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

The meeting overran but it was felt that the discussion was useful and productive. [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 14th December 2023 @11.30am