


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

Meeting Date and Time:	Tuesday 8 th November 2022 at 10.45am
Location:	Futureworks and via Teams
Present:	Ian Falconer, Chair
	Gwyn Arnold, Member
	David McIntyre, Member
	Prof. David Vaughan, Member
In attendance:	Alan Doyle, Finance Director
	Ben Norris, Clerk
	Kate Sayer, Secretary

No.	ACTIONS
1	Secretariat to export all ARAC related actions from the separate assurance tracker and send these to members with the unconfirmed meeting minutes. (3b-1)
2	Provide management response to UNIAC's report on the Student Voice and the Data Quality report to the next meeting. (3c-1)
3	Report back on progress on the actions from the Bison Assist Disability Access Risk Assessments to the next meeting. (3c-2)
4	Report back on progress regarding the AB's response to the Natasha Abraham report on competence standards. (3c-3)
5	FD to contact Leonherman regarding the External Audit Plan. This is to be circulated to ARAC committee members asap. (3c-4)
6	Secretary to make changes to the ToR and circulate to committee members. (3c-i-1)
7	DV to meet with Chair of the Academic Board and Clerk of the Academic Board to discuss the function of the committee. (12d-1)
8	Progress on the recommendations of the Academic Quality and Standards and Student Outcomes review to be reported back to next meeting. (5e-1)
9	Clerk to consider adding issue of sustainability on the agenda for a future ARAC meeting. (7a-1)
10	FD to circulate Data Quality report to committee members. (7a-2)

No.	KEY DECISIONS
1	Facilities Manager to attend non-confidential elements of ARAC meetings regularly going forward on an 'in attendance' basis. Staff members are to be asked to attend governance meetings (ie Board, AB & ARAC) to present reports which they have authored, but will be present only for that section of the meeting.
2	Programme Performance Reports which are to be presented to the Board of Directors should also be provided to the Academic Board and ARAC who will be able to gain information on academic risk and financial risk from these documents respectively.
3	Going forward, coversheets on the Risk Register to include brief overall commentary on key changes to risk environment and more detail about specific risks of interest.



AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 8th NOVEMBER 2022 @ 10.45
via Teams and at FUTUREWORKS
For General Release

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

In attendance:

Alan Doyle, Finance Director
Ben Norris, Clerk
Kate Sayer, Secretary

1. WELCOME BY THE CHAIR AND APOLOGIES FOR ABSENCE

The Chair welcomed the members and set out the order of the meeting. Items were to be raised 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. RECEIVING ASSURANCE

- a. Financial Management (5a) - Leonherman were not invited to the meeting but are currently working on the external audit. Two visits have already been carried out in October, and they are currently understood to be in a good position to complete the work in December ahead of the OfS deadline in January.

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

- b. Financial regulations (5b) – the Financial regulations have been updated and will be reviewed again after the completion of the external audit.
- c. Review of regulatory and data return compliance (5d) – the committee noted the data returns and were assured of compliance with external bodies' data requirements.

3. MANAGING ASSURANCE ARRANGEMENTS:

- a. Review of partnership arrangements (6a)– there had been no changes from the previous year. The committee welcomed that this review had been done but found the conclusions slightly underwhelming and were disappointed that reporting its conclusions to UCLan had not led to changes.

4. COMMITTEE BUSINESS:

- a. Minutes of 21.07.22 for Accuracy (3a) – the minutes were approved in terms of content and accuracy with exception of two minor amendments.
- b. Action Tracker (3b)– the completed actions were approved and can be removed from the tracker. 5 outstanding items remain on the tracker, 4 of which were discussed:
 - [ARAC]Apr-19 | BER(1.10) – Strategic Plan – the Financial Director updated the committee on the progress with the Strategic Plan which is currently being updated. [This section contains commercially sensitive information and has been redacted.]The Chair noted the update and stressed that ARAC needed to see a strategic approach to management, therefore it was vital that the



Strategic Plan document was completed. It was noted however that the management team was only small and therefore there were resource limitations.

- [ARAC]Jan-22|5a(4) – Coversheet of filing dates of audited accounts – at its last meeting the committee had wanted to see what was to go where and when so was disappointed this had not been clarified yet. This should be provided before the next meeting.
 - [ARAC]July-22|5d(1) – Provide separate assurance recommendations tracker – an overarching tracker for all actions and external reports related to all committees was being developed as the current spreadsheet format was deemed not user friendly for such an activity. An app-based system will allow key staff to update actions related to them. Recognising the value of a comprehensive tracker for all committees, pending its completion which required significant resource, The Chair pointed out that ARAC remained unsighted on progress on actions related to its committee, therefore it was agreed that as a short-term solution an export of all ARAC related actions would be downloaded and sent to members along with the minutes.
 - [ARAC]July-22|3ciii(1) [This section contains commercially sensitive information and has been redacted.] A further discussion will take place with UNIAC in January when progress should have been made with earlier actions.
- c. Matters Arising (3c) – the Chair pointed out that there were a number of items on the minutes of 21.07.22 that had not been captured as actions on the Action Tracker. These included the management response to the UNIAC Student Voice report, the response to the Data Quality report, the progress on actions from the Bison Assist Disability Access Risk Assessment, and the response to the Natasha Abraham report on competence standards. The latter had gone to the Academic Board on 03/11/22 resulting the decision to set up a group to discuss how to roll out the recommendations of the report. The Committee asked that these items be written as new actions for the Action Tracker. [This section contains commercially sensitive information and has been redacted.]
- A discussion took place as to whether a member of UNIAC should be attending ARAC meetings on a regular basis. This would require financing as UNIAC are currently employed on a piece-by-piece basis for internal audits. It was noted that Futureworks is a small company with a very large governance structure of a business of its size. However, it was mentioned that for DAPs, having the presence of an independent assurance provider at meetings may be helpful depending on the financial outlay.
- i. (3ci)Reapprove ToR and Membership – a detailed discussion took place regarding the membership of ARAC and who should be ‘in attendance’ at meetings. It had been suggested that the Facilities Manager come to meetings ‘in attendance’ due to his interest in risk management, from a staff development point of view and also to potentially clerk meetings in the future in the absence of the Vice Principal. The committee agreed that this was a suitable suggestion, subject to appropriate safeguards over confidentiality. Moreover, it was agreed that other more senior staff members be recommended to attend all governance meetings (ie Board, AB & ARAC) when they had authored reports but would only attend for that section of the meeting only, and with prior arrangement with the relevant Chair. Attendance and contribution at meetings when required is part of the staff member’s responsibility and should not be optional. Further small grammatical amendments are to be made to the ToR, which will be corrected and circulated to members.



- d. Essential Reading (12a) – The minutes of the Board of Directors were discussed. [This section contains commercially sensitive information and has been redacted.] A discussion should take place between DV, the Chair of the Academic Board and Clerk of the Academic Board to ensure key issues always remain a focus of the committee and that more decisions and firm actions are taken to resolve issues in a timely manner. Programme Performance Reports which are to be presented to the Board of Directors should also be provided to the Academic Board and ARAC who will be able to gain information on academic risk and financial risk from these documents respectively.
[This section contains commercially sensitive information and has been redacted.]
- e. Self-evaluation analysis (3cii) – this was noted and will be included in the ARAC annual report.
- f. Indicative work schedule (3ciii) – this was accepted by the committee.

[Action: Secretariat to export all ARAC related actions from the separate assurance tracker and send these to members with the unconfirmed meeting minutes.] (3b-1)

[Action: Provide management response to UNIAC’s report on the Student Voice and the Data Quality report to the next meeting.] (3c-1)

[Action: Report back on progress on the actions from the Bison Assist Disability Access Risk Assessments to the next meeting.] (3c-2)

[Action: Report back on progress regarding the response to the Natasha Abraham report on competence standards.] (3c-3)

[Action: FD to contact Leonherman regarding the External Audit Plan. This is to be circulated to ARAC committee members.] (3c-4)

[Action: Secretary to make changes to the ToR and circulate to committee members.] (3c-i-1)

[Action: DV to meet with Chair of the Academic Board and Clerk of the Academic Board to discuss the function of the committee.] (12d-1)

5. COMMISSIONING ASSURANCE:

- a. Risk Register (4a) – the committee reviewed the updated Risk Register. It was noted that a couple of the risks had a large gap between the residual risk score and the target risk score, and it was questioned as to whether these targets were too ambitious. [This section contains commercially sensitive information and has been redacted.] it was felt that previous systems had been unsuccessful therefore new measures had been put in place which again needed time before they could be assessed. The Committee accepted these explanations but requested that a brief overarching commentary and more detail on material changes to key risks be put in the coversheet of the Risk Register to explain such situations. The risk of ease of access to the building due to the positioning of the reception desk at the rear of the ground floor area was raised. [This section contains commercially sensitive information and has been redacted.] The committee agreed that the risk register was covering the right areas of risk and satisfactory assurance was given.
- b. Update on audit arrangements:
 - i. Internal audit – covered in item (3c) Matters Arising.
 - ii. External audit – covered in item (5a) Financial Management.

6. RECEIVING ASSURANCE:

- a. DAPs update (5c) – progress has been made in a few areas. [This section contains commercially sensitive information and has been redacted.] It was noted that a substantial workload had been placed on the Head of School for Sound and Music Production. Many of these jobs however will be taken on by the new AQE Manager



when in post. The lack of an operational plan was noted but this will form part of the Strategic plan which will be presented to the Board of Directors.

- b. Academic Quality, Standards & Student Outcomes Review (5e)– this went to the Academic Board and it was agreed that area B2 required more investigation. A group is to be convened to work on this further. [This section contains commercially sensitive information and has been redacted.] The report on the whole was cited as being excellent and ARAC welcomed the fact that the report had been compiled and key areas identified. Progress in this area was requested for the next meeting.

[Action: Progress on the recommendations of the Academic Quality and Standards and Student Outcomes review to be reported back to next meeting.] (5e-1)

7. REPORTING ASSURANCE:

- a. ARAC Annual Report (7a)– the committee talked through the draft report headings and any comments were gathered in preparation for the final version. The issue of sustainability and what it means for Futureworks requires further discussion and was therefore requested to be on the agenda for a future meeting. The Data Quality report mentioned in paragraph 52 had not been seen by the committee so should be circulated to committee members.
- b. Futureworks Annual Report (draft preview) (7b) – the draft report was presented to the committee. This had already been to the Academic Board and actions are to be added to the plan. The final version of the report will be presented to the ARAC meeting in January. The Chair noted that this draft version was a strong piece of evidence that could be referred to in the ARAC Annual Report.

[Action: Clerk to consider adding issue of sustainability on the agenda for a future ARAC meeting.] (7a-1)

[Action: FD to circulate Data quality report to committee members.] (7a-2)

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

The Chair and committee members summarised the main topics of the meeting:

- Attendance by non-members of the committee
- Importance of the Strategic Plan
- [This section contains commercially sensitive information and has been redacted.]

9. AOB:

None.

10. ITEMS FOR FUTURE DISCUSSION:

None.

11. DATE OF NEXT MEETING:

- Next meeting is on Thursday 12th January 2023 @ 11.30am