


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

<b>Meeting Date and Time:</b>	Tuesday 12 <sup>th</sup> January 2023 at 10.45am
<b>Location:</b>	Futureworks and via Teams
<b>Present:</b>	Ian Falconer, Chair
	Gwyn Arnold, Member
	David McIntyre, Member
	Prof. David Vaughan, Member
<b>In attendance:</b>	Alan Doyle, Finance Director
	Ben Norris, Clerk
	Phill Liggett, Facilities Manager
	Michael Rigby, Leonherman
	Kate Sayer, Secretary

No.	ACTIONS
1	ARAC workplan for the year to be presented to next meeting by VP. (3ci-1)
2	Facilities Manager to forward management response to Bison Assist report to committee members. (3cii-1)
3	[This section contains commercially sensitive information and has been redacted.] (5a-1)
4	[This section contains commercially sensitive information and has been redacted.] (5a-2)
5	External Audit recommendations to be added to the ARAC action tracker by Secretariat. (5a-3)
6	FD to adjust and add detail to timetable for external audit tender, allowing sufficient time for tender documents to be submitted. (6a-1)

No.	KEY DECISIONS
1	A document summarising the progress on actions from reports will be provided to each meeting going forward.
2	ARAC would welcome a discussion with the Board of Directors about Futureworks' strategic ambition, and how it would be resourced and measured.
3	ARAC to assess future in-house reviews to ensure objectivity is maintained (i.e., look at methodology & evidence to support conclusions).
4	The external audit tender panel should comprise a minimum of the ARAC Chair, the Finance Director plus two Independent Members.
5	[This section contains commercially sensitive information and has been redacted.]



**AUDIT AND RISK ASSURANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON 12<sup>th</sup> JANUARY 2023 @ 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**  
**Phill Liggett, Facilities Manager**  
**Michael Rigby, Leonherman**  
**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. COMMITTEE BUSINESS**

- a. Matters Arising - Context for AY22/23 (3ci) – the four external committee members met in-camera in advance of the meeting to discuss and clarify the role of ARAC. It was noted that ARAC should be concerned with assurance over the main overarching business of Futureworks, the current focus being on achieving DAPs and fulfilling the Strategic Plan. The committee should ensure Futureworks delivers the agreed action plan and make sure a risk-focussed approach is maintained. The Finance Director stated that ARAC had proved to be a positive tangible asset to Futureworks and that as a result the institution now had a risk-based approach to business. As Futureworks reaches the end of the DAPs preparation stage, it is essential that any areas that have not yet been covered are identified, therefore the advice and scrutiny of ARAC is still very much welcomed. An away day involving ARAC members as well as other relevant staff to consolidate the remaining work towards DAPs was suggested. A clear workplan of what would be covered by ARAC this year was also requested. The Finance Director expects the programme of new assurance reviews to recommence in the summer term, i.e. before the end of AY22-23.

(Phill Liggett joined the meeting at this point)

- b. Minutes of 08.11.22 (3a) – the minutes were approved in terms of content and accuracy.
- c. Action Tracker (3b) – the committee reviewed the progress on actions and all completed actions were confirmed. The proposed review by UNIAC on retention had been postponed. It was stated that retention is continuously monitored at Futureworks and any potential issues will become clear in the week beginning 16/01/23 when students return from the Christmas break. The Finance Director stated that there are currently a lot of outstanding actions/recommendations from recent external reviews, and therefore no further external reviews will be



commissioned until these have been implemented or embedded in practice. The Executive had also decided not to add sustainability to the agenda for future discussion, as this was not felt to be a current priority. Members noted this view but may revisit this issue.

- d. Matters Arising – Update on actions from reports (3cii) – it was reported that the system for monitoring these actions was currently very manual and that an app was being developed to allow more staff access. The risk management team reviews all external reports, prioritises the recommendations and creates the management responses. It was noted that the response to the Bison Assist report had been provided to the Board of Directors but had not returned to ARAC. This will be forwarded round to committee members. A document summarising the progress on actions will be provided to each meeting going forward, and the detailed record of all actions which underpins it remains available on request.

**[Action: ARAC workplan for the year to be presented to next meeting by VP.] (3ci-1)**

**[Action: Facilities Manager to forward management response to Bison Assist report to committee members.] (3cii-1)**

### **3. ESSENTIAL READING:**

- a. Minutes and action plans of other committees (12a)– the minutes and actions from the Board of Directors and the Academic Board were welcomed by the committee. [This section contains commercially sensitive information and has been redacted.]

### **4. COMMISSIONING ASSURANCE:**

- a. Risk Register (3a) – the changes in the risk register were reviewed. The issue of procurement was flagged, and the change in procedure over the last 2 years was cited as the reason there had been problems. The old procedure will be followed again in future which should hopefully resolve any issues. The late arrival of the iMacs which affected a number of final year students has now been resolved and all students were given extensions where necessary. This issue could have a knock-on effect in the NSS scores which will be published in due course. 9 out of 22 risks had a higher risk score than at the last meeting; this was due in part to the external environment, as well as some long-standing staffing issues which should be changing in the near future.

### **5. RECEIVING ASSURANCE:**

- a. Financial Update (5b)– [This section contains commercially sensitive information and has been redacted.]

(Michael Herman joined the meeting at this point)

- b. External Audit (5a) – the external audit was presented to the committee. It was stated that it was the Board of Directors’ responsibility to adopt the Financial Statements including the Directors report and the formal statements included in it, but this should be on the advice of the ARAC committee. The Finance Director stated that since the review at the last meeting, there had been no material changes to the Accounts and adjoining notes.  
The Director’s report was then presented. The Corporate Governance Statement and the Internal Control Statement were accepted by the committee. It was also confirmed that in the Statement of Responsibilities of the Board, there had been no post-balance sheet activities. Subject to two minor points, ARAC can advise the Board of Directors that this is an accurate account. On behalf of the committee, the Chair



stated that it is ARAC's belief that Futureworks is a Going Concern.

[This section contains commercially sensitive information and has been redacted.] He praised the Finance Team for all their hard work in getting the accounts ready in time for the December sign-off date. With reference to his audit plan, the main points that were looked at were Going Concern, the rent review, DAPs and revenue recognition. He had concluded that there were no issues with any of these areas. [This section contains commercially sensitive information and has been redacted.] The External Auditor gave a clean opinion of the accounts. The audit was completed in accordance with the agreed audit plan and the proposed audit opinions were appropriate. This was agreed by the committee.

The lack of significant control comments provided assurance to the committee, and the audit recommendations will be added to the ARAC action tracker. The issue of keeping track of fixed assets was raised, as students are able to book out relatively expensive pieces of equipment. However, a robust booking system is used which allows staff to keep a track of where equipment is and ensure it is returned.

The committee were happy to conclude that the Auditor was independent, that a thorough audit had been completed and that a clean opinion had been given. The audit documents could therefore be recommended to the Board of Directors, with the note that there had been no significant control deficiencies and that the auditor was independent. This was the last audit to be completed by Leonherman, who were thanked for their help over the years. The finance team were also praised for getting the documents ready on time for the audit.

(Michael Rigby left the meeting at this point)

- c. Strategic Plan 2022-27 – This had been approved by the Board of Directors and was provided for information only. The document had been written for staff, therefore only a small number of KPIs were included at this point. The Finance Director stated that realistic ambition had been shown in the document with the focus being on DAPs and growing the student number. The document was noted by the committee. The committee stated that they would welcome a discussion with the Board of Directors about Futureworks' strategic ambition, and how it would be resourced and measured. ARAC is to ensure that all measures needed when DAPs is achieved are in place.
- d. Review of regulatory and data return compliance – this was received by the committee and assurance was given that all returns had been completed satisfactorily and on time. Work on the TEF was to take place the following week.
- e. Data Quality Review – this report, which was carried out internally, was welcomed by the committee, in particular its clear format and method of approach. It was noted that the report had been reviewed by the risk management team, as it had been produced in-house, to ensure that a level of objectivity was maintained. It was noted that ARAC could look at any further internal reviews, to ensure the appropriate level of independence is demonstrated.

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

**[This section contains commercially sensitive information and has been redacted.] (5a-2)**

**[Action: External Audit recommendations to be added to the ARAC action tracker by Secretariat.] (5a-3)**

## **6. MANAGING ASSURANCE ARRANGEMENTS:**

- a. External Audit arrangements – the tender documents were presented to the committee. Some extra wording was recommended to better describe Futureworks and its position as an OfS registered Higher Education Institute, with ambitions for



achieving degree awarding powers. It was noted that the timetable proposed on the coversheet may not give enough time for interested parties to submit their tenders so this should be looked at, and companies to approach should be added to the document. Tender presentations should take place before the next ARAC meeting in April, so that the recommended Auditor can be proposed to the Board of Directors at the July ARAC meeting. It was decided that the tender panel should comprise a minimum of the ARAC Chair, the Finance Director plus two independent members.

**[Action: FD to adjust and add detail to timetable for external audit tender, allowing sufficient time for tender documents to be submitted.] (6a-1)**

**7. REPORTING ASSURANCE:**

N/A.

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

N/A.

**9. AOB:**

None.

**10. ITEMS FOR FUTURE DISCUSSION:**

None.

**11. DATE OF NEXT MEETING:**

- Next meeting is on Thursday 27<sup>th</sup> April 2023 @ 11.30am