


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

Meeting Date and Time:	Tuesday 18 th July 2023 at 11.30am
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
	Phill Liggett, Facilities Manager
	Paul McKibbin, Accountant
	Graham Travis, CNCA (External Auditors)
	Kate Sayer, Secretary

No.	ACTIONS
1	ARAC to carry out an external governance review in the next 12 months. This item is to be put on the agenda for the next ARAC meeting in September. (4a-1)
2	Chair to speak to FD and Secretary regarding reporting changes in risk to the ARAC committee. (4b-1)
3	Secretariat to create an agenda for the informal meeting of ARAC and the Board of Directors in August. (5a-1)
4	The process by which the DAPs plan is scrutinised, enabling ARAC to give assurance to the Board on its progress, is to be added to the agenda of the informal meeting of ARAC and the Board of Directors in August. (5c-1)
5	Secretariat to implement a system to circulate items of external relevance to ARAC members. (5e-1)

No.	KEY DECISIONS
1	Further discussion is to take place regarding the scrutiny needed by ARAC of the DAPs plan.
2	Futureworks to devise its own plan for internal audit for the next couple of years, using external specialists where necessary.
3	Bison Assist report to show the priority of each item and mitigations that are in place.
4	The section regarding the internal audit in the ARAC Annual Report should include the discussion about how the process of Internal Audit will evolve (see 6c).



**AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 18th JULY 2023 @ 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:

Alan Doyle, Finance Director
Ben Norris, Clerk
Phill Liggett, Facilities Manager
Paul McKibbin, Accountant
Graham Travis, CNCA (External Auditors)
Kate Sayer, Secretary

1. WELCOME BY THE CHAIR AND APOLOGIES FOR ABSENCE

The Chair welcomed those attending and set out the order of the meeting. Finance items were discussed first to allow the external auditor to leave after those items. The revised order of the agenda 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 Update - (5a) – [This section contains commercially sensitive information and has been redacted.]
- b. External Audit Review - (5b) – Futureworks has appointed CNCA as their new external auditor. Graham Travis from CNCA attended the meeting to meet the committee and run through the proposed timings of the audit process. The main audit visit is scheduled to take place in October 2023 and it is anticipated that the auditors will be on site for 5 days. The chair requested that a written audit plan be provided to the next ARAC meeting as those charged with governance on 28th September 2023, and that the results of the audit be presented to the meeting on 14th December 2023. The accounts are to be signed off on 4th January 2024 in a single item meeting of the Board of Directors. Potential audit risks were mentioned; it is not anticipated that there will be any issues at this point.

[Action: Secretariat to create an agenda for the informal meeting of ARAC and the Board of Directors in August.] (5a-1)

(Graham Travis and Paul McKibbin left the meeting at this point)

4. COMMITTEE BUSINESS:

- a. Minutes of 27.04.23 - (3a) – the minutes were accepted in terms of content and accuracy.
- b. Action Tracker - (3b) – all actions from the previous meeting were included on the tracker.
 - [ARAC]Jan-23|5a(3-4) – Record evidence that ID checks have been carried out on new staff as part of the onboarding process - it was stated that passports were



being checked both for new and existing staff and this process was well underway.

All actions marked as complete were approved by the committee.

- c. Matters Arising - (3c)
 - i. Meeting Schedule for AY23/24 – the meeting schedule was approved. In addition to the meetings stated, an informal meeting between the Board of Directors and members of ARAC is to take place on Thursday 10th August at 1.30pm, and an additional Academic Board meeting is being scheduled for late August.

5. COMMISSIONING ASSURANCE:

- a. Matters arising from meetings of other committees – (4a): the documents in section 12a were referred to at this point.
 - i. Board of Directors Minutes & Action Plan
 - ii. Academic Board Minutes & Action PlanThe minutes were acknowledged, and it was noted from the minutes of the Board that ARAC had been requested to oversee an external governance review in the next 12 months. It was stated that the Academic Board is to start to operate in a different manner, with changes being implemented over the summer.
- b. Risk Register – (4b) – the Chair requested that the summary of the Risk Register include more narrative as to what risks have gone up and down and the reasons for any changes. The Chair is happy to advise on this and will liaise with the Finance Director and Secretary in this area. It was stated that future risk management meetings will be minuted by the Secretary and the minutes from these meetings as well as a summary could therefore be provided to future ARAC meetings. [This section contains commercially sensitive information and has been redacted.] It was queried as to whether two external environment issues should be added to the Risk Register; it was however clarified that as the announcements did not present any new risk, that they did not need to be included. The committee concluded that the process of risk management is working well at Futureworks, although improvements could be made in how it is reported.
- c. ARAC indicative work schedule for AY23/24 - (4c)– the review of governance needs adding to the schedule. It was pointed out that the external audit plan will now be coming to the September 2023 meeting rather than the July 2023 meeting.

[Action: ARAC to oversee an external governance review in the next 12 months. A proposal for how this might be undertaken to be put on the agenda for the next ARAC meeting in September.] (4a-1)
[Action: Chair to speak to FD and Secretary regarding reporting changes in risk to the ARAC committee.] (4b-1)

6. RECEIVING ASSURANCE:

- a. Review of regulatory and data return compliance – (5b) - the committee was assured that Futureworks remains fully compliant.
- b. Update on DAPs – (5c) – The Finance Director presented the latest update on progress to applying for Degree Awarding Powers. A project plan was included which focussed on the gaps and areas in which least confidence was felt. Milestones had been given but it was pointed out that the mechanics of what was going on underneath to achieve these milestones could be shown to identify whether work was running to schedule. [This section contains commercially sensitive information and has been redacted.] In order for ARAC to give assurances to the Board of Directors that the DAPs plan is progressing satisfactorily, some scrutiny of the project plan is necessary. It was suggested that this be done by ARAC members and further



discussion in this area is to take place.

- c. Internal audit - (5e) – The Risk Management team are tracking the recommendations from previous audits. [This section contains commercially sensitive information and has been redacted.]
 - i. Progress on Bison Assist report – [This section contains commercially sensitive information and has been redacted.]
- d. Review of investigations into whistleblowing, fraud and irregularity – (5f) – this was noted by the committee, who welcomed the positive assurance that there had been no reported breaches nor investigations required in 2022-23 taken place.

[Action: The process by which the DAPs plan is scrutinised, enabling ARAC to give assurance to the Board on its progress, is to be added to the agenda of the informal meeting of ARAC and the Board of Directors in August.] (5c-1)

[Action: Secretariat to implement a system to circulate items of external relevance to ARAC members.] (5e-1)

7. MANAGING ASSURANCE ARRANGEMENTS:

- a. Review of assurance providers – (6a) – this was received and accepted by the committee.

8. REPORTING ASSURANCE:

- a. ARAC Annual Report early draft – (7a) – it was agreed that the structure adopted remains suitable. It was noted that the section regarding the internal audit should include the discussion about how internal audit at Futureworks will evolve (see 6c Internal Audit).

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

N/A.

10. AOB:

None

11. ITEMS FOR FUTURE DISCUSSION:

- External governance review

12. DATE OF NEXT MEETING:

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