



AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON TUESDAY 14th JANUARY 2020 @10.00
CONFIDENTIAL

Present: **Ian Falconer, Chair**
Gwyn Arnold, Member
Alan Doyle, Member

In attendance:

Ben Norris, Clerk
Kate Sayer, Secretary

1. WELCOME AND APOLOGIES FOR ABSENCE

All in attendance.

2. DECLARATION OF INTEREST

None.

3. MINUTES OF PREVIOUS MEETINGS

- a. Accuracy: 17th September 2019 Minutes (paper 1a+b) were grammatically correct with minor errors to be amended. Minutes were approved subject to amendments. Items noted to be added to Action Tracker. Going forward, the redacted version of the minutes need not be submitted to the committee. A discussion took place regarding the timing of publishing minutes publicly. For future meetings, cover sheets will be provided for agenda items.

[Action: KS to make amendment on minutes and add items to Action Tracker.]

- b. Matters Arising and Action Tracker as at 14 January 2020:
- i. 18-19/1.3a - Create Scheme of Delegation – complete and to be signed off at Board at next meeting.
 - ii. 18-19/1.4b - Committee to perform self-assessment at end of each academic year – not yet due.
 - iii. 18-19/1.5ci – Tender external audit of 19/20 accounts – to be discussed later in this meeting.
 - iv. 18-19/1.5cii – Board to review options for internal audit – to be discussed later in this meeting.
 - v. 18-19/1.5h - Value for Money statement to be reviewed and revised – to be discussed later in this meeting.
 - vi. 18-19/1.8 – Create publication policy for Board and Committee papers – item now merged with 19-20/1.5c Published information policy.
 - vii. 19/2.4 – Agree Financial Regulations, including appropriate suite of policies and procedures – to be presented under AOB.
 - viii. 18-19/3.8a Finance Director to advise on audit deadlines for 18-19 statements and implications for timetable to appoint external auditors – to be discussed later in this meeting.
 - ix. 18-19/3.5biii Board effectiveness review – update matrix of policies and responsibilities – work now ongoing to categorise responsibilities into frameworks which will then affect this matrix.



- x. 19-20/1.3bxi Schedule special meeting in December to sign off Audited accounts – this meeting took place.
- xi. 19-20/1.4a Future risk papers to include covering commentary on how risks are changing. Add an additional column to the Risk Register on Resilience plans/triggers to risk – work is ongoing in this area. Risk registers formed part of the Futureworks January all staff briefing day on 9.1.20. It received a very positive response from staff and will be rolled out in coming months. The Chair stated that we should see and have brief commentary on any changes to the Risk Register at each meeting. It was reported that there are no significant changes to the strategic risks at Futureworks at this time.
- xii. 19-20/1.5c Review minor errors on Published information Policy – although originally minuted as minor errors, more significant changes have now been suggested, so work is ongoing in this area.
- xiii. 19-20/1.5d Review minor errors on Governance structure Appendix 1 and authorship of ToR – complete.
- xiv. 19-20/1.6a Clerks/Chairs of committees to create calendars of business for their committees – to be discussed later in this meeting. Suggestions of improvements to the structure/layout were discussed.
- xv. 19-20/1.6b FD to work on draft audit tender – work in progress.
- xvi. 19-20/1.5 Bring timeline of OfS events and publications to the next BoD committee – complete.
- xvii. 19-20/1.3bx – Data/cyber-crime risks – work in progress.

[Action: all complete actions to be removed from the Tracker document. Risk register summary to be presented to the Audit and Risk Assurance committee at each meeting. Add an additional column to the Risk Register on Resilience plans/triggers to risk.]

ITEMS FOR CONSIDERATION, DISCUSSION AND/OR RESOLUTION:

COMMISSIONING ASSURANCE:

4. BOARD EFFECTIVENESS REVIEW

- a. Update on work to date:
 - i. 1.4 Update matrix of policies and approval responsibilities – work is currently underway restructuring into frameworks so this will form part of that work. Key policies are in place, and these must be kept up to date and published.
 - ii. 1.5 Agree calendar of business for Board and each committee – item 8 on the agenda. It was mentioned that the VP is responsible for ensuring work is completed. More formal processes will aid this, and ensure work done in a timely manner. Another staff member has been appointed to work in this area, increasing the resource. It was noted that the Audit & Risk Assurance Committee are happy with the progress that has been made in a short timescale and with the limited resource available.
 - iii. 1.10 Complete review of 2019-24 Strategic Plan – work ongoing. KPIs have been agreed and the audited accounts are to be mapped against the KPIs and presented to the Board of Directors in February. The Chair noted that estimated completion dates for this work would be useful.



- iv. 1.12 Board to agree approach to CSR – draft policy going to the Board of Directors in February.
- v. 1.13 Preparation of quarterly management accounts – this was received last week and will go to the Board of Directors in February.
- vi. 
- vii. Aii2 Consider renaming Finance Committee as Resources Committee – a discussion took place regarding the role of the Finance Committee and how this had developed to incorporate more areas. However, it was deemed unnecessary to change the committee title.
- viii. Aii4 Publish calendar of business for Board and committees – work is ongoing to publish relevant work.
- ix. Aii5 Agree Publication Scheme – work to begin in January.
- x. Aii6 Corporate Governance Statement – complete.
- xi. Aii9 Financial Statement – done.
- xii. Aii10 Review Staff Handbook – this work will be done in line with the frameworks.
- xiii. Aii11 Codify decision-making processes – work to be started in the coming weeks.
- xiv. Aii12 Agree key stakeholders and complete Stakeholder Needs Analysis – to be done for next meeting.
- xv. Aii13 Agree format/content for management accounts – agreed and to go to Board in February for sign off.
- xvi. Aii14 Put out tender and appoint external auditors familiar with HE SORP – work ongoing by FD.
- xvii. Aii16 Agree Financial Regulations – presented under AOB.
- xviii. Aii18 Present annual review of Students Complaints Process to Board – meeting scheduled to look at this.
- xix. Aii19 Determine what constitutes externally significant events and agree External Engagement policies – work to be done for next meeting.
- xx. Aii20 Agree guidance on brand management – complete.
- xxi. Aii22 Complete Board Skills Matrix and undertake Board Skills Audit – to be reviewed later in this meeting.
- xxii. Aii23 Introduce annual ‘fit and proper persons’ test for key individuals – complete.
- xxiii. Aii24 Agree role profiles for members of Board and all committees – to be done for next meeting.
- xxiv. Aii25 Agree arrangements for annual self-assessment of Boards and Committees and Board member appraisal – work to start in this area over the coming weeks.

[Action: provide estimated completion dates for parts of the Strategic Plan. 

 Stakeholder needs analysis to be done for next meeting. External engagement policies to be created.]



5. VALUE FOR MONEY ARRANGEMENTS – IMPLICATIONS OF OFS GUIDANCE

The OfS Value for money strategy 2019 to 2021 guidance document was discussed and the related implications. It was noted that the guidance did not significantly add to the debate but, in the absence of any meaningful advice from OfS, nevertheless a robust VfM strategy is required, which has regard to the OfS benchmarks.

[Action: Further work to be done on VfM strategy.]

RECEIVING ASSURANCE:

6. EXTERNAL AUDIT 2018-19

The FD reported that the financial audit had been completed and the process had run smoothly. The Chair of the Audit and Risk Assurance meeting had been present at the final sign off meeting and was satisfied that the proper processes had been followed, and was happy that Futureworks had completed a clean audit with no issues. In his private briefing with the Chair, the external auditor had also been complimentary about how the Finance team had worked, and said that current arrangements were fit for purpose but should be kept under review as and when the scale of Futureworks' operations increased. The audit documents need to be presented to the next Audit and Risk Assurance Committee meeting.

[Action: Provide external audit documentation to next meeting.]

7. OTHER ASSURANCE REPORTS RECEIVED SINCE LAST MEETING:

- a. Receive minutes of the Board of Directors: The minutes were received by the committee. It was decided that the minutes did not need to come to the Audit and Risk Assurance committee formally, but the Chair was to be added to the email distribution list for information.

[Action: Secretary to add Chair the BoD distribution list.]

- b. Board Skills Matrix and analysis: The Audit and Risk Assurance Committee needs to be assured that if any gaps in the skills and knowledge base of the Board are identified, that there are arrangements to ensure they are being filled. The Board needs to demonstrate that it can take decisions informed by knowledge and any gaps are bridged.

MANAGING SOURCES OF ASSURANCE

8. ASSURANCES:

- a. Workplans to inform calendars of business for all senior management committees including A&RA: Further work is to be done in this area to ensure timelines of different committees are in line, and that work is more evenly distributed across the academic year. When a formal structure is set up, workplans for the following academic year should be created in May, enabling committee members to input any comments before the work begins in September. The Chair provided a list of comments and amendments to the A&RA workplan, to be referred to. A&RA need to ensure that all areas in which we need assurance are covered throughout the year. Futureworks are to use UNIAC to provide guidance on VfM and Data/Cybercrime



risks. The executive team are to discuss if there are any other areas that would require external work or guidance.

- b. External Audit tender – progress report: The FD is currently working on a proposal document for the tender. The Chair is to advise on this. The panel for selecting the successful company to comprise the FD, Chair of the A&RA and a further Board member. Invitations to tender to be sent out in May, and the decision would need to be made in time for BoD approval in August. The next financial year begins in September 2020.

[Action: Further work to be done on all calendars of business. The A&RA workplan to be progressed and discussed at the next meeting. Refer to comment sheet provided by Chair. Any further comments to be provided to Secretary. FD to work on external audit tender docs and send timescale and table of contents to Chair for input. Secretary to liaise with panel members to arrange a day for tender presentations.]

ITEMS FOR INFORMATION ONLY:

REPORTING ASSURANCE:

9. ASSURANCES

- a. A&RA Chair's report on 18-19 audit: this was covered in item 6.
- b. Updates on sector developments, legislative changes etc. and impact on risk register: papers 9a, b, c and d were referenced and it was noted that these had been used as guidance when completing the 18-19 financial return, even though it was not mandatory for 18-19. This has been confirmed to the OfS.
- c. Programme of events and publications from the OfS: in line with the OfS timetable, it was reported that the accounts submission to the OfS is underway, the HESA return has been submitted and accepted, and the NSS is currently ongoing. The most recent OfS consultation document on harassment and sexual misconduct in higher education was noted, as well as published guidance on submitting a transparency return.

10. Review of meeting and matters for reporting to the Board of Directors

Summing up, the Chair gave thanks for the quality and timeliness of the meeting pack, and was pleased that processes were starting to embed. The workplan for the year now needs to be formalised.

11. AOB

The financial regulations document was circulated for information and discussion. This document will need to go to the Board of Directors after approval by the A&RA committee. Members of the committee agreed to read this through and send any comments to the FD and Secretary. The document is closely linked to the Finance Committee's scheme of delegation. It was noted that changes to regulatory documents would usually be made in the early summer and be sent for approval to the Board of Directors annually in August. Committee members are to submit dates when they are not available for the 20-21 academic year meetings.

[Action: Committee members to submit any comments about the financial regulations to the Secretary and FD. Committee members to submit dates they are unavailable for meetings to Secretary.]



12. DATES OF NEXT MEETINGS

The next scheduled meetings of the Audit & Risk Assurance Committee are:

21st April 2020 @ 10.00

07th July 2020 @ 13.00