



**AUDIT AND RISK ASSURANCE COMMITTEE
MINUTES OF THE MEETING HELD ON TUESDAY 9TH JULY 2019 @10.00
FOR GENERAL RELEASE**

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

In attendance:

Ben Norris, Clerk
Kate Sayer

1. WELCOME AND APOLOGIES FOR ABSENCE

2. DECLARATION OF INTEREST

- a. The Chair has had a major role in preparing the documentation to date. From the end of AY 2018/19 he will have to cease this activity as he cannot give an objective opinion on his own work. It was noted that it would be irregular if papers were written by the Chair.

3. MINUTES OF PREVIOUS MEETINGS

- a. Accuracy:
 - i. 15th February 2019 Minutes (paper 1) accurate
 - ii. 9th April 2019 Minutes (paper 2) accurate in terms of content but a few grammatical errors to be amended. Minutes approved subject to grammatical amendments.
- b. A&RA COMMITTEE ACTION TRACKER AS AT 09 JULY 2019 (paper 3)
 - i. 19/1.3a - Create Scheme of Delegation – going to Board in August.
 - ii. 19/1.4a - Update ToR – to be looked at in today's meeting.
 - iii. 19/1.4b - Committee to perform self-assessment at end of each academic year – review at end of year to examine the effectiveness of the committee. Find suitable questions to aid this process, and answers can be very explicit about what still needs to be achieved and looked at.
 - iv. 19/1.5a– Develop Assurance Framework to underpin future programme of work - to be discussed in today's meeting.
 - v. 19/1.5b – Update Strategic Risk Register and present to each future meeting - to be discussed in today's meeting.
 - vi. 19/1.5ci – Tender external audit of 20-21 accounts - to be discussed in today's meeting.
 - vii. 19/1.5cii – Board to review options for internal audit - to be discussed in today's meeting.
 - viii. 19/1.5d – Board Effectiveness Review – submitted April 2018.
 - ix. 19/1.5h - Value for Money needs to be looked at again as higher tuition fees to be implemented in September 2019. The OfS's definition of VfM is broad so not purely procurement focussed.



Futureworks needs to reflect back on this and determine what we have and what we need to do to continue to meet the OfS VfM requirements.

AGREED: Requirements in line with OfS need to be determined by September and fulfilled if possible by November. This should be looked at by internal auditors and benchmarking exercise of what an organisation of this size needs should be carried out.

- x. 19/1.6 – Schedule of future meetings – complete.
- xi. 19/1.7 – Create publication policy for Board and Committee papers – agreed in draft and to be looked at in the August Board meeting.
- xii. 19/2.4a – Appropriate support for General Manager to be sourced, preferably with HE governance experience – complete.
- xiii. 19/2.4b – Board Effectiveness Review Action plan updates – complete.
- xiv. 19/2.4c – Agree Financial Regulations, including appropriate suite of policies and procedures – to be looked at in October Board meeting. A &RA committee needs to have grasp of how the whole governance works including finance. The proposed revision to the finance committee will in future provide quarterly accounts before they go to Board. Finance Committee ToR are being looked at in next Finance committee meeting (this afternoon) and proposals will then be fed through to the Board for agreement. Going forward the Finance Committee meetings will take place before the A&RA meeting so decisions/actions can be fed forwards. Finance Committee to make financial decisions then A&RA Committee to look at how the process was tackled and if it was done in the correct way.

[Action: all complete actions to be removed from the Tracker document]

ITEMS FOR CONSIDERATION, DISCUSSION AND/OR RESOLUTION:

4. TERMS OF REFERENCE (paper 4)

- a. Management and Planning committee to be renamed Management and Planning Team and its scope and structure revised.
- b. A proposal will be going to the Board on 6th August regarding changing the job titles of the Managing Director and General Manager.
- c. ToR to be presented at all A&RA meetings going forward.
- d. Need to look at titles within ToR and note what we have done regarding each to ensure we have been effective in all areas.



COMMISSIONING ASSURANCE:

5. BOARD EFFECTIVENESS REVIEW

- a. Submission of Report to OfS (paper 5).
 - i. Report submitted on 25th June.
 - ii. Try to establish from OfS when we should expect to hear back and timescale for actions.
 - iii. The Board and the A&RA need to know if sanctions to run on.
- b. Implications of BER Action Plan for Committee's own workplan (paper 6).
 - i. Document not yet been to Board.
 - ii. 1.3 Annual review of risk management arrangements by A&RA Committee – Risk management process needs to be embedded in the Strategic Risk Register.
 - iii. 1.4 Update matrix of all policies and approval responsibilities – to be looked at in next meeting. This is fairly full but needs more content. Capacity work is needed. Approval date of policies needs to be recorded to be able to effectively monitor if they are still in date. It should be a suite of policies showing the adequacy and effectiveness of the University. This takes significant time to ensure they are up to date and are non-contradictory and a budget is needed for this task. This is to be completed by 31 July 2020. Financial regulations should be a statement of principles.
 - iv. 1.5 Agree calendar of business for Board and each committee - to be discussed in August. All business to be done in correct order and way, and ensure all formal business is not being conducted in between Board meetings. Board should have a sense of totality of the business. In the ToR there should be an acknowledgement that there is a plan and at the end of each year it should be reviewed to see what actions are done/need to be done. The Board needs to know what each committee is doing. Governance effectiveness needs to be done by EITHER the Board or the A&RA committee. It was proposed that the A&RA committee would be better for this as the Chair is independent.
 - v. 1.6 Publication of Board and committee minutes – in hand in line with transparency review. To be written up in a publishable style with a confidential Annexe as appropriate.
 - vi. 1.8 Financial Statements to include Corporate Governance Statement – current year's accounts must comply with HE SORP.
 - vii. 1.10 Complete review of 2019-24 Strategic Plan – meeting took place yesterday and changes to be made next week. Risk management determines work in context of strategic plan. The financial model is not going to be embedded in the document but will be alongside.
 - viii. 1.11 Academic Board to agree ToR and performance review framework – AB is to be subcommittee to the Board, so the Board must agree this in August.
 - ix. 1.13 Preparation of quarterly management accounts – this has been signed off by the Finance Committee and will be brought to the board.



- x. 1.15 Complete review of partnership with UCLan – A&RA committee just to be aware that there is a partnership/contract and need to know if it is working effectively.
- xi. 1.17 Agree Access and Participation Plan – being monitored every few weeks.
- xii. 1.18 Confirm chairs of Board and committees are all independent of shareholders and management – it was discussed as to whether someone independent was needed to Chair the Finance Committee. Finance Committee needs to do more than just be a procurement committee going forward. It may be possible to bring someone in with financial expertise who is external but not on the board.

AGREED –these issues to be looked at by the Board in AY 2019/20. Until such time it should be left running as is.

6. STRATEGIC RISK REGISTER AND ASSURANCE FRAMEWORK

[Action: To be put back on the next meeting's agenda in September]

RECEIVING ASSURANCE:

7. OTHER ASSURANCE REPORTS RECEIVED SINCE LAST MEETING

- a. Futureworks Training Ltd Financial Statements 31 August 2018 – accounts audited and filed since last year. The Audit had operated more smoothly than the previous year. Going forward the A&RA would have an opinion to give positive assurance.
- b. Office of the Independent Adjudicator for HE Annual statement (paper 7) – there were no complaints and positive assurance was given. QAA monitoring needs putting on the agenda at the next meeting.

MANAGING SOURCES OF ASSURANCE:

8. APPOINTMENT OF ASSURANCE PROVIDERS

- a. External Auditors for 18-19 financial statements – Annual audited return has just been done (for 1/8/18 – 31/7/19) and needs to be submitted by 30th December. It would be useful to know what all the external deadlines were for all the external bodies. Audit process to be put out to tender, however this will be for future years' accounts. Accounts could then go to the Board with full approval of Auditors. Tender would need to be done in January in order to appoint Auditor in April/May.
- b. Internal Auditors for AY 2019-20– good auditors can be directed to look at areas of concern, and they will cross reference against other providers. They should help not create issues.

[Action: The Chair to contact a known auditor for an introductory conversation]

9. COMMITTEE CYCLE OF BUSINESS 2019-20

- a. 5-6 meetings are needed per year.
- b. Schedule of external submissions to be added to 'other sources of assurance'



- c. Finance and A&RA committee meeting can physically overlap if that is of assistance.

ITEMS FOR INFORMATION ONLY:

10. AOB

None

REPORTING ASSURANCE:

11. REVIEW OF MEETING AND MATTERS FOR REPORTING TO BOARD OF DIRECTORS

The Chair will invite members to comment on the meeting, noting if there are any areas where the Committee should be commissioning further assurance, and key matters for reporting to the Board.

12. DATES OF NEXT MEETINGS

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

- 17th September 2019 @ 10.00
- 14th January 2020 @ 10.00
- 21st April 2020 @ 10.00
- 07th July 2020 @ 13.00

[Action – dates/times to be checked]