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| **CONFIRMED MINUTES OF THE AUDIT AND RISK COMMITTEE HELD ON 14 JULY 2022** | | | | | | |
| **PRESENT:** | |  | | | | |
| Joanna Allen (chair)  Vickie Brown  Ian Hall | | | | Sameer Kothari  Matt Lilley | | |
| **APOLOGIES:** | | John Warner | | | | |
| **IN ATTENDANCE:** | | | | | **AGENDA ITEM** | |
| Michaela Boryslawskyj, University Secretary | | | | | All | |
| Louise Bostock, KPMG | | | | | 10 and 11 | |
| Alison Breadon, PwC | | | | | All except 1 and 11 | |
| Richard Calvert, Deputy Vice-Chancellor Strategy and Operations (“DVCSO”) | | | | | All except 1 and 11 | |
| Benjamin Connor, PwC | | | | | All except 1 and 11 | |
| Katy Doherty, Grant Thornton | | | | | All except 1 and 11 | |
| Linda Mason, Director of Strategy, Planning and Insight | | | | | 8, 9 and 10v | |
| Simon Taylor, Interim Chief Finance Officer (“CFO”) | | | | | All except 1 and 11 | |
| Katie Stead, Head of Planning, Risk & Insurance | | | | | 8, 9 and 10v | |
| Angela Temple, Governance Senior Adviser (Committee Secretary) | | | | | All | |
| Agenda item | 1 | | **Private Meeting of Committee Members** | | Minute Ref | A/4/22/01 |
| 01.1 | No matters were raised for private discussion | | | | | |
| Agenda item | 3 | | **Declaration of Interests** | | Minute Ref | A/4/22/02 |
| 02.1 | There were no declarations of interest. | | | | | |
| Agenda item | 4 | | **Chair’s Business** | | Minute Ref | A/4/22/03 |
| 03.1 | The Chair welcomed Ali Breadon and Ben Connor from PwC, the University’s internal auditors from 2022/23 onwards, to their first meeting of the Committee. | | | | | |
| Agenda item  Paper Ref A/3/22/M | 5 | | **Minutes of Previous Meeting** | | Minute Ref | A/4/22/04 |
| 04.1 | The Committee approved the minutes and the confidential minutes of the meeting held on 12 May 2022. | | | | | |
| Agenda item  Paper Ref A/4/22/6 | 6 | | **Matters Arising/Audit and Risk Committee Action Tracker, Version 7 July 2022** | | Minute Ref | A/4/22/05 |
| 05.1 | **A/3/22/7.3viii: Corporate risk update:** An update had been provided (as an annex to the action tracker report) on progress to implement the actions that were marked in the corporate risk register as having an April 2022 completion date. The corporate risk register would be updated during the summer and submitted to the Committee in September 2022. | | | | | |
| 05.2 | **A/3/22/14.4: Update on TPS**: The DVSCO provided an updated on TPS. A minute confidential to the Committee was recorded. | | | | | |
| Agenda item | 7 | | **Introduction to New Internal Audit Service Provider (PwC)** | | Minute Ref | A/4/22/06 |
| 06.1 | The team from PwC, the University’s internal auditors from 2022/23 onwards introduced themselves to the Committee:   * Ali Breadon, Partner and National Head of Education at PwC; * Ben Connor, Director at PWC.   PwC had been working with the University Secretary to understand the University and its strategy. A number of introductory meetings had been arranged including the DVSCO, the VC and the Chair of the Board. | | | | | |
| Agenda item  Paper Ref A/4/22/8  Confidential | 8 | | **Risk Management** | | Minute Ref | A/4/22/07 |
| 07.1 | The Committee received the paper and noted that the University had last reviewed its risk appetite statement in conjunction with refreshing the University’s Plan for 2022/23. The review of the University plan provided a significant opportunity for the risk appetite statement to be updated to align with the Plan, to provide a coherent approach to risk management and decision-making. During discussion the following comments were made:   1. members felt that it was critically important that the risk appetite statement was effectively operationalised– this was also reflected in KPMG’s risk management audit recommendation about the need to embed risk appetite (rec 3.4) [paper A/4/22/10v]; 2. in considering the risk appetite statement members considered whether they were comfortable with the levels of risk allocated to each area; 3. it was suggested that section 2.3 should be amended to read: “*The University’s approach to risk is to be open to risk within areas where innovation or new investment is likely to support the delivery of the Transforming Lives strategy, while taking a more moderate or averse approach on issues which could expose us to significant reputational, regulatory, or financial risk….”;* 4. members were assured that the University had benchmarked its approach against other HEIs as part of the development of the risk appetite statement; 5. a member commented on the opportunity rating – would this become out-of-date quickly? The Head of Planning, Risk and Insurance noted that this was included as it was felt that there was a need to recognise that risks also brought opportunities; 6. a member suggested that the statement should link more clearly to the University’s 5 Values. The Director of Strategy, Planning and Insight suggested that linking to Values would be useful as part of training of staff in use of the risk appetite statement; 7. how does the statement change the way staff do their jobs and what should the Committee focus on? In terms of the Committee, it was suggested that it would need to focus more on adverse areas; 8. in relation to Values a member questioned whether the University should have an open risk-appetite to the achievement of its Values. ; 9. Members commended staff on the work to develop the risk appetite statement. | | | | | |
| 07.2 | Members were content to recommend the statement to the Board subject to the comments being incorporated into the statement, as appropriate, by management. | | | | | |
| 07.3 | It was noted that the Committee would receive the risk management framework at its September 2022 meeting. | | | | | |
| Agenda item  Paper Ref A/4/22/9  Confidential | 9 | | **Deep Dive - Financial Risk** | | Minute Ref | A/4/22/08 |
| 08.1 | The Committee received a report on the University’s key financial risks and the potential implications on future financial sustainability of the University. A minute confidential to the Committee was recorded. | | | | | |
| 08.2 | A minute confidential to the Committee was recorded. | | | | | |
| 08.3 | Members had been asked prior to the meeting to consider what deep dive discussions they would like during 2022/23 and it was agreed that members would submit comments to GLSR following the meeting. | | | | | |
| Agenda item  Paper Ref A/4/22/10v | 10v | | **Risk Management Internal Audit Report** | | Minute Ref | A/4/22/09 |
| 09.1 | The Committee received the report which had been graded as significant assurance with minor improvement opportunities. It was noted that the audit had considered how risk management was embedded in the Colleges and the views of the Senior Leadership Group on the development of the University’s risk appetite and processes. The audit had found some inconsistency in recording of risks in college risk registers and that there was a lack of clarity about risk escalation. As noted in minute A/4/22/07.1.1 KPMG had recommended that there was need to embed the risk appetite and risk management processes at both local and corporate level (rec 3.4). | | | | | |
| Agenda item  Paper Ref A/4/22/10 | 10 | | **Internal Audit Progress Report:** | | Minute Ref | A/4/22/10 |
| 10.1 | The Committee noted the following:   1. the IT Cloud Readiness report had not been finalised as further discussions were taking place with management concerning the review and the recommendations. It was agreed that the DVSCO would discuss the report with KPMG and DTS to ensure that any issues were resolved; 2. at managements request, the Chair took chair’s action to approve a request to defer 2021/22 review of estates – project management to 2022/23. The work would be taken forward with PwC; 3. at the May 2022 meeting the Committee noted that the report recommended that the University should identify ‘leading’ value for money indicators (recommendation 3), and that management had responded stating that no action would be taken as indictors were often only available post year-end and therefore had to be lag indictors (minute A/3/22/09.2 refers). Louise Bostock, KPMG, had discussed this further with the Head of Strategic Insight and Data following the Audit and Risk Committee meeting and reported that the University did have a set of leading indicators and management were deciding which to take forward to the annual value for money report (which was due to be submitted to the Committee in September 2022). | | | | | |
| Agenda item  Paper Ref A/4/22/10ii | 10ii | | **International Student Recruitment Internal Audit Report** | | Minute Ref | A/4/22/11 |
| 11.1 | The Committee received the report which had been graded as significant assurance with minor improvement opportunities. It was noted that the review had considered the extent to which the international student recruitment strategy was aligned with the objectives of the University strategy, the sustainability of international recruitment, and how the University was managing to maintain a quality student experience in the context of substantial growth in international student numbers. Agreed management action included work to articulate the approach to managing the risk of a volatile international student market and to develop the model of financial contribution from International Students to ensure that there was a clear picture of the costs involved in recruitment and service delivery, and whether these are variable or fixed costs. | | | | | |
| 11.2 | A minute confidential to the Committee was recorded. | | | | | |
| Agenda item  Paper Ref A/4/22/10iii | 10iii | | **Student Retention Internal Audit Report** | | Minute Ref | A/4/22/13 |
| 13.1 | The Committee received the report which had been graded as significant assurance with minor improvement opportunities. It was noted that three recommendations had been made concerning monitoring performance in relation to student retention, increasing consistency in the use of course improvement plans, and timely and targeted interventions. | | | | | |
| Agenda item  Paper Ref A/4/22/10iv | 10iv | | **Data Privacy: Governance, Third Parties and Policies Internal Audit Report** | | Minute Ref | A/4/22/14 |
| 14.1 | The Committee received the report which had been graded as significant assurance with minor improvement opportunities. It was noted that, management had raised a query following issue of the final report, in terms of actions agreed. KPMG would consider management comments and issue a revised report. Post meeting note: KPMG issued a revised report taking into account management comments. | | | | | |
| Agenda item  Paper Ref A/4/22/11  Confidential | 11 | | **Additional Work Carried Out by the Internal Auditors (KPMG)** | | Minute Ref | A/4/22/15 |
| 15.1 | Staff from PwC and Grant Thornton left the meeting. | | | | | |
| 15.2 | A minute confidential to the Committee was recorded. | | | | | |
| 15.3 | A minute confidential to the Committee was recorded. | | | | | |
| 15.4 | The Committee approved the additional non-audit work. | | | | | |
| Agenda item  Paper Ref A/4/22/12 | 12 | | **Audit and Risk Committee: Annual Business Cycle 2022/23** | | Minute Ref | A/4/22/16 |
| 16.1 | The Committee noted the report. | | | | | |
| Agenda item  A/4/22/15 | 15 | | **Any Urgent Business** | | Minute Ref | A/4/22/17 |
| 17.1 | None. | | | | | |
| Agenda item  A/4/22/16 | 16 | | **Dates of Meetings in 2022/23** | | Minute Ref | A/4/22/18 |
| 18.1 | * Thursday 29 September 2022, 1600 to 1830 * Monday 14 November 2022, 1200 to 1300 * Monday 14 November 2022, 1330 to 1430: Joint meeting with FEC * Thursday 9 March 2023, 1600 to 1830 * Thursday 22 June 2023, 1600 to 1830 | | | | | |