|  |
| --- |
| **CONFIRMED MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2022** |
| PRESENT: |
| Joanna Allen (Chair) | Sameer Kothari |
| Ian Hall | Matt Lilley |
| IN ATTENDANCE: | AGENDA ITEM |
| Michaela Boryslawskyj, University Secretary | All |
| Louise Bostock, KPMG | All except 1 and 11 |
| Andrew Bush, KPMG | All except 1 and 11 |
| Alison Breadon, PwC | All except 1 |
| Simon Briggs,  | 10vii |
| Katy Doherty, Grant Thornton | All except 1 |
| Linda Mason, Director of Strategy, Planning and Insight | 7i and 7ii |
| Katie Stead, Head of Planning, Risk & Compliance | 7i and 7ii |
| Simon Taylor, Interim Chief Finance Officer (CFO) | All except 1 and 15 to 22 |
| Angela Temple, Governance Senior Adviser (Committee Secretary) | All |
| Libby Wilson, Group Director, Infrastructure and Change | 10vii |
| APOLOGIES:  |
| Vickie Brown |

|  |  |  |
| --- | --- | --- |
| Minute Ref | Item of Business | Paper Ref  |
| ARC/2022-09-29/1 | PRIVATE MEETING OF COMMITTEE MEMBERS |  |
| 1.1 | All matters raised in the private discussion were covered elsewhere in the meeting. |
| ARC/2022-09-29/2 | DECLARATIONS OF INTEREST |  |
| 2.1 | There were no declarations of interest. |
| ARC/2022-09-29/3 | INTERNAL AUDIT PROGRESS REPORT 2021/22 (KPMG)**vii. IT CLOUD MANAGEMENT** | ARC/2022-09-29/P10vii.a ARC/2022-09-29/P10vii.b Confidential |
| 3.1 | The Committee received the IT cloud management internal audit report together with a management note concerning the review. KPMG introduced the report, and minutes confidential to the Committee were recorded (ARC/2022-09-29/3.1 (a) to (e). |
| 3.2 | A minute confidential to the Committee was recorded. |
| ARC/2022-09-29/4 | CHAIR’S BUSINESS |  |
| 4.1 | It was **agreed** that the meeting scheduled for Monday 13 Novembershould run from 1100 to 1300 due to the amount of business on the agenda (including private meetings with management and the auditors).  |
| ARC/2022-09-29/5 | MINUTES OF THE PREVIOUS MEETING | ARC/2022-09-29/P4iARC/2022-09-29/P4iiConfidential |
| 5.1 | The minutes of the meeting held on 14 July 2022 were **approved** subject to amending Simon Taylor’s job title (in the list of attendees) to ‘Interim Chief Finance Officer (“CFO”)’. |
| ARC/2022-09-29/6 | MATTERS ARISING | ARC/2022-09-29/P5 |
| 6.1 | **A/4/22/8.3: Corporate risk update: risk deep dives:** Member suggestions for risk deep dives discussions at the March 2023 and June 2023 meetings had been passed to the Deputy Vice-Chancellor Strategy and Operations to review. Proposals would be brought forward to the 14 November 2022. |
| 6.2 | **A/4/22/05.2: TPS:** A minute confidential to the Committee was recorded. The Committee thanked the Head of Pensions Development and Payroll for the update, and it was noted that a further update would be provided at the November 2022 meeting. |
| ARC/2022-09-29/7 | APPOINTMENT OF DEPUTY CHAIR |  |
| 7.1 | It was **agreed** that Ian Hall and Matt Lilley would jointly undertake the role of Deputy Chair.  |
| ARC/2022-09-29/8 | CORPORATE RISK UPDATE | ARC/2022-09-29/P7i |
| 8.1 | The Committee considered the report and noted that the corporate risk register had been reviewed and updated (Appendix 1). |
| 8.2 | The following was highlighted:Risk owners had been updated to take account of changes in leadership since May 2022 and new internal governance arrangements;Minutes confidential to the Committee were recorded (ARC/2022-09-29/8.2 (ii) to (iv). |
| 8.3 | Minutes confidential to the Committee were recorded (ARC/2022-09-29/8.3 (i) to (viii). |
| ARC/2022-09-29/9 | PLANNING, PERFORMANCE AND RISK FRAMEWORK 2022/23 | ARC/2022-09-29/P7ii |
| 9.1 | The Committee noted the proposed transition to a more integrated approach to planning, performance and risk for 2022/23. A new framework had been developed which formalised the approach to considering performance and risk and included regular monitoring of progress against the University plan, the use of performance indicators, as well as a detailed risk management framework (Appendix 1) which operationalised the risk appetite statement. As part of this the University would ensure that the CRR and risk appetite were aligned [minute ARC/2022-09-29/8.3viii refers]. |
| 9.2 | Members supported the introduction of the risk management framework during 2022/23. |
|  |  |
| ARC/2022-09-29/10 | UPDATE BY AUDITORS ON AUDIT MATTERS AND SECTOR ISSUES |  |
| 10.1 | The auditors highlighted the following matters:1. the cost-of-living pressures being faced by both students and staff;
2. pension treatment and reporting were high on external auditors’ agendas;
3. narrative reporting on environmental matters and diversity would be considered by the external auditors as part of their audit work;
4. Grant Thornton would provide their HE sector financial reporting update pack, which included details of key thematic reviews, such as going concern and climate reporting, to members for information.
 |
| ARC/2022-09-29/11 | UPDATE ON EXTERNAL AUDIT |  |
| 11.1 | Grant Thornton reported that the external audit was progressing well, with the majority of the detailed work complete. It was expected that budget and forecast data which was needed to complete the going concern assessment would be available by the end of October 2022. |
| 11.2 | In relation to pensions the Committee noted that in relation to LGPS, Grant Thornton would undertake significant testing on liability linked to management assumptions and whether these were different to Mercers assumptions. Grant Thornton would assess and, if necessary, challenge the University’s treatment of the LGPS liability in the financial statements. Grant Thornton were in contact with South Yorkshire Pensions Authority concerning LGPS and management had been briefed on the work being undertaken including the challenge by Regulators on asset base work. The Chair requested that Audit and Risk Committee should be informed of any concerns about pensions treatment within the financial statements as soon as possible. |
| ARC/2022-09-29/12 | INTERNAL AUDIT PROGRESS REPORT 2021/22 (KPMG)**i. COMPETITON AND MARKETS AUTHORITY COMPLIANCE****ii. IT IDENTITY AND ACCESS MANAGEMENT****iii. FINANCIAL PLANNING** | ARC/2022-09-29/P10i to iii |
| 12.1 | The Committee received the reports on CMA compliance, IT identity and access management, and financial planning which had all been graded as significant assurance with minor improvement opportunities. |
| ARC/2022-09-29/13 | INTERNAL AUDIT PROGRESS REPORT 2021/22 (KPMG)**v. FOLLOW-UP** | ARC/2022-09-29/P10v |
| 13.1 | The Committee received the report and noted that there had been a significant increase in the percentage of outstanding actions that had been either implemented within the original deadline or had been superseded (91% in 2021/22 compared to 66% in 202/21). |
| ARC/2022-09-29/147 | INTERNAL AUDIT PROGRESS REPORT 2021/22 (KPMG)**iv. STUDENT LOAN COMPANY DATA MANAGEMENT****vi. STAFF APPRAISALS****vii. IT ASSET MANAGEMENT** | ARC/2022-09-29/P10iv ARC/2022-09-29/P10vi ARC/2022-09-29/P10vii |
| 14.1 | The ‘to follow’ reports (SLC data management, staff appraisals, and IT asset management) were deferred to the 14 November 2022 meeting. |
| ARC/2022-09-29/15 | DRAFT INTERNAL AUDIT STRATEGY AND OPERATIONAL PLAN 2022/23 (PwC) | ARC/2022-09-29/11 |
| 15.1 | The Committee received PwC’s proposed 2022/23 internal audit plan, which had been discussed with University Executive Board (UEB) and the Executive Leadership Team. The report also highlighted areas that had been considered for inclusion but not prioritised for 2022/23. There were some areas of strategic risk that would not be audited in 2022/23 and these would be addressed in future years. It was important to note that there may be other sources of assurance in place against these strategic risk areas. The University’s assurance map/framework was a key tool in identifying sources of assurance. |
| 15.2 | During discussion the following was noted:1. the audit of the people and staffing strategic risk area was proposed to focus on inclusion and diversity which was a strategically important part of the risk. A member suggested that availability of staff skills was also an area of significant importance, given its relevance to the portfolio review and the structure of academic staffing. It was suggested that the scope of the proposed Q3 review should be discussed further with management with a view to revising the scope of the audit;
2. it was important that PwC ensured that the changes to the risks highlighted in the CRR (ARC/2022-09-29/P7i) had been reflected in the 2022/23 internal audit plan.
 |
| 15.3 | It was agreed that PwC should discuss the scope of the Q1 cyber vulnerability review with management with a view to addressing the matters raised in the 2021/22 Cloud Readiness report as part of the review. |
| 15.4 | The Committee **approved** the Q1 review, subject to management discussion of the scope of the review [minute ARC/2022-09-29/15.3]. |
| 15.5 | It was **agreed** to further consider the 2022/23 plan at the November 2022 meeting once it had been reviewed to take into account the revised CRR, and following the risk discussions at the Board strategy event on 13 October 2022. |
| ARC/2022-09-29/16 | ANNUAL VALUE FOR MONEY REPORT 2021/22 | ARC/2022-09-29/P12 |
| 16.1 | The report was deferred to the 14 November 2022 meeting. It was noted that consideration of the report would inform the Committee’s annual opinion on value for money (VfM). In addition, the internal auditors, KPMG, would also give an opinion on VfM based on their work during 2021/22. |
| ARC/2022-09-29/17 | ANNUAL REVIEW OF COMPLIANCE WITH THE CUC AUDIT COMMITTEE CODE OF PRACTICE | ARC/2022-09-29/P13 |
| 17.1 | The Committee noted the report. |
| ARC/2022-09-29/18 | ANNUAL REPORT ON PUBLIC INTEREST DISCLOSURES 2021/22 | ARC/2022-09-29/P14 CONFIDENTIAL |
| 18.1 | The Committee noted the report. |
|  |  |
| ARC/2022-09-29/19 | ANNUAL REPORT ON INFORMATION GOVERANCE COMPLIANCE | ARC/2022-09-29/P15 CONFIDENTIAL |
| 19.1 | The Committee noted the report, which was the first annual report on information governance. Members commended the report on its informative content. |
| ARC/2022-09-29/20 | REPORT ON WAIVERS OF THE FINANCIAL REGULATIONS | ARC/2022-09-29/P16 CONFIDENTIAL |
| 20.1 | The Committee noted the report.  |
| ARC/2022-09-29/21 | ADDITIONAL WORK CARRIED OUT BY THE EXTERNAL AUDITORS | ARC/2022-09-29/P17 CONFIDENTIAL |
| 21.1 | The Committee noted the report. |
| ARC/2022-09-29/22 | REPORTABLE EVENT NOTIFICATION TO THE OFFICE FOR STUDENTS’ | ARC/2022-09-29/P18 CONFIDENTIAL |
| 22.1 | The Committee noted the report. |
| ARC/2022-09-29/23 | DEADLINES AND REQUIREMENTS FOR 2022/23 DATA RETURNS AND ANNUAL FINANCIAL RETURN 2022 | ARC/2022-09-29/P19 |
| 23.1 | The Committee noted the report. |
| ARC/2022-09-29/24 | AUDIT AND RISK COMMITTEE: ANNUAL BUSINESS CYCLE 2022/23 | ARC/2022-09-29/P20 |
| 24.1 | The Committee noted the report. |
| ARC/2022-09-29/25 | ANY URGENT BUSINESS |  |
| 25.1 | None. |
| ARC/2022-09-29/26 | DATE OF THE NEXT MEETING  |  |
| 26.1 | ARC: Monday 14 November 2022, 1100 to 1300Joint meeting with FEC: Monday 14 November 2022, 1330 to 1430 |