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| **CONFIRMED MINUTES OF THE MEETING HELD ON 9 MARCH 2023** | | |
| PRESENT: | | |
| Joanna Allen (ARC Chair) | Matt Lilley | |
| Ian Hall | Theresa Spencer | |
| Sameer Kothari |  | |
| **IN ATTENDANCE:** | | **AGENDA ITEM** |
| Michaela Boryslawskyj, University Secretary | | All |
| Alison Breadon, PwC | | Item 2 to item 8i |
| Richard Calvert, DVC Strategy and Operations (DVCSO) | | All except 1 |
| Benjamin Connor, PwC | | Item 2 to item 8i |
| Ryan Keyworth, Chief Finance Officer (CFO) | | All except 1 |
| David Shepherd, Deputy Vice-Chancellor (Academic) | | Item 7 and 8 |
| Katie Stead, Head of Planning, Risk and Compliance | | All except 1 |
| Angela Temple, Governance Senior Adviser (Committee Secretary) | | All |
| Deborah Watson, Grant Thornton | | Item 2 to item 8i |
| **APOLOGIES:** Mohammed Hannan | |  |

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| Minute Ref | Item of Business | Paper Ref |
| ARC/2023-03-09/1 | PRIVATE MEETING OF COMMITTEE MEMBERS |  |
| 1.1 | A number of matters were discussed that were subsequently covered in the main meeting. | |
| 1.2 | In relation to the People and Staffing internal audit 2022/23, a member commented that whilst they recognised importance of diversity it was also important to address the request raised by the Committee in November 2022 to consider wider work being carried out by the University which was assessing whether the University had the right staff and skills in the right areas to ensure its academic programmes were delivered [ARC/2022-09-29/15.2 and ARC/2022-11-14/15.1 refer]. The University Secretary suggested that this might be an appropriate area for a Risk deep dive, if not covered by the audit. | |
| ARC/2023-03-09/2 | **DECLARATIONS OF INTEREST** | |
| 2.1 | There were no declarations of interest. | |
| ARC/2023-03-09/3 | **CHAIR’S BUSINESS** | |
| 3.1 | A new Committee member (Theresa Spencer) and attendee (Ryan Keyworth, CFO) were introduced. It was noted that Mohammed Hannan had also joined ARC as the second co-opted member and would attend his first meeting in June 2023. | |
| ARC/2023-03-09/4 | MINUTES OF THE PREVIOUS MEETINGS | ARC/2023-03-09/P4i and 4ii |
| 4.1 | The Committee **approved** the minutes (including the confidential minutes) of the meetings held on 14 November 2022 as an accurate record. | |
| ARC/2023-03-09/5 | MATTERS ARISING | ARC/2023-03-09/P5 |
| 5.1 | **ARC/2022-11-14/1.2: Notice period for resignations:** It was noted that the Governance and Nominations Committee (GNC) had updated guidance in relation to the University’s expectations concerning the normal notice period to cease membership of the Board and its Committees. | |
| 5.2 | **ARC/2022-11-14/7.1: TPS:** The Committee received an update. A minute confidential to the Committee was recorded. | |
| ARC/2023-03-09/6 | RISK MANAGEMENTCORPORATE RISK UPDATE | ARC/2023-03-09/P6i CONFIDENTIAL |
| 6.1 | The Committee considered the report and noted that the corporate risk register and heatmap had been reviewed and updated (Appendix 1). | |
| 6.2 | The following was highlighted:   1. the risks in the register included reference to the categories in the risk appetite statement (minute ARC/2022-09-29/8.3viii refers);   Confidential minutes (ARC/2023-03-09/6.2.2 to 6.2.5) were recorded. | |
| 6.3 | In response to questions/comments the following was noted:   1. should the forthcoming departure of the Vice-Chancellor be included in the corporate risk register*?* The Head of Planning, Risk and Compliance noted the suggestion and felt that it would be useful to get a steer from PwC on how other HEIs had addressed this in their risk registers;   Confidential minutes (ARC/2023-03-09/6.3.2 to 6.3.12) were recorded.   1. a member suggested that it would help to include more trackable KPIs in the CRR. It was noted that KPIs were in place and reported via the University Performance Report (UPR) to the Board. It was noted that the planning, performance, and risk framework (paper ARC/2022-09-29/P7ii) included submitting the UPR to ARC which would allow the Committee to review the risk register in the context of progress against the University’s plan and KPIs; 2. the outcome of the 2023 NSS would be known in July 2023/the summer; 3. the Committee welcomed the incorporation of the categories in the risk appetite statement into risks in the CRR. | |
| 6.4 | Members welcomed the suggested cyber risk deep dive (ARC/2023-03-09/6.3.2 refers). | |
| ARC/2023-03-09/7 | RISK MANAGEMENTii. RISK DEEP DIVE: INTERNATIONAL STUDENT RECRUITMENT AND EXPERIENCE/SUPPORT |  |
| 7.1 | James Richardson, Director of Global Development Partnerships and Claire Gandy, Director of Student Support Services presented an overview of (i) the position in relation to international student recruitment including the key risks and (ii) the support provided for international students. A minute confidential to the Committee was recorded. | |
| 7.2 | A minute confidential to the Committee was recorded. | |
| ARC/2023-03-09/8 | **UPDATE FROM AUDITORS ON AUDIT MATTERS AND SECTOR ISSUES** |  |
| 8.1 | It was noted that a number of insight papers produced by PwC had been shared with members outside the meeting and it was noted that this included the HE Internal Audit Annual Report Benchmarking 2021/22 which included an annual analysis of themes with PwC’s annual opinions. | |
| 8.2 | PwC highlighted an emerging sector concern/risk related to the use of technology (in particular AI) by students as part of their studies. The Deputy Vice-Chancellor (Academic) noted that this related to the OfS Condition of Registration B4 which required the University to assess students effectively and award qualifications that were credible. A sub-group of the Teaching and Learning Committee, the Academic Integrity Steering Group, was developing guidance on the use of AI. This would report to TLC, then Academic Board, then Academic Assurance Committee. | |
| 8.3 | Colleagues from Grant Thornton noted that there were changes to audit standards which would apply for the financial year 2022/23. Further details would be provided as part of the external audit strategy for audit of the financial statements for the year ended 31 July 2023 (to be submitted to the 20 June 2023 ARC). | |
| ARC/2023-03-09/9 | **INTERNAL AUDIT PROGRESS REPORT 2022/23** | ARC/2023-03-09/P8 |
| 9.1 | The Committee received a report on progress with the 2022/23 internal audit programme and noted the following:   1. the final report on the financial controls P2P audit would shortly be issued; 2. there had been no changes to the plan since the last meeting of ARC; 3. the report provided an update on progress to implement previous internal audit recommendations (from KPMG’s reports). There had been some cases where managers had marked an action as ‘complete, for IA review’ but had not provided evidence for PwC to review to verify that the action could be closed. This was thought to be due to managers getting used to the new system whereby internal audit reviewed evidence when an action was marked as complete (rather than evidence being audited as part of a summer follow-up audit of all outstanding actions). It was noted that work was planned by PwC and GLSR to improve understanding of, and engagement with, the new process. 4. that UEB on 28 February 2023 had approved the manager requested revised deadlines for 13 overdue recommendations noted in appendix B; 5. UEB would monitor requests for extended deadlines going forward to ensure that requests were reasonable. A member asked for the commentary to explain the reason for the deadline extension request (which was provided to UEB in the report to the meeting on 28 February 2023) to be provided as part of the report to the ARC. | |
| ARC/2023-03-09/10 | **INTERNAL AUDIT PROGRESS REPORT 2022/23** i. Sector Regulation and Compliance: OfS B Conditions | ARC/2023-03-09/P8i |
| 10.1 | The Committee received the internal audit reports on Sector Regulation and Compliance OFS B Conditions which had been graded as low risk. It was noted that the review considered how the University gained assurance concerning compliance with revised B conditions of registration together with the reporting on key metrics. Two recommendations had been raised (one medium priority and one low priority); the medium priority related to the effectiveness of processes in place around Course Improvement Plans. | |
| 10.2 | The DVCA welcomed the report and noted that the scope of the audit had been primarily focussed on condition B3. There was a governance group in place which considered compliance with all of the B conditions. | |
| 10.3 | The internal audit report would be considered by the Academic Assurance Committee. | |
| 10.4 | Feedback on the structure and format of the internal audit report was welcome. | |
| ARC/2023-03-09/11 | **ANNUAL PERFORMANCE REVIEW OF EXTERNAL AUDIT** | ARC/2023-03-09/P9CONFIDENTIAL |
| 11.1 | The Committee noted that at its meeting on 7 December 2021, the Board of Governors approved the appointment of Grant Thornton as external auditors for a minimum term of three years, plus the option to renew for successive periods of two years, up to a maximum term of seven years, subject to satisfactory annual performance review (minute BG/7/21/18.1 refers). | |
| 11.2 | The CFO was due to meet colleagues from Grant Thornton to discuss their audit work. It was noted that the audit senior, who had worked on the University’s audit for a number of years, had moved to a new role within Grant Thornton: the CFO observed that it would be important to ensure a smooth handover to the new senior. | |
| 11.3 | The structured approach to the review of performance was welcomed. | |
| 11.4 | In line with the Committee’s remit to monitor the performance and effectiveness of the external auditors the Committee agreed that Grant Thornton’s performance had been satisfactory. | |
| ARC/2023-03-09/12 | **ASSURANCE OF DATA RETURNS** | ARC/2023-03-09/P10 |
| 12.1 | The Committee noted the report. | |
| ARC/2023-03-09/13 | REPORT ON REVIEW OF ANTI-BRIBERY POLICY AND UPDATE ON BRIBERY ACT COMPLIANCE MEASURES | ARC/2023-03-09/P11 CONFIDENTIAL |
| 13.1 | The Committee noted the report. | |
| ARC/2023-03-09/14 | **ANNUAL REPORT ON FRAUD** | ARC/2023-03-09/P12 CONFIDENTIAL |
| 14.1 | The Committee noted the report. | |
| ARC/2023-03-09/15 | **ANNUAL PROCUREMENT REPORT 2021/22** | ARC/2023-03-09/P13 CONFIDENTIAL |
| 15.1 | The Committee noted the report, including the likely impacts of the National Procurement Reforms and that additional staffing resource had been brought in to support complex procurement including the ongoing digital procurement. | |
| ARC/2023-03-09/16 | REPORT ON WAIVERS OF THE FINANCIAL REGULATIONS | ARC/2023-03-09/P14 CONFIDENTIAL |
| 16.1 | It was noted that work was ongoing to reduce the number of requests to waive the Financial Regulations and the CFO anticipated that a task for the new Head of Procurement (currently being recruited as the current postholder was leaving the University) would be to review the waiver process. | |
| ARC/2023- 03-09/17 | REPORTABLE EVENT NOTIFICATION TO THE OFFICE FOR STUDENTS’ | ARC/2023-03-09/P15 CONFIDENTIAL |
| 17.1 | A minute confidential to the Committee was recorded. | |
| ARC/2023-03-09/18 | ADDITIONAL WORK CARRIED OUT BY THE EXTERNAL AUDITORS | ARC/2023-03-09/P16 |
| 18.1 | The Committee noted the report. | |
| ARC/2023-03-09/19 | AUDIT AND RISK COMMITTEE: ANNUAL BUSINESS CYCLE 2022/23 | ARC/2023-03-09/P17 |
| 19.1 | The Committee noted the report. | |
| ARC/2023-03-09/21 | DATE OF NEXT MEETING |  |
| 20.1 | Thursday 22 June 2023, 1600 to 1830 | |