

CONFIRMED MINUTES OF THE MEETING HELD ON 26 JANUARY 2022

PRESENT:

Joanna Allen (chair)	Sameer Kothari
Vickie Brown	Matt Lilley
Ian Hall	John Warner

APOLOGIES:

None

IN ATTENDANCE:

AGENDA ITEM

Michaela Boryslawskij, University Secretary	All
Louise Bostock, KPMG	6
Andrew Bush, KPMG	6
Richard Calvert, Deputy Vice-Chancellor Strategy and Operations (“DVCSO”)	4 and 5
Katy Doherty, Grant Thornton	6
Deborah Harry, Chief Finance and Planning Officer (“CFPO”)	4 and 5
Mike Redfern, Grant Thornton	6
Angela Temple, Governance Senior Advisor (Committee Secretary)	All

Agenda item 2

DECLARATION OF INTERESTS

Minute Ref A/1/22/01

01.1 There were no declarations of interest.

Agenda item 3

PRIVATE MEETING OF COMMITTEE MEMBERS

Minute Ref A/1/22/02

02.1 A number of matters were discussed which were then addressed in the private meeting with management or the private meeting with the auditors.

02.2 The Committee noted that the Chief Finance and Planning Officer (CFPO) was leaving the University in March 2022. Interim arrangements had been put in place such that Simon Taylor, Director of Finance would undertake the role of Interim Chief Finance Officer and Linda Mason, Director of Strategy, Planning and Insight, would report directly to the Deputy Vice-Chancellor Strategy and Operations.

02.3 Work was progressing to revise the University’s risk appetite statement (A/5/21/6.2 and 6.3 refer). The Extended University Leadership Team (EULT) had discussed risk appetite on 25 January 2022, supported by the Head of Planning, Risk and Insurance. As reported in November 2021, the Board of Governors would discuss the draft risk appetite statement at its 8 February 2022 update day, following this ARC would consider this on 10 March 2022 and the statement would then be submitted to the Board on 29 March 2022 for approval.

Agenda item 5

PRIVATE MEETING OF COMMITTEE MEMBERS AND MANAGEMENT

Minute Ref A/1/22/03

03.1 Members of the Committee and the University Management discussed a number of areas, including:

The ongoing ESFA audit of apprenticeship provision and the anticipation of an Ofsted inspection early to mid-2022;

An update on the engagement of other firms to undertake some grant audit work (A/5/21/24.2);

An update on the provision and performance of the External Audit process, noting that a formal report on Grant Thornton's performance would be presented to the Committee in March 2022;

Agreed the letters of representation should be amended to remove references to "Dear Sirs";

Noting that a new engagement partner would be appointed following Grant Thornton's successful tender for the external audit work – Debbie Watson, an introductory meeting was scheduled with the CFPO.

03.2 At its meeting in November 2021 the Committee has discussed its annual report and had confirmed its opinions. However, the opinion which was agreed at the November 2021 meeting and presented to the Board of Governors in December 2021, had not specifically referred to internal control or governance. The Committee had received assurance in relation to governance and control through the work of the Committee and via KPMG's opinion. The Committee agreed to amend its opinion on risk management to read:

Based on information presented to it the Committee has concluded that it is satisfied that:

- the University has had systems of risk management, **control and governance** in place that are adequate and effective;

This revised opinion would be noted in the joint meeting with FEC.

Agenda item 4

**AUDIT AND RISK COMMITTEE AGENDA PLANNING/
FUTURE COMMITTEE BUSINESS DISCUSSION**

Minute Ref A/1/22/04

04.1 It was discussed that it would be helpful, particularly for external co-opted members for sufficient time to be scheduled to be apprised on sector developments. The University Secretary noted that the risk updates at each meeting included information about emerging sector risks, but agreed that it would be helpful to draw out more explicitly matters related to the future of the sector.

04.2 The DVCSO noted that a number of sector-wide risks were included in the corporate risk register. The programme of change for the University included two key developments and it was suggested that the Committee may wish to consider the University's approach to managing the processes and the associated risk(s):

1. Portfolio review and the development of the University's offer;
2. Investment in the development of the estate.

04.3 In relation to key milestones for the matters raised in 04.2 above the following was noted:

1. a key portfolio decision related to on-line provision. The Board would be receiving a report on market consultation at its 8 February 2022 meeting. Questions which the Committee could address included how the university managed decisions on portfolio and how well these processes were working;
2. the Board would be asked to consider the contract and costing for the Howard Street development at its 8 February 2022 meeting. Following this construction would commence for 2 to 3 years. As previously noted, this would be managed through the Alliance Model. Management would welcome scrutiny and challenge in relation to whether the Alliance Model (which was unusual for the HE sector) was working as anticipated, perhaps 12 to 18 months into the work. It was noted that KPMG could be asked to support a review in this area.

04.4 The Committee noted that in relation to teaching quality the University had established the Academic Assurance Committee as a sub-committee of the Board of Governors to strengthen oversight between Academic Board and the Board of Governors, and to help the Board discharge its responsibilities in relation to teaching quality and standards.

The Chair suggested that it would be useful for ARC to understand whether there were any risks around teaching quality – in particular where these could impact on other corporate risks. It was agreed to request a briefing for ARC on assurance of teaching quality from the Deputy Vice-Chancellor (Academic).

04.5 In relation to IT risks a member noted that IT internal audits usually focused on IT processes. In addition, an IT risk deep dive (focusing on cyber/DTS) had been agreed by ARC for 2022/23. It was agreed that the deep dive should cover the University's digital vision/roadmap and plan as this would encompass matters such as online provision. Whilst DTS was part of the delivery mechanism for the digital vision it was not the lead. Subject to availability it was agreed to consider a risk deep dive discussion of the digital roadmap and online provision in March 2022.

04.6 As the University diversified its activities it was noted that the risk profile of the institution would change. Lessons learned from the introduction of apprenticeship provision demonstrated the need for careful consideration of risks associated with such new provision.

04.7 The Committee considered how it could ensure it addressed its remit (within the terms of reference as amended in October 2021) to consider culture and sustainability? The following was noted/discussed:

1. in relation to culture, it was noted that GLSR were reviewing cover paper templates so that managers were asked to consider culture and values (including EDI);
 2. the FEC received the annual EDI report and implementation plan;
 3. it was suggested that as part of their questioning members should seek to consider culture and values;
 4. at the November 2021 meeting the Committee had suggested that that a risk deep dive of the staffing and people risk may be helpful (A/5/21/6.5iii refers). A member suggested that such a deep dive could include an update on culture and values;
 5. in relation to sustainability, a member asked if the Committee's remit was to consider only financial sustainability or whether this extended to broader sustainability including environmental. The University Secretary noted that the Audit Code of Practice viewed sustainability narrowly, but that in view of the University's strong civic commitment it was important to consider wider sustainability matters.
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04.8 In view of the departure of the CFPO it was agreed to defer the proposed financial risk deep dive to May 2022. This would also be more timely as some of the implications of the Future Strategy Programme would be clearer by May 2022.

04.9 *Was the University's approach to student harassment within the remit of the Committee?*
The University Secretary confirmed that the Committee could seek assurance around any activities of the University. The Committee noted that the Academic Assurance Committee had received specific assurances in this area, including receiving reports on the work of the institutional steering group lead by Joe Rennie, Director of Student and Academic Services. The Board of Governors had also received updates on this area, in particular on the Office for Students' (OfS) statement of expectations in relation to harassment and sexual misconduct. A Protect and Respect session was being held for the Board of Governors on 8 March 2022. It was thought that the OfS may introduce a new condition of registration related to this area. It was suggested that it would be useful to consider whether there was any need for Audit and Risk Committee scrutiny in relation to this area following the 8 March 2022 session.

04.10 The pensions briefing session for the Board of Governors held 17 January 2021 (A/5/21/1.2iii) had been excellent and members thanked the staff who had delivered the session. It was suggested that assurance through briefings was a useful model to adopt

and the Committee should consider use of management briefings as a tool for future assurance.

04.11 The following was agreed for future agendas:

1. estates programme – to consider a review of the operation of the Alliance Model and its management of the Howard Street building project, possibly by KPMG, in 12 to 18 months;
2. digital vision/roadmap and online provision risk. March 2022 (subject to availability)
3. Risk process – to follow on from the commercial risk discussion (held in November 2021). How does the University identify risks?
4. Financial risk. May 2022

In addition, the Committee should consider how it can put a questioning framework in place which ensures that it addresses equality, culture and sustainability

Agenda item 6

PRIVATE MEETING OF COMMITTEE MEMBERS AND AUDITORS

Minute Ref A/1/22/05

05.1 Grant Thornton provided an update on their work since the November 2021 ARC meeting, including:

- completion of their review of the University’s going concern assessment; and
- a review of assumptions applied in the FRS102 calculation for the LGPS for reasonableness, noting that management had adopted alternative assumptions which had been benchmarked against those used by other universities and were found to be reasonable.

05.2 The Committee thanked Grant Thornton for their work on the external audit.

05.3 KPMG provided an update against the action for KPMG to share their benchmarking of risk registers with the University and the Committee (A/5/21/6.5iv); advising that the work was on-going, but should be ready to share with the Committee at its March 2022 meeting.

05.4 It would be helpful for KPMG and Grant Thornton to consider how they could support the Committee through horizon scanning for regulatory change¹.

Agenda item 7

ANY OTHER BUSINESS

Minute Ref A/1/22/06

06.1 None

Agenda item 12

DATE OF NEXT MEETINGS

Minute Ref A/1/22/07

07.1 Joint meeting with FEC: Wednesday 26 January 2022; 1330 to 1430
Thursday 10 March 2022, 1600 to 1800

¹ the auditors were formally scheduled to provide sector and audit updates to ARC biennially