

MINUTES

AUDIT AND RISK COMMITTEE, AR-117

Date:	Tuesday 2 June 2020
Time:	1500 for external Committee Members and <u>internal</u> Auditors; 1530 for all other attendees
Location:	Microsoft Teams online meeting

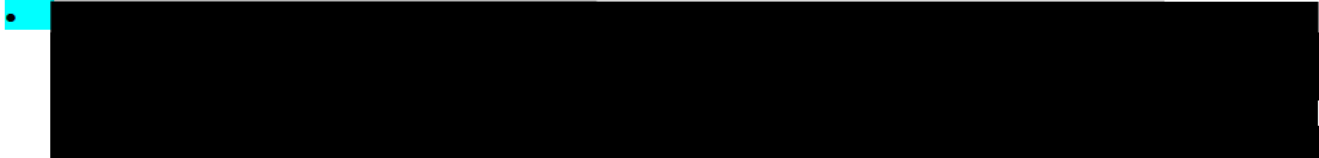
Notes:

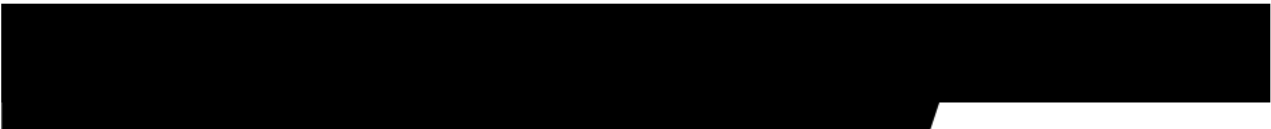
1. *Items marked with an asterisk (starred items) were for information only or regarded as noncontentious. Starred items will not be discussed and will be assumed to have been noted or approved unless a request to unstar a named item is received from a Board member in advance, or at the commencement, of the meeting.*
2. *Items classified as Confidential, and their subsequent minutes, will be redacted before publication of the agenda and minutes on the University's public website.*

Members		
Kevin Gould (Chair)	External Member	P
Cathryn Hickey	External Member	P
Baljinder Kuller	External Member	P
Sara Williams (Deputy Chair)	External Member	P
In attendance		
Professor Liz Barnes	Vice Chancellor	A
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Mark Breese	KPMG (external audit)	IA
Mark Dawson	KPMG (external audit)	IA
Clare Mayer	Business Risk Manager	IA
Sally McGill	Chief Financial Officer	IA
Lisa Randall	RSM (internal audit)	IA
Lauren Rooke	Assistant Clerk to the Board of Governors (minutes)	IA

P = Present (via Teams); A = Apologies; IA = In Attendance (via Teams)

1500 - 1530 Pre-meet for external Committee Members with internal auditors (without the presence of University staff)

1 MEETING MANAGEMENT	
1702	Apologies for absence were received from Liz Barnes.
1703	There were no new Declarations of interest .
1704	The Minutes of the last meeting of the Committee , 10 Mar 2020 AR/117/01, were signed as a true and accurate record.
1705	Matters arising: 

	 <ul style="list-style-type: none"> • Minute 1691 – Asbestos Internal Audit Report – it was noted that this had been referred to the 19 May 2020 Sustainability and Resources Committee. • Minute 1692 – University Level Risk Registers – it was noted that these had been approved by the Board of Governors at their meeting on 1 April 2020. • Minute 1693 – University Risk Appetites – it was noted that these had been approved by the Board of Governors at their meeting on 1 April 2020. • Minute 1696 – External audit retender – it was noted that following approval at the last meeting, this had been referred to the Sustainability and Resources committee for noting, however Audit and Risk Committee had subsequently agreed to defer the retender until a more appropriate time, and appointed KMPG for a further period to cover the audit for the financial year ending 31 July 2021. • Minute 1699 – Apprenticeships – Lessons Learnt – it was noted that this report on had been received and discussed at the 1 April 2020 Board of Governors meeting.
1706	The committee received for information the *Overview of annual business for 2019-20* AR/117/02.
2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
1708	<p>The committee discussed the following Internal Audit Reports 2019-2020:</p> <ul style="list-style-type: none"> i) Student Hub Implementation (<i>reasonable assurance</i>) AR/117/03 (available on SharePoint) introduced by Lisa Randall of RSM, who noted that since the approval of the business case for the Student Hub, the Strategic Change Board had been introduced to ensure full oversight of such projects. ii) Staff Engagement (<i>substantial assurance</i>) AR/117/04 (available on SharePoint) introduced by Lisa Randall, who noted that two low priority actions were in place for management. iii) International Student Recruitment (<i>reasonable assurance</i>) AR/117/05 (available on SharePoint) introduced by Lisa Randall, who noted that the continuing impact of Covid-19 on international recruitment would be unknown for some time and clarified that the focus of this review had been on existing recruitment processes and procedures rather than overall international strategy. iv) Audit Follow-up AR/117/06 (available on SharePoint) introduced by Lisa Randall, who noted that this report had been discussed during in the pre-meet. v) Internal Audit Progress Report AR/117/07, introduced by Lisa Randall of RSM, who highlighted that remote-working and necessary deadlines had been taking into consideration when draft implementation dates had been agreed. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Kevin Gould asked about tracking of the actions arising from the ESFA mock-audit carried out earlier in the year. Ian Blachford confirmed that the resulting actions were tracked via the Outstanding Audit Actions tracker (despite the review being outside the internal audit plan) and that an action plan was being developed separately by the Apprenticeships team. It was agreed that this would be highlighted at the next committee meeting. • Kevin Gould commended the presentation of the reports and the level of detail. <p>The committee approved the internal audit reports.</p>
1709	<p>The committee received and discussed the Risk management framework update AR/117/08, introduced by the Business Risk Manager, who noted that the report set out the position to date and included an update on the impact of Covid-19 on the University’s high-level risk registers (which would be presented to the next committee meeting, as per the schedule).</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Kevin Gould asked when Covid-19 and risk would next be considered by the Board and Ian Blachford confirmed that a paper on the impact of Covid-19 on strategy to 2030 would be discussed at the June Board meeting.
1710	<p>The committee received and discussed the Internal audit plan 2020-21 AR/117/09, introduced by the Chief Operating Officer and Lisa Randall, who noted that this had been drafted following extensive discussion, first at the March 2020 Audit and Risk Committee and then at Executive, and analysis by RSM of the University’s corporate objectives, its HLRs, and the external landscape.</p>

	<p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] [REDACTED] <p>The committee approved the internal audit plan 2020-21, agreeing to recommend this to the Board of Governors for formal approval.</p>
3 FOR INFORMATION	
1711	<p>The committee received for information the *Outstanding actions against earlier internal audit reports 2018-19 and 2019-20* AR/117/10 and 11, presented by the Business Risk Manager.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Kevin Gould asked whether the relevant tracker document this had been updated in light of RSM's Audit Follow-Up report. Clare Mayer confirmed that this was the case. Kevin also requested that in future, a high/medium/low rating be added to any outstanding actions.
1712	<p>The committee received for information the KPMG 2019-20 audit planning memorandum AR/117/12 (<i>unstarred at the Chair's request</i>), noting the following main points:</p> <ul style="list-style-type: none"> The memorandum set out the proposed audit plan and fee schedule for the 2019/20 external audit and identified key risks for focus. The increased risk to going-concern reflected the impact of Covid-19, which remained uncertain but could potentially lead to reductions in student enrolment for 2020-21 (and corresponding impact on income) as well as the ability to deliver teaching, research and other services. A slight increase on last year's fee schedule reflected a change in audit guidance requiring additional work (requiring two new notes to the accounts: one regarding fees and funding and one regarding APP spend), as well as the audit of SUS Ltd, which had furloughed staff during the pandemic. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Mark Dawson noted that in terms of the timing and logistics of the work, Covid-19 was unlikely to have a significant impact on schedules and that had been liaising with the relevant teams in Finance to ensure that collaboration will be remote where required. Mark highlighted that confirmation of independence was detailed in the document.
1713	The committee received for information the *CIA internal audit Code of Practice* AR/117/13.
1714	The committee received for information the KPMG HE technical update – spring 2020 AR/117/14.
4 ADDITIONAL MATTERS	
1715	<p>How have we made a positive impact on our students today?</p> <p>It was agreed that the in-depth audit work into the implementation of the Student Hub and international recruitment processes was key to improvements in those areas. Furthermore, next year's audit plan would place significant focus on the student experience across different areas of the University's operation.</p>
1716	There were no additional matters .
1717	<p>Items to be referred to Sustainability and Resources Committee:</p> <p>NONE</p>

1718	Items to be referred to Board of Governors: For approval a) Minute 1710 – Internal Audit Plan 2020-21 For noting NONE
1719	Next meeting: Tues 27 October 2020 (University House, Leek Rd campus)