

AUDIT AND RISK COMMITTEE
Thursday 23 June 2022

CONFIRMED MINUTES

Present:

Peter Thompson (Chair)
Dr Alix Pryde

Simona Fionda

James Hedges

In attendance:

James Aston [External audit]
Karen Kröger

Professor Colin Bailey
Dr Nadine Lewycky

Sarah Durrant [External audit]
Charles Medley [Internal
audit]

Jonathan Morgan
Janice Trounson

Dr Catherine Murray

Neil Thomas [Internal audit]

Apologies:

Celia Gough

Welcome

2021.049 The Chair welcomed everyone to the meeting.

Minutes of the meeting held on 16 March 2022 [ARC2021/43]

2021.050 The Committee **confirmed** the confidential and non-confidential minutes of 16 March 2022.

Matters arising [ARC2021/44]

2021.051 *Minute 2021.051 is confidential.*

Risk register update and external risks [ARC2021/46]

2021.052 *Minute 2021.052 is confidential.*

Compliance with ongoing conditions of registration [ARC2021/47]

2021.053 The Committee **noted** recent correspondence with the Office for Students (OfS) on compliance with the ongoing conditions of registration in the context of the current industrial action. The following points were noted in the discussion:

- [a] The OfS had contacted the university in May under its notification procedure after receiving messages from students about our approach to industrial action and its alleged impact on their education and consumer rights. It was automatic for the OfS to contact the university and we were not in an escalation situation.

- [b] The headings in the letter mapped directly on to the OfS guidance on how to approach industrial action. Our policy on pay deductions for partial performance had been an attempt to avoid disruption to students. Students were engaged in the Industrial Action contingency group which monitored where teaching had been made up, developed solutions and communicated these to students.
- [c] The Committee asked about the robustness of the assurance process to capture instances where teaching was not being made up. Staff at all levels in Schools and Faculties were being asked to confirm where teaching was being made up. Issues raised by students were being followed up by Heads of Schools. Management was receiving fewer emails from students than during strikes in previous years.
- [d] The Committee asked if there would be an issue with the academic assurance in marking following a news article about external examiners which referenced Queen Mary. However, it was explained that it was not unusual for external examiners to resign during industrial action. We would ensure that we had enough externality in our assessment processes to provide the necessary assurance.

Review of budget assumptions [ARC2021/48]

2021.054 *Minute 2021.054 is confidential.*

Internal audit progress report and internal audit plan 2022–23 [ARC2021/49]

2021.055 The Committee **noted** the internal audit progress report and discussed the internal audit plan for 2022–23. The following points were noted in the discussion:

- [a] Field work had been completed for the final reports which would be presented to the Committee at the first meeting of the next academic year. The Committee was being asked to comment on the first draft proposal of assignments for next year with the full plan coming to the next meeting.
- [b] The Committee asked how internal audit could be used to test the processes in place around academic assurance. As an outcome of the external review of Council effectiveness, we would be undertaking a mapping exercise and clarifying the roles and responsibilities in relation to academic governance. We could be clearer that much of what Council already received was related to academic governance. Audits on faculty governance would also touch on academic governance.
- [c] The Committee asked for a management paper or deep dive on recruitment and retention.

Planned internal audit reports [ARC2021/50]

2021.056 The Committee **noted** the planned internal audit reports.

External audit plan 2021–22 and fees [ARC2021/51]

2021.057 The Committee **considered** the external audit plan 2021–22 and fees. The following points were noted in the discussion:

- [a] The materiality level would be 1.75% rather than 2% which was used by Deloitte in previous audits. This was within the sector norm and was the practice adopted by BDO for first year clients.
- [b] Audit standard ISA 315 would be mandatory next year and would impact on the time required to complete the audit by 15–30% with a corresponding uplift in fees. The Committee said that this had not been raised during the tender process, and that it would be a significant and unexpected increase in fees following the initial year of audit. They asked the Chief Financial Officer to seek greater clarification on fees from BDO.
- [c] The Committee **approved** the external audit plan for 2021–22 subject to further clarification on costs.

Action: [b] Chief Financial Officer

Overview of annual report process [ARC2021/52]

2021.058 The Committee **considered** the overview of annual report process. The following points were noted in the discussion:

- [a] The paper outlined the proposed timeline for completion and review of the annual report which would accompany the financial statements. The Committee was being asked to comment on the timescales and the areas identified as key highlights for the report.
- [b] The Committee agreed with the key highlights and significant issues. The launch of the Digital Institute would be added as a case study.

Fraud/financial irregularities occurring since the last meeting [Oral report]

2021.059 *Minute 2021.059 is confidential.*

Revised capital policy [ARC2021/53]

2021.060 The Committee **considered** and **approved** the revised capital policy.

Annual schedule of business 2022–23 [ARC2021/54]

2021.061 The Committee **considered** the annual schedule of business for 2022–23. The following points were noted in the discussion:

- [a] Early findings from the effectiveness review had flagged academic assurance and HR as areas requiring greater engagement in the Committee structure.
- [b] Proposals for deep dive topics included blended learning and the impact on student satisfaction; and the university's relationship with the NHS, although it was noted that a deep dive which included the NHS would be difficult at

this time due to the political and financial pressures of the current re-organisation.

[c] It was important to ensure that the various deep dives on cross cutting themes were undertaken by the right committee. A schedule of deep dive presentations for Council, Finance and Investment Committee and Audit and Risk Committee would be drafted and circulated by email for comments.

Action: [c] Chief Governance Officer and University Secretary

Whistle blowing cases since the last meeting [ARC2021/55]

2021.062 *Minute 2021.062 is reserved.*

***Draft agenda for the next meeting [ARC2021/56]**

2021.063 The Committee **noted** the draft agenda for the next meeting on 27 September 2022.

Dates of meetings in 2022–23:

- Tuesday 27 September 2022 at 1500 hours, Rooms 2.16/2.17, Department W.
- Wednesday 09 November 2022 at 1500 hours, Rooms 2.16/2.17, Department W.
- Monday 13 March 2023 at 1500 hours, TBC.
- Thursday 22 June 2023 at 1500 hours, TBC.