

AUDIT AND RISK COMMITTEE
Tuesday 09 March 2021

DRAFT UNCONFIRMED MINUTES

Present:

David Willis (Chair)
Dr Alix Pryde

Simona Fionda
Peter Thompson

James Hedges

In attendance:

Professor Colin Bailey

Michelle Hopkin [external
audit]

Karen Kroger

Dr Nadine Lewycky

Charles Medley [internal
audit]

Dr Darryn Mitussis

Jonathan Morgan

Dr Catherine Murray

Julian Reeve [external audit]

Paula Sanderson

Neil Thomas [internal audit]

Janice Trounson

Craig Wisdom [external audit]

Apologies:

None

Welcome

2020.043 The Chair welcomed James Hedges, co-opted member; Paula Sanderson, Chief Operations Officer, and Karen Kroger, Chief Financial Officer to their first meeting of the Committee. The Chair welcomed Michelle Hopton from Deloitte who would be taking over from Julian Reeve as the external audit manager. The meeting was being held by video conference to ensure the continuation of good governance during the coronavirus pandemic.

Minutes of the meeting held on 10 November 2020 [ARC2020/34]

2020.044 The Committee **confirmed** the confidential and non-confidential minutes of 10 November 2020.

Matters arising [ARC2020/35]

2020.045 The Committee **noted** the matters arising from the meetings held on 01 October and 10 November 2020. The following points were noted in the discussion:

Cyber security

[a] The Committee asked whether the reports should include all incidents reported to the Information Commissioners Office (ICO). The threshold for the ICO was low which might result in the Committee receiving a high volume of low risk incidents. The Committee might more usefully receive reportable incidents where the ICO has indicated that further action is necessary. The Chief Governance Officer and University Secretary would consult with the data protection lead about the appropriate reporting level.

- [b] The Committee noted that the university had taken out £10m worth of cyber security insurance.

Action: [a] Chief Governance Officer and University Secretary

Strategic Risk Register [ARC2020/36] and Strategic KPI update [ARC2020/37]

2020.046 *Minute 2020.046 is confidential.*

TRAC 2019–20 [ARC2020/38]

2020.047 The Committee **considered** the processes for completing the TRAC return for 2019–20. The following points were noted in the discussion:

- [a] The TRAC advisory group had met and found nothing of significance in the results. The process had not changed from last year. KPMG had audited the process in 2018, which had a high assurance rating, and would be asked to undertake a further review this year.
- [b] Our data was benchmarked against other similar types of universities. We lagged behind the Russell Group in overhead recovery on funded research. Under the leadership of Professor Andrew Livingston, Vice-Principal (Research) we were beginning to see improvements in this area.
- [c] The Committee said that the government strategy to move funding away from the Humanities and Social Sciences (HSS) towards Science, Technology, Engineering and Medicine (STEM) may make securing research funding in HSS more challenging. The government was concerned about the size of the student loan book while encouraging more students into Further Education. A strategic teaching fund would potentially replace the teaching grant and focus funding on Band A (Medicine) and B (Science) subjects. The USS Pension scheme and the possibility of a travel ban in September were two of the biggest risks to university income.
- [d] The pandemic response had influenced how staff spend their time and there was concern about how this would inform the government position on universities. Many clinical staff had supported the NHS with less time being available for research or teaching activities than in a normal year. The contraction of research this year could impact the scale of research grants in the future. This was being discussed at sector level with the Office for Students.
- [e] The Committee asked if the President and Principal, as the accountable officer, was content to sign off the return, which he confirmed. The Committee **approved** the processes for completing the TRAC return for 2019–20.

External audit plan 2020–21 and fees [ARC2020/39]

2020.048 *Minute 2020.048 is confidential.*

Update on internal audit recommendations [ARC2020/40]

2020.050 The Committee **considered** the updated internal audit plan and recommendation tracker. The following points were noted in the discussion:

Internal audit plan update

- [a] Much of the data on widening access was provided externally and was reviewed in other contexts. A review of registration data would provide assurance on widening access and other areas that related to student funding. A review of widening access could be revisited if the external audit identified any issues. Widening access would be considered as a topic for inclusion in next year's internal audit plan.

- [b] The review on staff conduct was being delayed so that data could be gathered on the new HR policies. A proposal for a topic to replace staff conduct in the internal audit would be circulated to the Committee for approval before the next meeting.

Internal audit recommendation tracker

- [c] Since the last meeting, the deadline for all overdue items had passed. The number of overdue actions was fewer than at some other institutions and showed commitment to taking forward the recommendations.

Actions: [b] Chief Governance Officer and University Secretary

Planned internal audit reports: [ARC2020/41]

- Digital learning
- Financial control and governance during Covid

2020.051 The Committee **considered** the planned internal audit reports. The following points were noted in the discussion:

Digital learning

- [a] The review showed the introduction of a strong infrastructure and evidence of good practice for which the Committee commended the Vice-Principal (Education) and her team.

- [b] The Committee asked if management had determined the ideal number of online learning platforms. The plan was to settle on a small number of platforms that allowed for flexibility across disciplines.

Financial control and governance during covid

- [c] *Minute 2020.051[c] is confidential.*

- [d] The Chief Financial Officer said that she was comfortable that the areas identified for additional controls did not pose significant risks to the institution. New controls had been introduced and a wider review of the processes would be undertaken.

Consumer protection during the pandemic [ARC2020/42]

2020.052 The Committee **considered** the report from the review of compliance with consumer law during the pandemic. The following points were noted in the discussion:

- [a] The review had been introduced by the Office for Students (OfS) this year. The report showed that the consistency of our communications between local areas and the centre had improved over time. Our engagement with students about in-person activity had been very important, and Schools and Institutes had done this well.
- [b] The Committee asked if there was value in running a similar exercise for postgraduate taught students. Controls and systems around communications would be the same but there may be value in reviewing courses with significant practical elements.
- [c] The Committee commented on the value of the exercise for informing internal processes around communications to external stakeholders and students.
- [d] The Committee asked whether there had been complaints made by our students to the Office of the Independent Adjudicator for Higher Education (OIA) in relation to this year's offer. Students were required to complete the provider's internal complaints process before complaining to the OIA so this would not have happened yet.
- [e] There were a small number of international students in the School of Medicine and Dentistry who had been unable to travel to the UK and had been unable to complete the clinical element of their programme. We were looking at how to support these students.

Whistle blowing cases since the last meeting [Oral report]

2020.053 *Minute 2020.053 is confidential.*

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

2020.054 *Minute 2020.054 is confidential.*

Annual review of internal and external auditor appointments [ARC2020/43]

2020.055 *Minute 2020.055 is confidential.*

Draft agenda for the next meeting [ARC2020/44]

2020.056 The Committee **noted** the agenda for the meeting on Tuesday 08 June 2021 with the addition of the bi-annual cyber security report.

Dates of meetings in 2020–21:

- Tuesday 8 June 2021 at 1500 hours via Zoom.

