

**MEETING OF THE AUDIT AND RISK COMMITTEE**

**MONDAY 13 MARCH 2023**

**In person, 4.04 Beacon House, 14:00**

**MINUTES**

**Members present:** Ololade Adesanya (Chair, independent trustee), Julie Goldstein (additional member), Stephen Robertson (independent trustee).

**In attendance:**

Mick Axtell (Chief Financial Services Officer), Jack Boyer (Chair of the Board of Trustees), Jane Bridgwater (General Counsel and Deputy University Secretary - in attendance for item 11 (Report of Whistleblowing Officer and item 12 (UoB Compliance with Regulatory Framework for HE)), Andy Carr (Deputy Chair of the Board of Trustees), Helen Cole (Senior Governance Officer), Ruth Day (student trustee), Sola Fadojutimi (RSM Risk Advisory Director and paper author of RSM Confidence Review in attendance for item 8 Temple Quarter), Linda Fletcher (independent trustee), Harrison Gorst (student trustee) Tom Loader (Internal Audit Manager), Lucinda Parr (Registrar and University Secretary), Caroline Relton (academic trustee), Jason Smerdon (Group Finance Director), Judith Squires (Deputy Vice-Chancellor and Provost).

Internal Auditor: David Broughton (RSM Audit Partner) in attendance for the entire meeting.

External Auditor: Colin Bates (PwC Audit Partner) in attendance for the entire meeting.

**Apologies:** Mary Bishop (additional member), Evelyn Welch (Vice-Chancellor)

**1. MINUTES OF THE PREVIOUS MEETING**

1.1 The minutes of the meeting on 16 January 2023 were **APPROVED** as a true and accurate record of the meeting.

**2. MATTERS ARISING & ACTIONS**

2.1 RECEIVED and **NOTED** (*on file*).

2.2 Agreed that in the future the action log would reference a specific target meeting date.  
**Action: Secretary**

**3. FORWARD PLAN**

3.1 RECEIVED and **NOTED** (*on file*).

3.2 It was noted that Value for Money (VfM) would be brought to the June meeting.

3.3 It was agreed that an additional 30 minutes would be added to the October meeting schedule given the volume of items.

3.2 It was agreed that University Risk Appetite should be added to the October meeting agenda. The Risk Appetite Statement was scheduled to be considered by the Board in July.

**Action: Secretary**

**4 DECLARATIONS OF INTEREST**

4.1 There were none.

**5 CHAIR'S BUSINESS**

5.1 **NOTED** that recruitment for additional independent trustees to join the Committee was about to begin via a search firm. A further update will be provided to the Committee in due course.

**6 SUMMARY OF FINANCIAL PERFORMANCE & MAJOR PROJECTS – INCLUDING 1 PAGE DASHBOARDS ON MAJOR PROJECTS AND DIGITAL STRATEGY**

6.1 RECEIVED: paper ref: **AUD/22-23/023** (on file).

6.2 The Committee **DISCUSSED** the financial performance for the six months ended 31 January 2023, together with the status of Major Projects and the status of the Digital Strategy Programme.

6.3 The following was highlighted during discussions:

6.3.1 [REDACTED likely to prejudice commercial interests]

6.3.2 [REDACTED likely to prejudice commercial interests]

6.3.3 [REDACTED likely to prejudice commercial interests]

6.4 The Committee was assured that management was taking appropriate action to address any identified issues.

**7 KEY UNIVERSITY RISKS (KURR)**

7.1 RECEIVED and **APPROVED**: paper ref: **AUD/22-23/024** (on file).

7.2 The Committee **NOTED** its role in relation to the KURR, as defined in its Terms of Reference: a) reviewing the effectiveness of the University’s risk framework, policies, processes and culture and its appetite for risk and recommending any changes to the Board and; b) reviewing the University’s risk register(s) ensuring that major risks are appropriately recognised and the controls and plans to mitigate them are being managed and advising the Board on the risk register(s).

7.3 The Committee **CONSIDERED** the articulation of the University’s risk profile, noting that the timelines around key actions and the allocation of a senior risk owner would be included in the risk register from the next meeting onwards.

7.4 During discussions the following highlighted:

7.4.1 [REDACTED likely to prejudice commercial interests]

**Action: Secretary**

7.4.2 [REDACTED likely to prejudice commercial interests]

7.4.3 . [REDACTED likely to prejudice commercial interests]

**Action: DVC & Provost**

7.4.4 [REDACTED likely to prejudice commercial interests]

7.4.5 [REDACTED likely to prejudice commercial interests]

7.4.6 [REDACTED likely to prejudice commercial interests]

**Action: Registrar & University Secretary**

7.4.7 The Committee was assured that major risks were being appropriately recognised and the controls and plans to mitigate them were being managed.

7.5 The Committee **APPROVED**:

a) the articulation of the University’s risk profile as an accurate representation of the current exposure to, management of, and appetite for risk and;

b) . [REDACTED likely to prejudice commercial interests]

**8 Temple Quarter CM1 Construction**

8.1 RECEIVED and **CONSIDERED**: paper ref: **AUD/22-23/025** (on file).

8.2 The Committee was reminded of the discussions had at the briefing meeting on 10 March 2023, where both ARC and some Board of Trustees members were present. The intention of the briefing was to ensure that members had sufficient and relevant information to enable them to make a recommendation to the Board of Trustees at the meeting on 30 March 2023, ARC members were asked to alert the Chair post-meeting if there was anything they felt they needed to help inform their decision making. ARC members were also given the opportunity to ask questions – both questions and answers were captured **[REDACTED likely to prejudice commercial interests]**

8.3 Audit & Risk Committee **CONSIDERED** the Temple Quarter Phase 1 Commitment Decision Slide Deck with specific attention being paid to risk, governance, and in particular the RSM Delivery Confidence Review report.

8.4 The Committee reviewed the following:  
**[REDACTED likely to prejudice commercial interests]**

8.5 The Committee discussed the matters above as they related to their own delegated authority and terms of reference, as follows:

8.5.1 **[REDACTED likely to prejudice commercial interests]**

8.5.2 **[REDACTED likely to prejudice commercial interests]**

8.5.3 **[REDACTED likely to prejudice commercial interests]**

**Action: DVC & Provost**

8.5.4 **[REDACTED likely to prejudice commercial interests]**

8.5.5 **[REDACTED likely to prejudice commercial interests]**

8.5.6 **[REDACTED likely to prejudice commercial interests]**

**Action: DVC & Provost**

8.5.7 **[REDACTED likely to prejudice commercial interests]**

8.5.8 **[REDACTED likely to prejudice commercial interests]**

8.5.9 . **[REDACTED likely to prejudice commercial interests]**

8.5.10 . **[REDACTED likely to prejudice commercial interests]**

8.5.11 . **[REDACTED likely to prejudice commercial interests]**

8.6 The Committee was provided with an overview of the discussions held at the University Executive Board (UEB) meeting earlier today. **[REDACTED likely to prejudice commercial interests]**

8.7 The Committee **NOTED** that questions and answers from today’s meeting had been captured **[REDACTED likely to prejudice commercial interests]**

8.8 **[REDACTED likely to prejudice commercial interests]**

8.9 Members requested that the Committee be able to make its determination without additional visitors present, and with Mary Bishop, who was not present at today’s meeting. The outcome of that discussion would be attached to these minutes as a formal record.

**Action: Secretary**

**9 STRATEGIC RISK FOCUS: INFLATION (7F)**

9.1 RECEIVED AND NOTED: paper ref: **AUD/22-23/026** (on file).

9.2 The Committee **CONSIDERED** the overview of the latest inflation predictions, along with the modelling of potential scenarios, and the description of planned actions to reach the target residual risk score.

9.3 The Committee requested a copy of RSM's recent economic report on inflation for circulation to the committee.

**Action: Internal Auditor**

9.4 The Committee **NOTED** that there were many different unpredictable factors driving inflation and whilst it should accept the OBR's predictions, it was also very aware that there was a considerable range of possibilities around inflation. Likewise, whilst the general inflationary figures are one thing, CPI, RRPI and other types of inflation are very context driven – for example building inflation may describe a very different curve than say CPI inflation.

9.5 The Committee was reassured to see in the report a very helpful representation of the cash balances and interest cover, the broad size of the challenges, the timescale and the references to where the University might need to take stronger action.

9.6 The Committee emphasised that this represented a real opportunity for sector collaboration because the challenges were not unique to this university. The sharing of lessons learnt would be important.

## **10 INTERNAL AUDIT PROGRESS REPORT**

10.1 **RECEIVED** and **CONSIDERED**: paper ref: **AUD/22-23/027** (*on file*).

10.2 The Committee **CONSIDERED** the progress update for the audits on the 2022/23 internal audit plan, **NOTING** that:

### **10.2.1 [REDACTED likely to prejudice commercial interests]**

10.3 The following was highlighted during discussions:

10.3.1 **[REDACTED likely to prejudice commercial interests]** **Action: Internal Auditor**

## **11 REPORT OF WHISTLEBLOWING OFFICER INCLUDING REPORT ON DISCLOSURES UNDER POLICY FROM 12 March 2022 – 28 February 2023**

11.1 **RECEIVED** and **NOTED**: paper ref: **AUD/22-23/028** (*on file*).

11.2 **NOTED** that the Report which had been submitted under Section 2.1.2 (g) of the Committee's Terms of Reference "Regulatory assurances and compliance" "Reviewing and advising the Board on reports from the Executive on whistleblowing."

11.3 **NOTED** that the Whistleblowing Officer ("WBO") had received one disclosure under the Policy during the period 1 April 2022 - 27 February 2023. This was the only disclosure received since the launch of the new Policy in 2022.

11.4 During discussions the following was highlighted:

11.4.1 **[REDACTED likely to prejudice commercial interests]**

**Action: Registrar & University Secretary**

**12 UPDATE: UOB COMPLIANCE WITH REGULATORY FRAMEWORK FOR HIGHER EDUCATION IN ENGLAND**

12.1 RECEIVED and **CONSIDERED**: paper ref: **AUD/22-23/029** (*on file*).

12.2 The Committee broadly **SUPPORTED** the refreshed approach to managing and evidencing the University's compliance with the OfS regulatory framework for higher education in England. Members would provide any additional feedback outside of the meeting. The OfS compliance tracker would be reported to ARC on an annual basis and otherwise by exception.

12.3 The Committee **DISCUSSED** the refreshed approach to monitoring reportable events modelled on the approach taken with Whistleblowing concerns and **AGREED** that it would be helpful to see a cumulative report similar to that of Whistleblowing over a five-year period, going forward.

**13 UPDATE ON ADOPTION OF FRS102 SECOND PERIOD REVIEW PROPOSALS BY FRC**

13.1 RECEIVED and **NOTED**: paper ref: **AUD/22-23/030** (*on file*).

13.2 **NOTED** that an update paper would be provided to the Committee at its meeting in June.

**Action: Secretary**

**14 ANY OTHER BUSINESS**

14.1 There was none.

**15 MEETING OF THE COMMITTEE AND THE AUDITORS WITHOUT THE UNIVERSITY OFFICERS PRESENT. (LAST OCCURRED IN MARCH 2022.)**

15.1 The Executive Officers left the meeting.

15.2 **NOTED** that the Terms of Reference of Audit and Risk Committee required that: "Once a year, the Committee should meet the Internal Auditor and the External Auditor without University officers present." The Chair reported that no issues were raised and that the members and auditors agreed that they received good levels of interaction with engagement from and access to the University Officers.

**16 MEETING CLOSE AND DATE OF NEXT MEETING**

16.1 The date of the next meeting was confirmed as Monday 12 June 2023, 1400.