



MEETING OF THE AUDIT AND RISK COMMITTEE

MONDAY 15 JANUARY 2024

1400, Room 4.04, Beacon House

MINUTES

Members: Ololade Adesanya (Chair), Mary Bishop (via Teams until 4pm), Julie Goldstein, Stephen Robertson

In attendance:

Shirlene Adam (Group Finance Director), Andrew Carr (Deputy Chair of the Board of Trustees), Helen Cole (Senior Governance Officer), Michael Flay (Head of Governance), Lucinda Parr (COO, Registrar and University Secretary), Lucy Penrose (Deputy Head of Governance), Aubrey Slade (Director of Finance: Infrastructure, Planning & Strategy) from start to the end of item 6; Judith Squires (Deputy Vice-Chancellor and Provost), Phil Taylor (Pro Vice-Chancellor (Research and Enterprise) for item 8, Peter Vermeulen (Chief Financial Officer), Evelyn Welch (Vice-Chancellor), Melanie Welham (Independent Member of the Board of Trustees)

Internal Auditors: David Broughton, Tom Loader

External Auditor: Colin Bates (PwC Audit Partner)

Apologies: There were none.

- 1.1 The Chair noted that Melanie Welham (Independent Member of the Board) was in attendance for this meeting ahead of her appointment to the Committee (subject to recommendation by Nominations Committee and Board of Trustees approval) from 22 March.
- 1.2 The Chair noted that Lucy Penrose (Deputy Head of Governance) was in attendance. Lucy would be taking over as Secretary to the Committee from Helen Cole over the next few months with Helen replacing Lucy as the Secretary to Finance and Infrastructure Committee.
- 1.3 The Chair noted Aubrey Slade (Director of Finance: Infrastructure, Planning & Strategy) was attending from the start of the meeting and would leave after item 6. Aubrey was the author of the paper presented at item 6.

MINUTES OF THE PREVIOUS MEETING

- 1.4 The minutes of the meeting on 19 and 24 October 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 With reference to action 6.3: the reference to *...culture and its appetite for risk...* within the Committee Terms of Reference, noting that it was not clear how the Committee achieved this requirement. The Committee queried whether the proposed end Oct 2024 could be brought forward. Officers responded that although revised Terms of Reference and the Internal Audit Annual Opinion would be presented in October

2024, work to clarify this area would begin sooner with immediate changes to the Internal Audit Reports produced in 2024.

2.3 With reference to action 6.4: the lack of clarity on how the Committee was discharging its responsibilities relating to Subsidiary Companies. The Committee queried whether the proposed end date of October 2024 could be brought forward. Officers responded that although revised Terms of Reference would be presented in October 2024, work to address the specific issues relating to the Subsidiary Companies, in particular how it applied to NCC and Langford, would begin sooner via changes to the subsidiary framework. NOTED that this area is discussed further under item 14 of this meeting (paragraph 14.2 below).

2.4 With reference to action 8.2: Corporate Governance Internal Audit. The Committee sought clarification on the planned timing of the different elements. Officers responded that the design effectiveness (the first stage) would begin in early Summer 2024 and operating effectiveness (the second stage) from September 2024. The Committee confirmed they were content with this approach.

3. FORWARD PLAN

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

4 DECLARATIONS OF INTEREST

4.1 There were none.

5 CHAIR'S BUSINESS

5.1 The Chair noted that interviews to recruit two more additional members to join the Committee were taking place on 26 January.

6 Action from previous mtg: 30-minute deep dive into the affordability of the University's capital plan over the next decade, and the options available to it.

6.1 RECEIVED: paper ref: **AUD/23-24/018** (*on file*)

6.2 In discussion the Committee noted that the paper sought to provide an initial snapshot of potential big ideas, suggested at the highest level without any business cases, or financial analysis having yet been carried out. The Committee noted that the paper provided no sense of order or priority, or what would be prioritised against or to align with the University Strategy. Officers agreed that decisions in these areas were required, noting that the paper this only articulated the issues, solutions and dialog would be sought with the Executive and Board to refine and set parameters over the next few months.

6.3 Officers highlighted that the prioritisation and sequencing of certain projects, plans and events had been outlined to the Board of Trustees via the Campus Framework Plan. This remained in place and presented the rationale for the University doing things in a particular order. Additionally, the Board received a report of Strategic Performance Indicators (SPIs), these broad ten goals were related to the ideas in the paper.

6.4 The Committee noted that when projects were delayed cash flow would always be impacted. Officers agreed, noting that the predicted cash trajectory as detailed in the paper was important.

6.5 **REDACTED: Section 43 Commercial Interests**

7 Summary of Financial Performance & Major Projects – to include 1 page dash boards on Major Projects and Digital Strategy

- 7.1 RECEIVED: paper ref: **AUD/23-24/019** (*on file*).
- 7.2 NOTED the financial performance for the first three months of financial year 2023/24 (to 31 October 2023) and the year end forecast.
- 7.3 The Committee were supportive of changes in the presentation of the report, that would retain consistency between reports going forward but with planned changes and the proposal of seasonal updates, or deep dives over the years.
- 7.4 In response to a question, Officers provided a verbal update on the management of overseas versus home student targets for both undergraduate and postgraduate over the last year in particular in relation to the Faculty of Social Sciences and Law.
- 7.5 In response to a question, Officers provided more detail on the reasons for the narrative on slide 3 in the paper:

REDACTED: Section 43 Commercial Interests

8 UPDATE ON ISAMBARD AIRR

- 8.1 RECEIVED: paper ref: **AUD/23-24/020** (*on file*).

8.2 REDACTED: Section 43 Commercial Interests

8.3 REDACTED: Section 43 Commercial Interests

- 8.4 NOTED that 2G Isambard AIRR (Artificial Intelligence Research Resource) had been added to the KURR. AGREED that a 3rd party external programme assurance for this area should be sought, with a progress update to be provided to the next meeting on 4 March 2024.

Action: COO, Registrar and University Secretary

- 8.5 NOTED that Professor Phil Taylor, Pro Vice-Chancellor (Research and Enterprise), would step down on 31 July 2024, to take up a new position as Vice-Chancellor and President at the University of Bath. The Committee queried how Professor Talyor's areas of responsibility, including Isambard AIRR, would be managed from 1 August. Officers advised that recruitment for a new Pro Vice-Chancellor for Research and Enterprise would begin in the next few weeks with a view to minimising any gap between appointments to this role. Officers noted that both the Associate PVCs and Executive Directors across the Research and Enterprise portfolio remained, therefore providing consistency. Regarding Isambard AIRR, Officers advised that the previously planned transition of responsibility from the Pro Vice-Chancellor (Research and Enterprise) to the Faculty of Science and Engineering from 1 August would still take place.

9 KEY UNIVERSITY RISKS

- 9.1 RECEIVED: paper ref: **AUD/23-24/021** (*on file*).

- 9.2 REVIEWED the Key University Risk Register (KURR) and AGREED that major risks are being appropriately recognised and the controls and plans to mitigate them are being managed.
- 9.3 NOTED the introduction of 2G Isambard AIRR (Artificial Intelligence Research Resource) to the KURR.
- 9.4 Officers provided a verbal update on the reduction in the risk score for 3B Industrial Action.
- 9.5 **REDACTED: Section 43 Commercial Interests**
The Committee discussed ways that the HE sector was seeking to effect change in government policy regarding HE funding and the potential impact of a change of government over the next year.

10 INTERNAL AUDIT PROGRESS REPORT SINCE LAST MEETING

- 10.1 RECEIVED: paper ref: **AUD/23-24/022** (*on file*).
- 10.2 NOTED that the progress report summarised progress made against the 2022/23 and 2023/24 Internal Audit plans and included a summary of the final reports issued to date.
- 10.3 NOTED that:
- The remaining six internal audit reports in the 2022/23 plan (with executive summaries included): Student Experience Programme, Freedom of Speech, EDI, University Botanic Garden, Tax Governance, and Student Disciplinary and Resolution.
 - Action plans finalised for Strategic & Performance Indicators, Student Complaints, and Develop and Essential Training, reported to the Committee in October 2023.
 - One audit from the 2023/24 internal audit plan had been finalised: Health and Safety.
 - Progress was underway for the remaining audits on the 2023/24 plan, with scopes agreed for 20 out of 24 audits and fieldwork underway for a further six.
 - Details of the status of all internal audit actions (open and closed) was highlighted within the report.
- 10.4 The Internal Auditor noted that the Committee had provided feedback on the paper and had requested a phased review of the year to be shown at each meeting. i.e. the status of each proposed audit to give visibility on any changes to plan. This would occur from the meeting on 4 March 2024.
- 10.5 The Committee discussed the outcomes of the University Botanic Garden audit report **REDACTED: Section 43 Commercial Interests**
- 10.6 The Committee queried the mechanism and decision making process by which a report was allocated a particular assurance level. The Internal Auditor responded that this was an area that they had been considering recently. Over time the frequency of reports with no or partial assurance had declined meaning that those reports with reasonable assurance were now more frequent, this combined with the bar for substantial assurance possibility being set too high meant that a review was required. The Committee noted that Reports needed to detail the reasons why an assurance level was assigned and the proposed course of action(s) for the University to improve. AGREED that a explanation of changes to be made in this area would be presented to the Committee at the next meeting on 4 March 2024.

Action: Internal Auditor

11 ANNUAL TRANSPARENT APPROACH TO COSTING (TRAC) RETURN IN RELATION TO ACADEMIC YEAR 2022-23

11.1 RECEIVED: paper ref: **AUD/23-24/023** (*on file*).

11.2 CONSIDERED and AGREED that the Committee was ASSURED regarding the University of Bristol TRAC return compliance documents.

11.3 The Committee noted that the data was collected and collated in response to regulatory requirements and queried to what extent the University was able to use it for its own internal purposes.

REDACTED: Section 43 Commercial Interests

12 DATA PROTECTION OFFICER REPORT 2022

12.1 RECEIVED: paper ref: **AUD/23-24/024** (*on file*).

12.2 APPROVED the recommendations made in the report and expressed its support for the GDPR Project in order to improve institutional compliance.

12.3 The Committee provided feedback on the tone and content of the paper, to be shared with the report author, future iterations to be more fact based without subjective commentary.

Action: Secretary

13 UPDATE ON FORTHCOMING REVIEW OF THE UNIVERSITY'S ANTI-CORRUPTION AND BRIBERY POLICY

13.1 The Head of Governance provided a verbal update on the required update, noting that the revised version would be presented to the Committee at its next meeting on 4 March 2024.

14 UPDATE ON THE REVIEW OF THE SUBSIDIARY FRAMEWORK.

14.1 The Head of Governance provided a verbal update on the review, noting that omissions and lack of flow between the subsidiary framework and other constitutional documents including the Committee's Terms of Reference would be addressed at the same time. A further update would be provided to the Committee at the next meeting on 4 March 2024, with revised Committee's Terms of Reference presented in October 2024.

15 FINANCIAL ACCOUNTING UPDATE: JANUARY 2024

15.1 RECEIVED: paper ref: **AUD/23-24/025** (*on file*).

15.1 NOTED the updates and activity in accounting standards and regulatory frameworks since the Committee met on 22 June 2023.

16 Report of Whistleblowing Officer

16.1 The COO, Registrar and University Secretary (the Whistleblowing Officer) provided a verbal update.

17 OFS POTENTIALLY NOTIFIABLE INCIDENTS SINCE LAST MEETING

17.1 RECEIVED: paper ref: **AUD/23-24/026** (*on file*).

17.2 REDACTED: Section 43 Commercial Interests

17.3 REDACTED: Section 43 Commercial Interests

18 ANY OTHER BUSINESS

18.1 There was none.

19 MEETING CLOSE AND DATE OF NEXT MEETING

19.1 The date of the next meeting was confirmed as Monday 4 March 2024, 1400.