

AUDIT AND RISK COMMITTEE
Wednesday 02 September 2020

DRAFT UNCONFIRMED MINUTES

Present:

David Willis (Chair)
Dr Alix Pryde

Monica Chadha
Melissa Tatton

Simona Fionda
Peter Thompson

In attendance:

Professor Colin Bailey
Louise Parr-Morley
Craig Wisdom [external audit]

Dr Nadine Lewycky
Neil Thomas [internal audit]

Dr Catherine Murray
Janice Trounson

Apologies

Charles Medley [internal
audit]

Jonathan Morgan

Julian Reeve [external audit]

Welcome

2019.076 The Chair welcomed everyone to the meeting and noted the apologies. The meeting was being held by video conference to ensure the continuation of good governance during the coronavirus pandemic.

Minutes and executive summary of the meeting held on 23 July 2020 [ARC2019/54]

2019.077 *Minute 2019.077 is confidential.*

Matters arising [ARC2019/55]

2019.078 The Committee **noted** the matters arising. The following points were noted in the discussion:

Review of digital learning

[a] The Committee was satisfied that the draft Terms of Reference covered a design review in the first stage. The Committee asked for preparations for the review's second stage on delivery effectiveness to follow shortly.

Return to Campus

[b] A written report on return to campus would be provided at the next meeting.

Criteria for reporting cyber security incidents

[c] The Committee asked for "significant" to be more clearly defined and questioned whether the threshold of 10 affected individuals was too low. The criteria could be amended in future if the Committee received a high

number of reports. The criteria would be shared with the Co-Chair of the Higher Education Cyber Security group for comment.

Actions: [c] Chief Information Officer; Monica Chadha

August financial gateway [ARC2019/56]

2019.079 *Minute 2019.079 is confidential.*

Internal audit reports [ARC2019/57]

2019.080 The Committee **considered** the planned internal audit reports. The following points were noted in the discussion:

Business Continuity

- [a] The report highlighted the impact of vacancies in key compliance roles on governance. Good progress had been made in implementing recommendations since the original report in 2019 but further work was needed. The Committee was pleased to note that the assurance rating was now significant assurance with minor improvement opportunities (amber-green) compared with the original report's rating of no assurance (red). Future updates would be reported to the Committee as part of the general updates on implementation.

- [b] The Committee said that there remained questions about Queen Mary's ability to put in place the right control environment. The long-term vacancy in the Business Continuity Manager role had impacted on the progress of the recommendations. There was a balance to be struck between finding the right person and exposing ourselves to risk. Management was encouraged to think about the controls and interim measures that could be put in place in the event of long-standing vacancies. This year's annual compliance report would identify the key compliance roles and any vacancies would be flagged to the Committee in matters arising.

IT asset management

- [c] The central process for IT purchasing was effective but was not used consistently throughout the institution. Developing an understanding of why local areas were not using the process would help to improve compliance. The report received a lower assurance rating of partial assurance with improvements required (amber-red) because of the volume of medium priority ratings.

- [d] The Committee asked about the changes being made to improve the leavers policy. The current system was sending notifications to HR and IT but not flagging equipment that needed to be returned. A review of implementation and sample testing would be conducted before the recommendation was closed.

- [e] Stronger controls on expenditure that had been put in place during the pandemic would be reviewed as they were not sustainable. The Committee asked what actions were being taken to improve understanding of these processes. Management training and distributed leadership were important

for changing culture. The culture had improved in some Schools recently but there remained work to do.

Actions: [b] Chief Governance Officer and University Secretary

Whistle blowing cases since the last meeting [Oral report]

2019.081 *Minute 2019.081 is confidential.*

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

2019.082 *Minute 2019.082 is confidential.*

Annual schedule of business 2020–21 [ARC2019/58]

2019.083 The Committee **considered** the annual schedule of business for 2020–21. The following points were noted in the discussion:

- [a] The Committee had agreed at a previous meeting that the internal audit plan for 2020–21 would be developed in stages. The Committee would receive the updated plan for approval in November.
- [b] The schedule would be updated to provide more granularity about the business to be discussed at the second October meeting.
- [c] The internal audit report stated that the business continuity group would feed into the Committee. Clarity was needed on how this would be reported to the Committee.
- [d] The Committee agreed that, due to the volume of business this autumn, any deep dives would be postponed to the new year. It was suggested that the Committee may wish to discuss the new CUC HE Audit Committee Code of Practice alongside the annual committee effectiveness review in the spring. Reputational risk may lend itself to a deep dive later in the year.

*Actions: [a], [b] Committee Secretary;
[c] Chief Governance Officer and University Secretary;
[d] Committee Secretary*

***Draft agenda for the next meeting [ARC2019/59]**

2019.084 The Committee **noted** the agenda for the meeting on Thursday 01 October 2020.

Any other business

Reputational risk

2019.085 *Minute 2019.085 is confidential.*

Future meetings

- [a] The Committee discussed the return to meetings on campus. The Committee agreed that blended meetings were not effective and provided

an unsatisfactory experience. The Chair said that he was concerned about continuing to hold virtual governance meetings when staff and students were expected to be on campus. The Committee **agreed** that, given the business to be considered at the meeting in November, a meeting in person would be essential. Internal discussions on meeting logistics would continue and reported back to the Committee at the next meeting.

Actions: [a] Chief Governance Officer and University Secretary

Dates of meetings in 2020–21:

- Thursday 1 October 2020 at 1500 hours scheduled for the Robert Tong Room, Mile End but probably virtual.
- Thursday 29 October 2020 at 1500 hours in the Colette Bowe Room, Mile End.
- Tuesday 10 November 2020 at 1500 hours in the Boardroom, Dean Rees House, Charterhouse Square.
- Tuesday 9 March 2021 at 1500 hours in the Robert Tong Room, Mile End.
- Tuesday 8 June 2021 at 1500 hours in the Robert Tong Room, Mile End.