

AUDIT AND RISK COMMITTEE
Wednesday 29 September 2021

DRAFT UNCONFIRMED MINUTES

Present:

David Willis (Chair)
Dr Alix Pryde

Simona Fionda
Peter Thompson

James Hedges

In attendance:

Professor Colin Bailey

Dr Rachel Bence [minute
2021.014]

Dr Sharon Ellis

Professor Colin Grant [minute
2021.004]

Michelle Hopkin [external
audit]

Karen Kröger

Dr Maggie Leggett [minute
2021.004]

Dr Nadine Lewycky

Charles Medley [internal
audit]

Jonathan Morgan

Jane Pallant [minute
2021.015]

Thulasi Nithiyananthan
[external audit]

Tom Norton [minute
2021.005]

Neil Thomas [internal audit]

Janice Trounson

Lee Wildman [minute
2021.004]

Apologies:

Dr Catherine Murray

Craig Wisdom [external audit]

Welcome

2021.001 The Chair welcomed everyone to the meeting and noted the apologies.

Minutes of the meeting held on 08 June 2021 [ARC2021/01]

2021.002 The Committee **confirmed** the confidential and non-confidential minutes of 08 June 2021 and **noted** the executive summary.

Matters arising [ARC2021/02]

2021.003 The Committee **noted** the matters arising from the meeting held on 08 June 2021. The following points were noted in the discussion:

- [a] The British Universities Finance Directors Group (BUFDG) had developed a response to the BEIS consultation on behalf of the sector, however, it was felt to be such a significant issue that all universities submitted individual responses. It would be good practice to develop an internal controls catalogue even if it was not yet required by the regulators. KPMG would be approached for advice on practice in other sectors. The Committee would monitor progress on the issue as a matter arising.

[b] The Committee **approved** its updated terms of reference.

Action: [a] Committee Secretary

Deep dive on student recruitment [ARC2021/03]

2021.004 *Minute 2021.004 is confidential.*

Strategic Risk Register [ARC2021/04]

2021.005 *Minute 2021.005 is confidential.*

Annual report on research integrity [ARC2021/05]

2021.006 The Committee **considered** the annual report on research integrity. The following points were noted in the discussion:

[a] Research misconduct procedures and policies were being updated as a result of a difficult case from the previous year that was ongoing. A committee was being created to look into research misconduct under the guidance of the Vice-Principal (Research and Innovation). Procedures would be clarified in relation to the disclosure of information to the parties involved, and the transfer of cases into disciplinary action. The research misconduct policy would be updated to address timing and the use of external expertise. UK Research and Innovation (UKRI) was establishing a national research integrity committee which would champion research integrity in the UK. We would closely monitor the work of the committee and be open to updating policies based on shared best practice.

External audit progress on actions from the 2020 management letter [ARC2021/06]

2021.007 *Minute 2021.007 is confidential.*

Interim comments on the 2021 audit [Oral report]

2021.008 *Minute 2021.008 is confidential.*

Draft narrative and accounting estimates for the financial statements 2020–21 [ARC2021/07]

2021.009 *Minute 2021.009 is confidential.*

Internal audit plan 2021–22 final draft [ARC2021/08]

2021.010 The Committee **considered** the final draft of the internal audit plan for 2021–22. The following points were noted in the discussion:

[a] The Chair said that the Committee had held the annual *in camera* meeting with the internal auditors before the meeting at that there was nothing arising in the meeting that needed to be drawn to the attention of Council.

- [b] The plan had not altered significantly since the first draft but the phrasing of some reports had changed.
- [c] The Committee asked whether the audit should revisit amber-red reports within the five-year cycle. The Head of Internal Audit said that implementation of the recommendations would bring the rating up to amber-green and that progress was monitored through the recommendation tracker. The exception was cyber security since the external landscape evolved so quickly. Sustainability would also be considered for inclusion in next year's plan.
- [d] The Committee **approved** the final draft of the internal audit plan for 2021–22.

Planned internal audit reports [ARC2021/09]

2021.011 The Committee **considered** the planned internal audit reports. The following points were noted in the discussion of the report on the quality of student data used in management reporting (which received an overall rating of partial assurance with improvements required (amber-red)):

- [a] Going forward, we would be submitting statistical returns more frequently and our processes needed to be better at getting the data right first time. Management had anticipated the rating and were happy with the recommendations which focused on improving consistency across faculties.
- [b] The Committee asked whether it would be preferable to move to a single accountable officer. As the system held a broad set of data that stretched across several directorates, the internal delegations and accountability would need to be simplified before recruiting to an overarching role.

Update on internal audit recommendations [ARC2021/10]

2021.012 The Committee **considered** the update on the internal audit recommendations and noted that there was good progress with only two low-priority actions outstanding.

Draft annual report and Head of Internal Audit opinion [ARC2021/11]

2021.013 *Minute 2021.013 is confidential.*

Cyber security bi-annual report [ARC2021/12]

2021.014 The Committee **considered** the cyber security bi-annual report. The following points were noted in the discussion:

- [a] A number of initiatives had been implemented to improve the university's capacity and capability to respond to cyber security incidents. The previous gap in capacity and capability had been addressed by increasing the size and composition of the team. A procurement process had been launched to appoint a provider with expertise in the provision of information security consultancy that would provide capacity to address current resources gaps and deliver on a specific set of outputs. An outsourced Security Operations Centre had been introduced and was continually monitored. Work had been

done to prepare the team for dealing with an incident affecting on the whole university.

- [b] It had been challenging to recruit a Chief Information Security Officer. The consultancy was expected to accelerate the delivery of a fit-for-purpose information security for 12 months in preparation for recruiting a Chief Information Security Officer.
- [c] The Committee asked how the IT Services team was being prepared to respond to cyber security incidents. Junior level IT staff were being trained in cyber security and there were plans to create a graduate scheme for our Computer Science graduates.
- [d] The Committee asked about the level of staff awareness of cyber security risks. Awareness varied across disciplines with those in Medicine more aware. Information for new researchers was being updated and work was being done with the QM Academy to improve understanding of individual responsibilities.

PGT consumer protection compliance [ARC2021/13]

2021.015 The Committee **considered** the PGT consumer protection compliance report. The following points were noted in the discussion:

- [a] The report showed that complaints had been dealt with effectively at the local level. There was one example of two students who decided not to enrol because of a change in module choices but this had been communicated. The Committee said that both the undergraduate and postgraduate reports showed that the university had done well with a new set of responsibilities.

Whistle blowing cases since the last meeting, including the annual summary of disclosures 2020–21 [ARC2021/14]

2021.016 *Minute 2021.016 is confidential.*

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

2021.017 *Minute 2021.017 is confidential.*

CUC HE Audit Committee code of practice mapping exercise

2021.018 The Committee **considered** the CUC HE Audit Committee code of practice mapping exercise. The following points were noted in the discussion:

- [a] There was scope to add sustainability to our terms of reference and annual report. A standard for public reporting was expected in the next two to three years. The Committee would keep the item as a matter arising to discuss after Council had received its deep dive.
- [b] The Committee said that the current terms of reference covered all the major areas referenced in the model terms and it would not be useful to set out the responsibilities in more detail. The Committee would revisit the

mapping exercise in spring 2022 with a view to any lessons that could be learned.

Actions: [a], [b] Committee Secretary

Audit and Risk Committee annual report 2020–21 draft 1 [ARC2021/15]

2021.019 The Committee **considered** the Audit and Risk Committee annual report 2020–21. The following points were noted in the discussion:

[a] Changes to the internal audit plan would be included in paragraph 4.4. The section on data would be updated with the internal audit reports considered at the meeting. The risk aspects of Covid considered by the Committee over the past year would be included under the risk management section.

Action: [a] Committee Secretary

***Draft agenda for the next meeting [ARC2021/16]**

2021.020 The Committee **noted** the draft agenda for the next meeting on 9 November 2021 which would be amended to remove the Head of Internal Audit report.

Update on external audit tender [Oral report]

2021.021 *Minute 2021.021 is confidential.*

Dates of meetings in 2021–22:

- Tuesday 9 November 2021 at 1500 hours, Robert Tong Room, Mile End.
- Wednesday 16 March 2022 at 1500 hours, Robert Tong Room, Mile End.
- Thursday 23 June 2022 at 1500 hours, Robert Tong Room, Mile End.