



AUDIT AND RISK COMMITTEE
10th September 2014
Executive Summary

Outcome requested:	Council is asked to note the Executive Summary of the Audit and Risk Committee on 10 th September 2014.
Executive Summary:	This report provides a summary of the last meeting of Audit and Risk Committee on 10 th September 2014.
QMUL Strategy	N/A
Internal/External regulatory/statutory reference points:	Charter and College Ordinances CUC Guide for Members of Governing Bodies
Strategic Risks:	Effective governance supports the achievement of all strategic aims.
Subject to prior and onward consideration by:	Council only
Confidential paper under FOIA/DPA	No
Timing:	-
Author:	Hayley Simpson, Governance Administrator
Date:	15 October 2014
Senior Management and/or external sponsor	David Willis, Chair of the Audit and Risk Committee

AUDIT AND RISK COMMITTEE
10th September 2014

Executive Summary

Risk Management

1. The Director of Occupational Health and Safety (OHSD) gave a detailed presentation on the key risks and concerns faced by the directorate, together with an account of control measures in place across QMUL. The directorate is planning to submit at least two bids to the next Planning and Accountability Review (PAR), which will propose to digitalise and further improve some of its processes.

Central to the discussion was the occasional use of interim control measures which have been implemented accordingly in some areas owing to financial constraints, practical challenges to delivery or the expectation of larger scale projects to remove rather than mitigate risks. This approach extended to the management of fire safety, which remained a key area for the management of risk for the institution. The Committee was reassured to hear that, though the reliance is placed on fire safety advisers to identify where QMUL should prioritise expenditure, the directorate does have the authority to ensure that necessary measures are put in place according to their judgement. There were further concerns raised about the issue of hazardous waste disposal; interim measures have been implemented until QMUL receives further guidance from Thames Water. The Director of OHSD advised us that QMUL's Health and Safety Committee has oversight of these issues.

We discussed the need for a clearer understanding about the risks being tolerated by QMUL, but emphasised that individual decisions concerning allocation of funding should lie with the executive. We therefore agreed that the H&S Committee should be asked to provide comments and a description of health and safety governance structures at QMUL for inclusion in the next Health and Safety Annual report.

2. Owing to the implementation of the new Strategic Risk Register and developments in the process of capturing and reporting on risk, the Committee agreed to seek Council's views at the meeting in October as to whether the current reporting arrangement should continue and, if so, whether the current format was appropriate. Council receives an Executive Summary of each Audit and Risk Committee meeting, which provides Council with updates on risk discussions at those meetings, and also the Annual Report which the Committee prepares for final submission to HEFCE. Accordingly, questions were raised as to whether the bi-annual report on strategic risk management continues to serve a useful purpose.

In order to monitor changes to the new risk register, it was agreed that in future the Committee would receive at each meeting the documents considered by the Strategic Risk Management Group.

3. A discussion about QMUL's insurance arrangements for 2014-15 identified the need to clarify the respective responsibilities of ARC and Finance and Investment Committee in insurance management.
4. The Partnerships Associate Director from the SMD presented a paper on the SMD's Partnerships with Barts Health NHS Trust and UCL Partners (UCLP). Members heard about the positive impact the partnerships have had to date, and were satisfied that long-term objectives and an effective process to exploit potential opportunities have been put in place.

Statutory and Regulatory Compliance & Internal and External Audit

5. The Committee noted the recurrent progress report on internal audit recommendations and areas of non-compliance, as well as the annual legal compliance exceptions report. Members were pleased to see an improvement in the number of areas of 'serious' non-compliance, but asked for increased efforts in meeting the deadlines for internal audit recommendations.
6. There was good progress in general being made concerning recommendations contained in the External Audit 2013 management letter. Preparations for the transition to FRS 102 and the new SORP were well underway, and the External Auditors suggested that ARC should have the opportunity to review the impact of FRS102 and the new SORP on the Balance Sheet at a future meeting. Members agreed that this, together with an additional briefing meeting possibly involving members of the Finance and Investment Committee, would be helpful.
7. In terms of progress to date on the 2013-14 Financial Statements, the External Auditors had commenced work on the subsidiaries and work on QMUL was imminent. The Committee would receive a draft of the Financial Statements at the next meeting.
8. After discussing a paper which proposed an approach to reviewing internal and external auditor appointments, ARC agreed it was timely to re-tender for external audit services and we therefore approved the request to give PwC formal notice of termination. We will appoint a sub-group at the next meeting with responsibility for handling for the tendering and appointment process. Members agreed that it was not necessary to review the appointment of the Internal Auditors.

There were no planned Internal Audit reports for the meeting.

Committee Management and Reporting

9. The Committee noted the third draft of its Annual Report to Council for 2013-14, and considered proposals on amendments to its terms of reference. Members were pleased to hear that discussions were underway to identify a replacement member for Tony Walker, which would address potential issues of reaching quorum at future meetings.
10. Finally, the Academic Registrar and Council Secretary informed members that David Fletcher had been appointed to lead the Council effectiveness review. As members agreed that the Committee should continue to carry out its own annual effectiveness review, the Academic Registrar and Council Secretary would liaise with the external reviewer to minimise any unnecessary overlap.