

AUDIT AND RISK COMMITTEE
Monday 02 October 2017

DRAFT UNCONFIRMED MINUTES

Present:

David Willis (Chairman)
Melissa Tatton

Monica Chadha

Nadim Choudhary

In attendance:

Sue Barratt (External Audit)
Kathryn English
Dr Nadine Lewycky
Catherine Murray

Professor Edmund Burke
Laura Gibbs
Sian Marshall
Professor Bill Spence [minute
2017:007]

Paul Cuttle (Internal Audit)
Joanne Jones
Jonathan Morgan
Neil Thomas (Internal Audit)

Janice Trounson

Apologies

Kathryn Barrow

Part 1: Preliminary Items

Welcome

2017.001 The Chairman welcomed:

- [a] Dr Nadine Lewycky, Governance Officer, who was attending her first meeting of the Committee.
- [b] Catherine Murray, Director of Strategic Planning, who was attending her first meeting of the Committee.
- [c] Kathryn English, Executive Officer (Chief Operating Officer), who was observing the meeting for development purposes.

Executive Summary and Minutes of the meeting 01 June 2017 [ARC2017/01]

2017.002 The Committee **confirmed** the Executive Summary, non-confidential and confidential minutes of the meeting on 01 June 2017.

Matters Arising [ARC2017/02]

2017.003 The Committee **received** the following matters arising from the non-confidential minutes of the meeting on 01 June 2017.

Internal audit plan 2017–18

- [a] The revised plan included an audit of UKVI compliance in place of anti-bullying. The audit of health and wellbeing of students had been included following a number student suicides at the University of Bristol.
- [b] The new Chief Information Officer was developing a programme of change priorities and it was therefore considered not to be the appropriate time for an audit of IT and business change to be included within the current plan.
- [c] The school or institute chosen for review would be identified through feedback from the Faculty Operating Officers on areas of concern. It was expected that a Science and Engineering school would be selected and the Committee would be notified in due course.
- [d] The Committee **approved** the internal audit plan for 2017–18, subject to one amendment to remove the reference to LSE.

Actions:

[c] Chief Operating Officer

[d] KPMG

Part 2: Risk Management

Strategic Risk Register [ARC2017/03]

2017.004 The Committee **received** the quarterly report on QMUL's strategic risk management framework. The following points were made:

- [a] The Register had been reviewed and substantially updated to focus on specific risks rather than areas of QMUL activity. The scoring mechanism had been reviewed and applied in a consistent manner and a single risk owner had been identified for each risk.
- [b] A number of risks had been merged, such as the design and delivery of high quality portfolio of programmes (risk 7) within student experience: teaching, learning & assessment (risk 2). One risk had been added to the register: risk 16 - research income generation.
- [c] Members were pleased with the progress made in revising the Register and requested that more detail on the controls and timescales for reducing risks be included in the next update.
- [d] In a number of cases, residual risk scores after controls had been reduced and fewer were now rated as severe risks. Risk 2 – student experience remained red after controls had been applied and the Committee noted that the reduction of risk in this area should be within the institution's control. It was acknowledged that improvements to the estate would take a number of years to complete. Members **agreed** that a student experience deep dive should be considered for the New Year once further amendments to the Register had been made.

- [e] It was noted that the Strategic Risk Management Group (SRMG) would be considering the impact of the external environment at its next meeting, particularly in relation to pensions and tuition fees; changes in risk were anticipated.
- [f] The revised Register would be circulated to Council as part of the Committee's report.

Actions:

[c] SRMG

[d] Chair, Vice-Principal (Science and Engineering)

[f] Council Secretariat

Whistleblowing cases since the last meeting [Oral report]

- 2017.005 The Finance Director **reported** that there had been no cases reported under the Public Interest Disclosure Policy since the last meeting.

Part 3: Statutory and Regulatory Compliance

Legal compliance report [ARC2017/04]

- 2017.006 The Committee **considered** the legal compliance report. The following points were made:
- [a] QMUL's legal compliance register had been reviewed by external lawyers earlier in the year who had concluded that it remained current and provided full coverage of QMUL's activities.
 - [b] It was an ongoing challenge to ensure and monitor compliance with institutional policy across QMUL, without accruing disproportionate costs or creating unnecessary barriers to the normal conduct of business. An example of this was clinical research; the Vice-Principal (Research) was in the process of reviewing the governance and management support for this area of activity.
 - [c] A new Dignity Statement had been developed and would form the basis of an awareness-raising campaign over the coming year in relation to the sector-wide issue of gender-based violence. A network of staff would be recruited and trained to respond appropriately to disclosures of violence and harassment. QMUL had received funding from HEFCE for this work and the actions associated with the funding would be implemented by the end of January 2018.
 - [d] A review of QMUL's estate had been undertaken to ensure adequate protection in the area of fire safety and further information would be reported to the Committee in due course.
 - [e] QMUL would also be working over the coming year to implement the recently introduced Criminal Finances Act 2017.

- [f] On the basis of the information provided, the Committee was satisfied that QMUL had adequate and effective measures in place to secure compliance with applicable law and regulation.

Action: [d] Director of Health and Safety

Annual report on research integrity [ARC2017/05]

2017.007 The Committee **considered** the annual report on research integrity. The following points were made:

- [a] Work was underway to review and align QMUL's processes for investigating allegations of research misconduct with the processes at Barts Health NHS Trust, with which many staff hold joint positions, through a new joint policy statement to be considered by Senate in October.
- [b] A number of cases of research misconduct had been investigated over the previous year. The cases had highlighted the importance of having an effective and well-communicated Whistleblowing Policy given that it was often junior researchers that identified potential issues.
- [c] QMUL did not have access to comparable sector data on research misconduct cases as institutions did not permit their data to be shared. Members asked the Vice-Principal (Research) to consider the merits and risks of sharing QMUL's data on research misconduct given the increasing expectations on the sector around transparency.
- [d] The Committee concluded that, on the basis of the information provided, QMUL was fulfilling its obligations under the UUK Concordat to Support Research Integrity.

Action: [c] Vice-Principal (Research)

Part 4: External Audit

External audit 2015–16 management letter: progress report on actions (from 2016–17) [ARC2017/06]

2017.008 The Committee **received** a report on progress with the actions from the external audit 2015–16.

External audit 2016–17 interim comments [oral report]

2017.009 The Committee **received** an oral report from Deloitte LLP on progress with the external audit 2016–17. It was noted that the 2016–17 audit was progressing well, with no issues having been identified thus far.

Part 5: Internal Audit

Internal audit report: Translation of student numbers (from 2016–17) [ARC2017/07]

2017.010 The Committee **received** the internal audit report into translation of student numbers. The report received an amber–green rating, indicating 'significant

assurance with minor improvement opportunities', in line with management expectations, together with a small number of low-priority recommendations.

Progress report on audit recommendations and areas of non-compliance [ARC2017/08]

2017.011 The Committee **received** the progress report on internal audit recommendations and areas of non-compliance. The following points were made:

- [a] Good progress had been made with the recommendations from the previous year's internal audit plan with only a small number of actions remaining open.
- [b] One recommendation relating to the management of capital projects had been delayed due to the Assistant Director of Estates and Facilities (Capital Projects) having left QMUL. A new member of staff had been appointed one month ago and was in the process of progressing this recommendation.
- [c] QMUL's Internal Auditors, KPMG, had agreed to take over the monitoring of internal audit recommendations. KPMG planned to focus their reporting on recommendations that were high priority or were overdue by three months or more.
- [d] The Committee **agreed** to receive reports from KPMG in October and March each year unless there were any matters of significance that required reporting at other times.

Action: [d] KPMG

Internal audit annual report 2016–17 [ARC2017/09]

2017.012 The Committee **received** the internal audit annual report for 2016–17. The following points were made:

- [a] The internal audit annual report had concluded that QMUL has a generally sound system of internal control which is designed to meet QMUL's objectives and that controls in place are being consistently applied in all areas reviewed (significant assurance with minor improvements required). Members commended staff for the positive report.
- [b] Members' had received reassurance through the *in camera* meeting with the Internal Auditors that the annual internal audit plan was being used effectively by the Executive to take account of risk areas, which was considered to be extremely positive given the improvement in audit outcomes received.

Part 6: Financial Control

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

2017.013 *Minute 2017.013 is confidential.*

Financial Regulations and Scheme of Delegation of Financial Authority: annual review [ARC2017/10]

2017.014 The Committee **received** the Financial Regulations and Scheme of Delegation of Financial Authority and requested a number of minor amendments to the documents.

Action: Finance Director

Part 6: Committee Management and Reporting

Terms of Reference and membership [ARC2017/11]

2017.015 The Committee **noted** the Terms of Reference and the updated membership list. The following points were made:

- [a] Melissa Tatton had agreed to serve a second term as a co-opted member of the Committee commencing in September 2017 (the paper's coversheet incorrectly stated September 2013).
- [b] The Chair would be meeting with the new Treasurer to agree an approach to ensuring effective liaison between the Audit and Risk Committee and the Finance and Investment Committee.
- [c] The Secretariat was in the process of recruiting to the vacancies on Council; it was hoped that one of the new members could become a member of the Committee.

Audit and Risk Committee Annual Report 2016–17 Draft 1 [ARC2017/11]

2017.016 The Committee **noted** draft 1 of the Audit and Risk Committee Annual Report for 2016–17.

***Draft Agenda for next meeting [ARC2017/13]**

2017.017 The Committee **received** the draft agenda for the meeting on 14 November 2017.