Welcome

2019.001  [a] The Chair welcomed everyone to the meeting.

[b] The Chair said that Nadim Choudhary had stepped down from his role as co-opted member. The Committee recorded its thanks to Nadim for his contributions.

Executive Summary and Minutes of the meeting held 11 June 2019 [ARC2019/01]

2019.002  The Committee confirmed the non-confidential and confidential minutes and noted the executive summary of the meeting on 11 June 2019.

Matters Arising [ARC2019/02]

2019.003  The Committee received a report on the matters arising from the minutes of the meeting on 11 June 2019. The following points were noted in the discussion:

  Matters arising [ARC2018/43]
  KPMG

  [a] Compliance with the Office for Students (OfS) framework would be added to the legal compliance report for November. This would include a summary of the university’s interactions with the OfS.
Strategic Risk Register [ARC2018/44]

[b] A document describing the alignment between the strategic risks, objectives and the KPIs had been drafted and shared with KPMG. Further work would be done once the KPIs had been approved by Council. The Committee could expect to receive an update in November.

Review of Committee Terms of Reference, membership and effectiveness including the external review of Council effectiveness [ARC2018/49]

[c] A workshop on Value for Money would be arranged for the Committee in March 2020.

Actions: [b] Director of Strategic Planning
[c] Committee Secretary

Deep dive presentation (Strategy Implementation) [ARC2019/03]

2019.004 The Committee received the deep dive on strategy implementation (risk 14 in the Strategic Risk Register). The following points were noted:

[a] The risk area was on track to be back in tolerance by Q1 2020. Activity undertaken since the last Committee meeting in June 2019 included the appointment of an interim Director of Strategy Delivery who was starting to build the Strategy Delivery Team (formerly the Project Management Office). Enabling plans were being discussed by the Senior Executive Team (SET) and would form the focus on an away day. A new budget planning process had been defined to consider the longer timeframe of the strategy.

[b] The proposed governance structure for strategy delivery and its interface with SET, Council and the Committees was laid out. SET would oversee strategy delivery through the Strategy Programme Board. Enabling plans and projects would have their own boards for reporting into the Strategy Programme Board.

[c] The management data used to monitor the strategy was the subject of an internal audit in 2019–20. Most areas were considered to have good data but improvements could be made in IT and Estates. Finance and Investment Committee had reviewed and approved in principle the gateway processes for investment in these two areas.

[d] KPMG was asked to provide its opinion and said that the approach to the strategy delivery showed a high level of rigour and integration.

[e] The Committee agreed that the report provided sufficient assurance that the risk would be back in tolerance by Q1 2020.

Strategic Risk Management, including Risk Management Policy [ARC2019/04]

2019.005 The Committee received the revised Strategic Risk Register and considered the Risk Management Policy. The following points were noted in the discussion:
Risk Management Policy

[a] The revised Risk Management Policy outlined the responsibilities and processes for risk management. More training on risk management would be offered to individuals with responsibility for business continuity. Overall responsibility for strategic risk management rested with SET. As an outcome of the internal audit report on business continuity, an integrated approach would be taken towards operational risk and business continuity with a single source of reporting. The Committee approved the new Risk Management Policy.

Strategic risk register

[b] A new document which summarised the key changes to risk scores and tolerance was provided. It would help focus the Committee’s challenge and would be used for reporting to Council.

c] Minute 2019.005[c] is confidential.


e] Previous staff surveys had not included questions about staff engagement, therefore, it was not be possible to make comparisons with results from previous years. This year’s survey included questions from the Universities and Colleges Employers Association (UCEA) which would enable benchmarking across the sector.

[f] Early challenges in increasing staff engagement with strategic objectives had been encountered with the introduction of the university research institutes and were being discussed at SET. A Vice-Principal for People, Culture and Inclusion was being recruited and would work with the other VPs to understand the challenges related to staff engagement in the Faculty enabling plans and the Professional Services transformation.

g] The KPI for alumni engagement was identified as being preliminary and would be refined once an alumni strategy was finalised. The current figure measured the number of interactions which could include multiple interactions with one individual. The figure was low for an institution with our history.

[h] Minute 2019.005[h] is confidential.

[i] The Committee agreed that the update showed that significant progress had been made to improve the presentation of the risk register and the management of risk.

Whistle blowing cases since the last meeting, including the Annual summary of disclosures 2018–19 [ARC2019/05]

2019.006 Minute 2019.006 is confidential.

Annual report on research integrity [ARC2019/06]
2019.007  Minute 2019.007 is confidential.

External audit 2017–18 management letter: progress report on actions [ARC2019/07]

The Committee received the progress report on actions arising from the external audit 2017–18 management letter. The four recommendations raised last year had been completed.

External audit 2018–19 interim comments [Oral report]

The Committee received an oral update on the 2018–19 external audit from Deloitte. The following points were noted:

[a] There were potential adjustments in fixed assets and prior accruals but they did not appear to be material. A minor point had been raised in relation to lease disclosures in this year’s accounts. Deloitte requested that the narrative to be incorporated in the Financial Statements be provided earlier to allow for sufficient review. The Committee agreed that it would review the risk section next year at its meeting in October or by circulation prior to considering the audited Financial Statements in November. Examples of good practice from other universities included those where the strategic objectives, risks and KPIs were clearly linked.

Action: [a] Committee Secretary

Update on Value for Money reporting [ARC2019/08]

The Committee received an update on Value for Money reporting. The following points were noted:

[a] In light of the fact that the Office for Students (OfS) had not issued direct guidance on the format of value for money reporting, the Committee resolved in March 2019 to meet its own responsibilities in relation to value for money by monitoring the same metrics as in previous years. The report would contain 2-3 years’ data and commentary as well as examples of improvements that tied into the OfS priority areas. This was in line with the approach taken by other universities.

[b] The Committee agreed that an additional paragraph on VfM should be added to the annual report that would describe how a number of the objectives in the recently adopted 2030 Strategy were relevant; to VfM as interpreted by the OfS; the new KPIs that were being adopted to track implementation of these objectives; and how these KPIs would be reported to Council as part of Council’s oversight of delivery of the university Strategy.

Action: [b] Committee Secretary

Fraud/financial irregularities occurring since the last meeting:

- Microscopes [ARC2019/09i]
- Alleged theft of IT assets [ARC2019/09ii]

Minute 2019.011 is confidential.
Planned internal audit reports (2018–19):
- Research Governance [ARC2019/10]

2019.012 The Committee received the internal audit report on research governance (in relation to non-clinical research projects). The report gave a rating of significant assurance with minor improvement opportunities. The two medium and one low priority recommendations had been accepted by management.

Progress report on internal audit recommendations [ARC2019/11]

2019.013 The Committee received the progress report on internal audit recommendations. It was noted that no recommendations were overdue for implementation.

Internal audit annual report 2018–19 [ARC2019/12]

2019.014 The Committee considered the 2018–19 internal audit annual report. The following points were noted:

[a] All nine planned audits had been delivered, providing sufficient coverage to provide the Head of Internal Audit Opinion on finance, governance, risk, data and overall value for money. The Head of Internal Audit Opinion was one of ‘significant assurance with minor improvements required’. The work confirmed that there was generally a sound system of internal control designed to meet the university’s objectives. The good opinion reflected the good reports in core areas despite a larger number of high priority recommendations this year. Good progress had been made on the recommendations which reflected positive engagement from management. Areas that had been flagged as needing improvements were areas that had been identified as such by management. The Committee agreed that it was reassured by the opinion provided in the report.

Audit and Risk Committee annual report 2018–19 Draft 1 [ARC2019/13]

2019.015 The Committee received the first draft of the Audit and Risk Committee annual report 2018–19.

[a] The Committee requested that additional narrative on VfM be included.

[b] The risk management section would be expanded to include discussion on the new risk management policy, Strategic Risk Register and deep dive on strategy implementation.

Actions: [a], [b] Committee Secretary

Draft agenda for the next meeting [ARC2019/14]

2019.016 The Committee received the draft agenda for the meeting on 11 November 2019.

[a] The Committee agreed that VfM would be added to the agenda.

[b] The Committee agreed that the internal audit reports would be removed from the agenda and that reports would be circulated to the Committee and
when they are ready, and would come to meetings when further discussions were needed.

Actions: [a], [b] Committee Secretary

Dates of meetings in 2019–20:
- Monday 11 November 2019 at 1515 hours, Dean Rees House Boardroom, Charterhouse Square.
- Thursday 12 March 2020 at 1500 hours, Robert Tong Room, Mile End.
- Wednesday 10 June 2020 at 1500 hours, Robert Tong Room, Mile End.