



MEETING OF THE AUDIT AND RISK COMMITTEE

MONDAY 23 SEPTEMBER 2024

1330, Room 4.04, Beacon House

MINUTES

Members: Ololade Adesanya (Chair), Mary Bishop, Julie Goldstein, Michaela Munro (virtual), Stephen Robertson, Professor Dame Melanie Welham.

In attendance: Jack Boyer (Independent Trustee and Chair of the Board (virtual)), Edward Reeves (Head of Treasury), Keith Woolley (Chief Digital Information Officer (virtual)) – Item 5: deep dive, Kerry O'Shea (Director of the Office of the CIO) – Item 5: Deep dive, Shirlene Adam (Group Finance Director), Peter Vermeulen (Chief Finance Officer), James Hackney (Head of Financial Reporting) – Item 10: Proposal for future Annual Report & Financial, Ruth Wilmshurst (Agency Worker, Comms team) – Item 10: Proposal for future Annual Report & Financial, Victoria Jones Parry (Executive Director of Strategic Planning & Transformation) – Item 6: Internal Audit Progress Report, Item 7: Key University Risks and Item 8: Risk Appetite Implementation, Lucinda Parr (Chief Operating Officer, Registrar & University Secretary), Michael Flay (Interim Deputy University Secretary and Head of Governance), Clare Smith (Interim General Counsel) – Item 18: Annual update on Litigation matters: Insured and Uninsured, Steve Hall (Director for Student Experience) – Item 18: Annual update on Litigation matters: Insured and Uninsured, Henry Stuart (Information Governance Manager and Data Protection Officer (virtual)) – Item 15: Annual Data Protection Officer Report and Item 16: Annual FOI Report, Amanda Bateman (Insurance Manager (online)) – Item 11: Insurance Manager's Annual Report, Evelyn Welch (Vice Chancellor & President) and Judith Squires (DVC and Provost).

Internal Auditors: Charlotte Facer (RSM), Tom Loader (RSM), David Broughton (RSM).

External Auditor: Colin Bates (PwC).

Apologies: There were none.

0. Sector context

- 0.1 The Vice-Chancellor (VC) delivered some sector context to provide the committee with a sense of the key external challenges which were relevant for the Audit Committee to note.
- 0.2 The following was **NOTED**:
 - 0.2.1 The new OfS Chair (Sir David Behan) had recently confirmed that going forward the OfS' focus would be on quality assurance, financial stability of the sector, on public value for students (and members of the public) and on university governance.
 - 0.2.2 Going forward, there would be a particular emphasis from the OfS on the role played by ARC's to ensure that the other three areas referenced above, take priority.
 - 0.2.3 The VC had recently met with the new OfS Chair, who had confirmed that he was keen to bring Chairs of HE Audit Committees together so that good practice could be shared. The committee agreed that this would be a valuable opportunity.
 - 0.2.4 ARC members were encouraged to read the findings contained within [Fit for the Future: Independent Review of the Office for Students](#) written by Sir David Behan.

0.2.5 REDACTED: Section 22 Information intended for future publication

0.2.6 It was agreed that the Head of Governance would consider how best to undertake an assessment of how ARC was performing against the sector, with a view to potentially engaging the external board reviewer in undertaking the assessment as part of the broader board effectiveness review.

ACTION: Interim Deputy Uni Sec & Head of Governance

1 MINUTES OF THE PREVIOUS MEETING (*on file*).

1.1 The minutes of the meeting held on 10 June 2024 were **APPROVED** as a fair and accurate record, subject to two very minor grammatical amendments.

2 MATTERS ARISING & ACTIONS

2.1 RECEIVED and **NOTED**: the action register (*on file*). It was **AGREED** that all those actions which the Secretary had 'recommended closure,' could now be closed.

2.2 Actions which remained 'open' were updated as follows:

- Action 5.2 (19 Oct 2023) – one of the Board student trustees, Leonardo Coppi, was joining the ARC meeting in November in an observer capacity to assess whether the subject matter would be beneficial to a student member prior to appointing a student on to the ARC. The Head of Governance as was in contact with the Business, Management and Law Schools to discuss the feasible options for sourcing a strong candidate for student member.
- Action 5.2 (10 June 2024) – the Internal Audit report on disability support would be reported to ARC as soon as possible.
- Action 6.6 (10 June 2024) – there was a paper for discussion on the agenda so this action could now be closed.
- Action 5.6 GDPR (10 June 2024) – this was covered on the agenda as part of the Annual DPO report.

3 DECLARATIONS OF INTEREST

3.1 There were none declared.

4 CHAIR'S BUSINESS

4.1 RECEIVED and **RECOMMENDED for approval by the Board of Trustees**: the Audit and Risk Committee revised terms of reference (*on file*).

4.2 **NOTED**: the ARC forward plan for academic year 2024/25.

4.3 **DISCUSSED**: the feedback received from the Board of Trustees with regards to the University's Risk Appetite Statement. At the Board meeting, the Board was keen that ARC undertook an annual review of this, however ARC members discussed and **AGREED** that the initial review would be done in 18 months' time, given the work that was underway to try and embed risk appetite into university operations and the need to continue to 'test' the assumptions that had been made in the document as part of university decision-making.

ACTION: Secretary

Keith Woolley and Kerry O'Shea joined the meeting

5 DEEP DIVE: CYBER SECURITY AND DATA LOSS - Presentation

5.1 RECEIVED and **CONSIDERED**: a PowerPoint presentation from the Chief Digital Information Officer (*on file*).

5.2 The following was **DISCUSSED**:

5.2.1 The committee was pleased with the way in which the University was taking a holistic approach looking at risk across the entire eco system.

- 5.2.2 REDACTED: Section 43(2) Commercial interests
- 5.2.3 The significant level of investment which had gone into the University's cyber controls and the positive impact that it was having, REDACTED: Section 43(2) Commercial interests
ARC emphasised that the University should continue to be open to a significant cyber threat, but to continue to focus on mitigating that threat. ARC therefore agreed that it would continue to keep a watching brief on the Cyber risk, having also been assured that at an operational level, there were strong management controls in place, with robust teams of people and a greater understanding of cyber security across the organisation's staff.
- 5.2.4 On whether Isambard AI had changed the risk profile for the University, the committee noted that REDACTED: Section 43(2) Commercial interests
- 5.2.5 The importance of continuing to work with NCSC and GCHQ.
- 5.2.6 REDACTED: Section 43(2) Commercial interests
Internal Audit was planning a more specific follow up on cyber security and disaster recovery as part of its 2024/25 internal audit plan. ARC requested that the follow up review included a sector wide lens i.e. how did the University of Bristol compare with other universities.
- ACTION: Internal Audit**
- 5.2.7 Market pressures and how well the University was doing in terms of attracting and retaining top talent in cyber. REDACTED: Section 43(2) Commercial interests
- 5.3 The Committee thanked the Chief Digital Information Officer for an excellent briefing and agreed that it felt comfortable and assured that the University had the right controls in place to mitigate any cyber security threats that the University might be facing.

Keith Woolley and Kerry O'Shea left the meeting

6 INTERNAL AUDIT PROGRESS REPORT SINCE LAST MEETING

- 6.1 RECEIVED and **CONSIDERED**: paper ref: **AUD/24-25/001** (*on file*).
- 6.2 The following was **NOTED**:
- 6.2.1 Internal Audit had finalised a further six internal audit reports since June's Audit & Risk Committee meeting REDACTED: Section 43(2) Commercial interests
The executive summaries for these reports were included in the paper. The full reports were accessible via the Audit & Risk Committee [reading room](#).
- 6.2.2 Progress was underway for the remaining audits on the 2023/24 plan, draft reports were with management for four audits, fieldwork completed for a further two and the remaining two audits were nearly complete. These remaining audit reports would be presented to the 4 November ARC meeting.
- 6.2.3 Details of the status of all internal audit actions (open and closed) had been highlighted within the report.
- 6.2.4 There were only two overdue high actions as at today's date (23rd September).

6.2.5 REDACTED: Section 43(2) Commercial interests

6.2.6 Internal Audit had been attending Operations Board meetings regularly which had raised the profile of outstanding and overdue audit actions,

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6.3

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into consideration.

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ACTION: Internal Auditor

Vikki Jones Parry joined the meeting

Risk Management audit

6.4 **NOTED:** The University had driven forward an overall improvement in risk maturity since our previous audit of risk management, which could be seen through the development of new risk appetite statements, more structured risk discussions at senior and executive level, and heightened visibility of key tools such as the KURR at Operations Board. The next steps for the University were to ensure that a consistent language and methodology was applied to assessing and managing risk and that the framework remained a valuable tool for senior leaders and operational management alike.

REDACTED: Section 43(2) Commercial interests

6.5 The Chair thanked two ARC members (Stephen Robertson and Mary Bishop) for their assistance in working together with the Executive to provide guidance, support, and their expertise.

REDACTED: Section 43(2) Commercial interests

6.6 Management confirmed that it supported the recommendations contained within the report, particularly around the consistency of practice across the University, noting it would not be possible to adopt a 'one size fits all' approach, rather that the provision of a framework within which risk managers could operate would be more helpful. It was noted that Operations Board was proving to be a particularly useful forum for testing risk, understanding risk profile in more detail, and looking at the escalation of risks.

6.7 The following was **DISCUSSED:**

6.6.1 REDACTED: Section 43(2) Commercial interests

6.6.2 In the UK Corporate Sector the new UK Corporate Governance Code (which would come into force next year) had significantly raised the bar around risk management,

and public listed companies now had to identify controls across all risk areas, not just financial risks. It was noted that whilst the HE Sector did not have to comply with the UK Corporate Governance Code, it did have to comply with the CUC HE Code of Governance, which was due to be reviewed in the Autumn of this year, and any changes to the UK Corporate Code would likely be reflected in the new CUC Code. It was noted that should the University be required to identify controls across financial and non-financial risk areas. This this would take a significant amount of resource, and was something that the University should maintain a watching brief on. It was agreed that at the ARC away day in March, PwC would attend to assist the committee in better understanding what might be required of the University in the future.

ACTION: Secretary

6.6.3 REDACTED: Section 43(2) Commercial interests

it would be helpful for Internal Audit to be clear in their final reports about what was in or out of scope.

ACTION: Internal Auditor

6.6.4 ARC requested that the Internal Audit team review the likelihood definitions in the KURR to ensure they remain fit for purpose, specifically around the element of time.

6.7 The Committee was assured that risk management was moving in the right direction, and that activities undertaken represented a positive first step, rather than the completion of a journey.

Student Income

6.8 REDACTED: Section 43(2) Commercial interests

6.9 REDACTED: Section 43(2) Commercial interests

6.10 The following was **DISCUSSED**:

6.10.1 For future reports, ARC requested that the Internal Audit team better clarified the risk impact on the University of IA findings and highlighted specific areas for the committee to focus on.

ACTION: Internal Auditor

Business Continuity

6.11 REDACTED: Section 43(2) Commercial interests

6.12 Management confirmed that it supported the recommendations contained within the report, noting that some areas highlighted in the report were already being

addressed, specifically around how incidents were closed and the pulling together of lessons learned and that those were operationalised.

- 6.13 **NOTED:** that going forward, the internal audit team would build an assessment of risk culture into their individual audit reports although it was noted that it would also be covered off in the Internal Audit Annual Report which would be discussed at the ARC meeting in November. Assessments of risk culture would provide ARC with more comprehensive assurance.

National Student Survey (NSS) (reasonable assurance))

- 6.14 REDACTED: Section 43(2) Commercial interests

- 6.15 Management confirmed that it supported the recommendations contained within the report.

- 6.16 REDACTED: Section 43(2) Commercial interests

- Disability
- 6.17 REDACTED: Section 43(2) Commercial interests

- 6.18 REDACTED: Section 43(2) Commercial interests

- 6.19 REDACTED: Section 43(2) Commercial interests

7 KEY UNIVERSITY RISKS (KURR Summary)

- 7.1 RECEIVED and **APPROVED** paper ref: **AUD/24-25/002** (on file).

7.2 The Committee scrutinised the Key University Risk Register, [REDACTED]

[REDACTED: Section 43(2) Commercial interests]

7.3 [REDACTED: Section 43(2) Commercial interests]

ACTION: Executive Dir Strategic Planning & Transformation

7.4 **AGREED** that the overall risk framework remained fit for purpose and that the Committee was satisfied that it could provide such an assurance to the Board of Trustees.

8 RISK APPETITE IMPLEMENTATION

8.1 RECEIVED and **CONSIDERED**: paper ref: **AUD/24-25/003** including PowerPoint slides (*on file*).

8.2 The Executive Director of Strategic Planning & Transformation outlined a comprehensive plan to update the university's risk management policy, guidance, and training, incorporating newly agreed risk appetite statements. The plan included revising the Key University Risk Register and embedding risk management practices across the university, with a timeline set for completion within a year.

8.3 The Committee **DISCUSSED** the proposed changes to reporting Key University Risks (KURs) and the approach to integrating Risk Appetite within the University's Risk Management Framework, both of which had been endorsed by the University Executive Board.

8.4 The following comments were made:

[REDACTED: Section 43(2) Commercial interests]

[REDACTED: Section 43(2) Commercial interests]

[REDACTED: Section 43(2) Commercial interests]

[REDACTED: Section 43(2) Commercial interests]

8.5 The Committee supported the Executive Director in the direction of travel, specifically in relation to her review and update of the risk management policy, guidance, and training materials to embed the new risk appetite statements, and in her revisions to the key university risk register template and the testing of this with the top three risks.

Vikki Jones Parry left the meeting

9 SUMMARY OF FINANCIAL PERFORMANCE

9.1 RECEIVED and **CONSIDERED** paper ref: **AUD/24-25/004** (*on file*).

9.2 The Chief Financial Officer introduced the report which highlighted the university's financial performance for the full twelve months of financial year 2023/24 (to 31 July 2024).

9.3 The following was **NOTED**:

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REDACTED: Section 43(2) Commercial interests

9.4 The following was **DISCUSSED**:

9.4.1 The timely progress that was being made in relation to the External Audit assurance report for November's Committee meeting.

REDACTED: Section 43(2) Commercial interests

9.4.3 The importance of Russell Group CFOs to continue to work together with the Office for Students to assist them in better understanding the diversity of the HE Sector.

Ruth Wilmshurst and James Hackney joined the meeting

10 PROPOSAL FOR FUTURE ANNUAL REPORT & FINANCIAL STATEMENTS

10.1 RECEIVED and **ENDORSED**: paper ref: **AUD/24-25/005** (on file).

10.2 The Chief Financial Officer presented a proposal for the future Annual Report & Financial Statements, which was to:

- Move to a simpler, shorter document with fewer images (similar to Sheffield) (approx. 75-80 pages) supplemented by case studies, to bring the story to life;
- Reduce detail (for example governance currently sixteen pages – reduce to four pages by cutting text and using lists rather than extensive biogs);
- Use the new brand positioning to tell our story more clearly at the front of the document;
- Introduce more accessible web pages;
- Use the new brand position to build pride in the organisation's progress and successes through alternative channels. This may include staff bulletin takeover, regular stories of success;
- Establish a project owner and working group to agree how we are reporting against strategy and clearer responsibilities for agreeing and collecting content; Communications will play a key role in telling the story of our successes and ensuring consistent tone of voice and;
- Reduce the financial cost and human resource in producing the document.

10.3 The Committee **NOTED** that the proposal had been discussed with the External Auditor to ensure that the University continued to fulfil all its regulatory and statutory obligations. The External Auditor had fully supported the proposal.

10.4 **ENDORSED**: the proposal to streamline the Annual Report & Financial Statements, which would be undertaken in two phases, as referenced in the paper.

*Ruth Wilmshurst and James Hackney left the meeting
Amanda Bateman joined the meeting*

11 INSURANCE MANAGER'S ANNUAL REPORT

- 11.1 RECEIVED and **NOTED**: paper ref: **AUD/24-25/006** (on file).
- 11.2 The University's Insurance Manager provided an update on the University's insurance procurement strategy for the 2024 insurance year (1 August 2024 to 31 July 2025).

11.3 The following was highlighted:

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REDACTED: Section 43(2) Commercial interests

- 11.4 The Committee emphasised the importance of insurance as the biggest risk mitigation tool which the University had and was assured by how the paper had provided them with a strong sense of the overall risk profile for the University.

Amanda Bateman left the meeting

12. DRAFT ANTI-BRIBERY POLICY

- 12.1 RECEIVED and **APPROVED**: paper ref: **AUD/24-25/007** (on file).
- 12.2 The Chief Financial Officer and the Group Finance Director presented the final draft of the University's Anti-Bribery Policy, seeking approval to ensure university-wide compliance and effective implementation.
- 12.3 The following was **NOTED**:
- 12.3.1 The policy delineated clear responsibilities, ensuring that staff members were aware of their roles in preventing and addressing bribery.
- 12.3.2 The policy was designed to be integrated into existing awareness training programs such as Fraud training, promoting a culture of ethical conduct.
- 12.3.3 The committee's approval of the policy was being sought to formalise the anti-bribery measures and reinforce the University's commitment to ethical practices.
- 12.3.4 A strategy for operationalising the policy was outlined, focusing on embedding the principles into daily operations and decision-making processes.
- 12.4 **AGREED**: that the responsibility and accountability section would be moved to the start of the anti-bribery policy document.
- ACTION: Group Finance Director**
- 12.5 The Policy had been reviewed by the Internal Auditor who confirmed that it was satisfied with the Policy in relation to best practice guidance, and that the new approach addressed some of the weaknesses that had been highlighted in the recent internal audit report.
- 12.6 The Committee emphasised the importance of embedding the Policy and ensuring a strong level of engagement from staff. Members also discussed the importance of communicating the policy, which would be picked up by the new Policy Management project which was being led by the interim Deputy University Secretary & Head of Governance.
- 12.7 **APPROVED**: the University's Anti-Bribery Policy, subject to the above amendment.

13 COMPLIANCE WITH THE REGULATORY FRAMEWORK FOR HIGHER EDUCATION IN ENGLAND

13.1 RECEIVED and **NOTED**: paper ref: **AUD/24-25/008** (*on file*).

13.2 The interim Deputy University Secretary & Head of Governance introduced the report which highlighted the University's approach to managing and evidencing the University's compliance with the Office for Student (OfS) regulatory framework for higher education in England, specifically the University's approach to tracking our compliance with the OfS ongoing conditions of registration, and in respect of our Reportable events Policy.

13.3 **NOTED**: the introduction of a new condition of registration by the Office for Students (OfS) regarding harassment and sexual misconduct, which would take effect from 1 August 2025. The University was preparing to meet these new requirements, demonstrating proactive management of compliance issues.

13.4 **DISCUSSED**: compliance with the new ongoing condition E6, and the need for the University to consider broader implications beyond compliance requirements.

13.4 The Committee supported the University in its considerations of the implications of the new criteria E6 on University policies and practices, especially regarding staff-student relationships and harassment policies.

14 REPORT OF WHISTLEBLOWING OFFICER

14.1 The Committee received a verbal update, noting that there had been three disclosures since the last period, with one investigation still ongoing.

15 ANNUAL DATA PROTECTION OFFICER REPORT

15.1 RECEIVED and **NOTED**: paper ref **AUD/24-25/009** (*on file*).

15.2 REDACTED: Section 43(2) Commercial interests

15.3 **NOTED**: that the GDPR Project Board was currently reviewing some of its activity to test some of the controls and delivery, and that timeframes were being drawn up to share with the Committee at its meeting in November.

ACTION: Interim Dep Uni Sec & Head of Governance

16 ANNUAL FOI REPORT

16.1 RECEIVED and **NOTED**: paper ref **AUD/24-25/010** (*on file*).

16.2 **DISCUSSED**: the handling of Freedom of Information Act requests, noting improvements in meeting statutory deadlines and the volume of requests received. The discussion underscored the importance of having mature processes in place, which the Committee felt assured was already the case at the University.

17 ISAMBARD AI UPDATE

17.1 RECEIVED and **CONSIDERED**: paper ref **AUD/24-25/011** (*on file*).

17.2 **DISCUSSED**: progress in working with RSM's embedded assurance on the Isambard AI project.

17.3 REDACTED: Section 43(2) Commercial interests

REDACTED: Section 43(2) Commercial interests

ACTION: Chief Financial Officer

- 17.4 **AGREED:** that going forward the Committee would receive a project update at each ARC meeting, to provide ongoing assurances.

ACTION: Secretary

18. ANY OTHER BUSINESS

- 18.1 **DISCUSSED:** the impact of external events on PwC, the university's auditor, ensuring there was no impact on the university's audit work. The Committee was satisfied with the response provide by PwC. It was **AGREED** that the External Auditor would provide the Committee with a written report on this for its 4th November meeting.

ACTION: External Auditor

The next session was for ARC members only.

All other attendees left the room.

The General Counsel, the University Secretary, the interim Deputy University Secretary, and the Director of Student Experience were the only other officers present for the discussion.

REDACTED: Section 42 Legal professional privilege

20. MEETING CLOSE AND DATE OF NEXT MEETING

- 20.1 The date of the next meeting was confirmed as Monday 4 November 2024, 1400.