



## MEETING OF THE AUDIT AND RISK COMMITTEE

MONDAY 18 JANUARY 2021

Zoom meeting 13.40 – 16.30

### MINUTES

**Members Present:** Dr Madhu Bhabuta (away between 14:30 and 15:00), Professor Mary Bishop until 15:50, Ms Julie Goldstein, Mr Andy Poolman (Chair), Mr Andy Willis

**In attendance:** Mrs Helen Cole (Senior Governance Officer), Robert Kerse (COO), Mrs Lucinda Parr (Registrar and University Secretary) until 16.30, Mr Jason Smerdon (Group Finance Director), Mr Keith Woolley (Chief Information Office) for item 9 (Cyber Security & IT Disaster Recovery)

Internal Auditors: Ms Jilly Huggins

External Auditors: Mr Colin Bates (PwC Audit Partner)

**Apologies:** Mr David Broughton, Professor Judith Squires (Deputy Vice-Chancellor and Provost)

### WELCOME AND APOLOGIES

The Chair welcomed members and attendees.

### 1 MEETING OF THE COMMITTEE AND THE AUDITORS WITHOUT THE UNIVERSITY OFFICERS PRESENT

1.1 NOTED that the Terms of Reference of Audit and Risk Committee required that: "Once a year, the Committee should meet the Internal Auditor and the External Auditor without University officers present." The Chair reported that no issues were raised and that the members and auditors agreed that they received good levels of interaction with engagement from and access to the University Officers.

The Officers joined the meeting.

### 2 MINUTES OF THE PREVIOUS MEETING

2.1 The minutes of the meeting on 21 October 2020 were APPROVED as a true and accurate record of the meeting.

### 3 MATTERS ARISING & ACTIONS

3.1 With reference to item: 2.4 NOTED that paper pack for the meeting was 101 pages. AGREED that this length should be retained as a target for future meetings with the exception of each October meeting because this agenda always included the University's Annual Report and Financial Statements.

3.2 With reference to item 12.2: NOTED that the January 2021 meeting was well timed to report to the next Board of Trustees meeting in early February. NOTED that future meeting dates would be reviewed, to improve alignment with Board meetings to ensure that the Committee's Reports to Board retain value.

**Action: Secretary**

### 4 CHAIR'S BUSINESS

- 4.1 NOTED that Stephen Robertson, who had joined the Board of Trustees on 1 January, would be joining the Audit and Risk Committee in the next month.
- 4.2 NOTED that the Chair of the Board of Trustees would attend a meeting later in the year. NOTED that in accordance with best practice, the Committee's Terms of Reference stipulated that the Chair of the Board attended Audit and Risk Committee meetings on the invitation of the Chair.

## **5 DECLARATIONS OF INTEREST**

- 5.1 No interests were declared.

## **6 FINANCIAL PERFORMANCE SUMMARY**

- 6.1 RECEIVED AND NOTED: paper ref: AUD/20-21/018
- 6.2 The Committee queried whether decisions to release contingency were approved explicitly by the Board of Trustees or whether the executive board (UEB) made the decision independently. Officers responded that the recent decisions made by UEB in December and via the Board of Trustees Chair's Action in January were compliant with directions and parameters agreed by the Board of Trustees in November 2020. The decision taken by the Chair of the Board was taken in accordance with the Board's agreed urgent decision-making procedure. There was insufficient time to convene a full Board meeting. Officers also highlighted that ministerial and regulatory guidance had to a large degree compelled the University to respond in a particular way. NOTED that the decisions made by UEB and under Board Chair's Action had been communicated straight away to all members of the Board. The Chair's Action will be formally reported to the next meeting of the Board of Trustees.
- 6.3 The Committee discussed how the University could ensure equity for students who did not live in University owned accommodation and so could not benefit from the University's decision to extend its rent rebates into 2021. Officers responded that the University had simplified the hardship funding requirements and uncapped the previous limit. Additionally, extra bursaries had been made to students who are most likely to be in halls and have little support (care leavers and those estranged from their families) over the winter holiday period. Officers also advised that the Students' Union was using the University's decision on rents to pressurise the wider landlord system to offer similar rebates with some evidence of success noted.
- 6.4 The Committee agreed that the University had benefited from good publicity in recent weeks noting that a proactive approach was advantageous when interacting and interpreting with government policy and regulation.
- 6.5 The Committee requested that statistics on each Faculty's performance relating to Undergraduate and Postgraduate numbers be added to the Financial Performance Summary going forwards.

**Action: Group Finance Director**

## **7 KEY UNIVERSITY RISKS**

- 7.1 RECEIVED AND NOTED: paper ref: AUD/20-21/019
- 7.1 CONSIDERED the University's risk profile as articulated through its Key University Risk Register and heat map (Appendix 2).
- 7.2 NOTED the changes made to the risk profile since the October 2020 meeting of the Committee.
- 7.3 NOTED that this paper reflected the situation at the time of writing, and that the risk environment was changing very rapidly.

7.4 NOTED that the Key University Risks continued to be a standing item on the agenda of each Board of Trustees meeting. The Chair advised the Committee that at the last meeting of the Board of Trustees in November the Board had confirmed that it was content with the number of items in the “red zone” and that this was due to the impact of the Covid-19 pandemic. This demonstrated that the Board of Trustees now had awareness and ownership of the risk register which had previously not been as apparent.

**7.5 [REDACTED: likely to prejudice commercial interests]**

7.6 In response to a question, Officers explained the range of initiatives the University was employing to try to mitigate staff stress caused by the Covid-19 pandemic. Officers noted that the University was preparing for a post Covid-19 recovery, but that due to staff fatigue, the University would need to be realistic about what could be achieved once the direct impacts of the pandemic had receded.

7.7 The Committee expressed concern about the pressures that the pandemic was having on the senior leadership team. Officers advised that the wider University Executive Board (UEB) was working effectively and that this wider director and dean level of management provided support to the senior team.

**7.8 [REDACTED: likely to prejudice commercial interests]**

**Action: Secretary**

**8 STRATEGIC RISK FOCUS: TEMPLE QUARTER ENTERPRISE CAMPUS**

8.1 RECEIVED AND NOTED: paper ref: AUD/20-21/020

8.2 CONSIDERED the Programme Risk Up-date

8.3 NOTED that RSM had carried out external assurance of the Temple Quarter (TQ) programme in the form of a delivery confidence review. [REDACTED: likely to prejudice commercial interests]

**8.4 [REDACTED: likely to prejudice commercial interests]**

**9 STRATEGIC RISK FOCUS: CYBER SECURITY & IT DISASTER RECOVERY**

9.1 RECEIVED AND NOTED: paper ref: AUD/20-21/021

9.2 The CIO joined the Committee for this item and provided further details of actions taken so far and those planned for future improvements.

9.3 After a detailed discussion with the CIO, the Committee, in particular Madhu Bhabuta, concluded that the majority of the risks associated with Cyber Security & IT Disaster Recovery had been mitigated. NOTED that some risks would remain and would require ongoing management for the next 18 months as they were part of the implementation of the University’s Digital Strategy that would conclude over this timeframe.

**10 INTERNAL AUDIT PROGRESS REPORT**

10.1 RECEIVED and NOTED: paper ref: AUD/20-21/022

10.2 NOTED the following points:

- The finalisation of four internal audit reports since the October 2020 Committee meeting and finalised the action plan for the student wellbeing and mental health audit (completed action plan included within this report).
- The 4Action system for tracking the completion of internal audit actions has now been embedded and management are engaging with the system. Details of the status of all actions (open and closed) are highlighted within the report.

- Most of the remaining audits on the plan have now been discussed and scoped with sponsors.

10.3 The Committee discussed what level of approval was appropriate when a request to extend the timeframe for an action was received. AGREED that going forward the Internal Audit Progress Report should include details of any actions relating to high priority recommendations that had slipped beyond their initial deadline. This would allow the Committee improved oversight.

**Action: Internal Auditor**

## **11 ANNUAL TRANSPARENT APPROACH TO COSTING (TRAC) RETURN IN RELATION TO ACADEMIC YEAR 2019-20**

11.1 RECEIVED AND NOTED: paper ref: AUD/20-21/023

11.2 The Committee noted that the University Executive Board (UEB), in its role as TRAC Oversight Group, had recommended approval of the TRAC return to the Audit and Risk Committee. Additionally, the TRAC return presented had been subject to review by the TRAC Scrutiny Group, which included representatives from the academic community and faculty finance teams.

11.3 The Committee AGREED to DELEGATE AUTHORITY to the Chair of the Audit and Risk Committee, the approval of the University of Bristol TRAC return and research overhead charge-out rates for 2019/20 and the TRAC Rationale & assumptions.

11.4 AGREED that for future years, the TRAC return paper should be amended to principally focus on providing assurance to the Committee that the requirements had been met rather than the finer details of the return itself. [Subsequent to the meeting it was confirmed by the Group Finance Director that a report that summarised the work that had been undertaken together with the Return itself would be sufficient and would be permitted within the regulations.]

**Action: Group Finance Director**

## **12 REPORT OF WHISTLEBLOWING OFFICER**

12.1 NOTED the verbal update provided by the Registrar.

### Whistleblowing Policy

12.2 NOTED that James Thompson (President of UCU) had agreed to be the third person with whom whistleblowing concerns can be raised and this would be set out in the new policy when consultation was complete. James was well known within the University and would be seen as independent. NOTED that the UCU had asked that a process flow chart be provided to complement the new policy, the University was developing this and would share it and the policy itself at the next JCNC.

### Disclosures

12.3 The Registrar updated the Committee on the details and outcomes of three disclosures made under the Policy.

12.4 NOTED that the Committee was scheduled to receive a report on disclosures under the Whistleblowing Policy once a year.

**Action: Secretary**

## **13 ANY OTHER BUSINESS INCLUDING FORWARD PLAN**

13.1 RECEIVED AND NOTED: paper ref: AUD/20-21/024

13.2 AGREED the Secretary should add to the forward plan for 2022, the suggestion that in 2022 consideration should be given to whether a paper was required on the references to the supply chain within the University's Modern Slavery Statement.

**Action: Secretary**

**14 DATE OF NEXT MEETING**

14.1 The date of the next meeting was confirmed as Monday 12 April 2021.