



MEETING OF THE AUDIT AND RISK COMMITTEE

MONDAY 04 November 2024

MINUTES

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

In attendance: Nick Keveth (Independent Trustee), Edward Reeves (Head of Treasury), Shirlene Adam (Group Finance Director), Peter Vermeulen (Chief Finance Officer), Lucinda Parr (Chief Operating Officer, Registrar & University Secretary), Lucy Penrose (Deputy Head of Governance & ARC Secretary), Michael Flay (Interim Deputy University Secretary and Head of Governance), Judith Squires (DVC and Provost), Leonardo Coppi (Student Trustee, Observer).

Michele Acuto (PVC Global Engagement) – for item 5a, Barra Mac Ruairi (Chief Property Officer) – for item 5a, Keith Woolley (Chief Digital Information Officer) – for item 5a, Gavin Bell (Programme Director) – for item 5a, Clare Smith (Interim General Counsel) - for item 5b, Steve Hall (Deputy Director of Education and Student Success) - for item 5b, Victoria Jones Parry (Executive Director of Strategic Planning & Transformation) - for item 7.

Internal Auditors: David Broughton (RSM), Tom Loader (Internal Audit Manager, UoB)

External Auditor: Colin Bates (PwC), Sean Evans (PwC)

Apologies: Evelyn Welch (Vice Chancellor & President)

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

- 1.1 The minutes of the meeting on 23 September 2024 were **APPROVED** as an accurate record.

2 MATTERS ARISING & ACTIONS

- 2.1 RECEIVED and **NOTED:** the action register (*on file*).
- 2.2 All the actions that were recommended closure, were subsequently closed.
- 2.3 The Interim Deputy University Secretary and Head of Governance provided a summary of the GDPR project plan, a copy of which had been included in the papers for today's meeting. The Committee thanked him for providing the update, [REDACTED]
[REDACTED: Section 43 - Commercial interests]
- 2.4 **NOTED:** the comprehensive briefing note provided by the External Auditor to the Chair in relation to recent issues in PwC's Australian and Chinese offices would be shared with the wider Committee outside of today's meeting, alongside the meeting minutes.

3

DECLARATIONS OF INTEREST

- 3.1 There were none declared.

4 CHAIR'S BUSINESS

- 4.1 RECEIVED and **NOTED:** some Chair's business which was provided verbally to the Committee.

- 4.2 **NOTED:** that the Chair had met with the internal and external auditors and with the Chief Financial Officer and had attended the recent Finance & Investment Committee meeting, in preparation for this meeting.

5a INTERNAL AUDIT PROGRESS REPORT since last meeting

- 5.1 RECEIVED: and **DISCUSSED:** paper ref: **AUD/24-25/012** (*on file*)

- 5.2 The progress report summarised progress made against the 2023/24 and 2024/25 Internal Audit plans and included a summary of the final reports issued to date. The Audit & Risk Committee reviewed the reports from completed audits and **NOTED** the following:

- 5.2.1 REDACTED: Section 43 - Commercial interests

- 5.2.2 REDACTED: Section 43 - Commercial interests

- 5.2.3 REDACTED: Section 43 - Commercial interests

- 5.2.4 REDACTED: Section 43 - Commercial interests

- 5.2.5 REDACTED: Section 43 - Commercial interests

- 5.2.6 REDACTED: Section 43 - Commercial interests

ACTION: Internal Auditor

- 5.2.7 REDACTED: Section 43 - Commercial interests

- 5.2.8 REDACTED: Section 43 - Commercial interests

- 5.2.9 A paper was requested for the March meeting, written by the Internal Auditor, with a view to providing the committee with a gap assessment around RSM's compliance with the new Chartered Institute of Internal Auditors UK Code (CII Code), which was due to come into effect on 1st January 2025.

ACTION: Internal Auditor

Keith Woolley, Gavin Bell, Barra MacRuari and Michele Acuto joined the meeting

- Digital strategy
- 5.3 REDACTED: Section 43 - Commercial interests

- REDACTED: Section 43 - Commercial interests
- 5.4 REDACTED: Section 43 - Commercial interests
- 5.5 REDACTED: Section 43 - Commercial interests
- 5.6 REDACTED: Section 43 - Commercial interests
- 5.6.1 REDACTED: Section 43 - Commercial interests
- 5.6.2 REDACTED: Section 43 - Commercial interests
- 5.6.3 REDACTED: Section 43 - Commercial interests
- 5.6.4 REDACTED: Section 43 - Commercial interests
- 5.6.5 REDACTED: Section 43 - Commercial interests
- 5.6.6 REDACTED: Section 43 - Commercial interests
- 5.6.7 REDACTED: Section 43 - Commercial interests
- 5.7 It was **AGREED** that the Chief Financial Officer would share the paper that was submitted to, and approved by, the University's Capital Programme Board, REDACTED: Section 43 - Commercial interests
- ACTION: Chief Financial Officer**
- 5.8 The Internal Auditor gave the rationale for providing a REDACTED opinion, and the following was **DISCUSSED**:
- 5.8.1 REDACTED: Section 43 - Commercial interests

5.8.2 REDACTED: Section 43 - Commercial interests

5.8.3 The Committee requested that going forward, a synopsis of Management's response to the recommendations for each audit, would be extremely helpful.

5.8.4 It was agreed that a copy of the [REDACTED] report would be shared with the Committee outside of today's meeting.

ACTION: Secretary

5.9 REDACTED: Section 43 - Commercial interests

Keith Woolley and Gavin Bell left the meeting

5.10 *Post meeting note:* REDACTED: Section 43 - Commercial interests

Campus framework
5.11 REDACTED: Section 43 - Commercial interests

5.12 REDACTED: Section 43 - Commercial interests

5.13 REDACTED: Section 43 - Commercial interests

5.14 It was **NOTED** that a detailed action plan was being developed to address the points raised in the audit report.

REDACTED: Section 43 - Commercial interests

[REDACTED]

5.15 REDACTED: Section 43 - Commercial interests

[REDACTED]

5.16 The Committee noted that the US2030 Professional Services Transformation Programme was also assisting with looking at end to end service delivery with reference to the above.

Barra MacRuairi left the meeting

International Research Relationships Management [REDACTED]

5.17 REDACTED: Section 43 - Commercial interests

[REDACTED]

5.18 REDACTED: Section 43 - Commercial interests

[REDACTED]

Michele Acuto left the meeting
Steve Hall and Clare Smith joined the meeting

5b LEGALLY PRIVILEGED: [REDACTED]
REDACTED: Section 42 - legal professional privilege

5.20 REDACTED: Section 42 - legal professional privilege

[REDACTED]

5.21 REDACTED: Section 42 - legal professional privilege

[REDACTED]

5.22 REDACTED: Section 42 - legal professional privilege

[REDACTED]

Steve Hall and Clare Smith left the meeting

6 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2023/24

6.1 RECEIVED: and **APPROVED:** paper ref: **AUD/24-25/014** (*on file*)

6.2 It was **NOTED** that the annual report was currently in draft format.

6.3 **NOTED:** that the Risk Assurance Annual Report summarised all the internal audit work completed as part of the 2023/24 Internal Audit plan and included the Head of Internal Audit's opinion on risk, control, and governance.

6.4 The following was highlighted to the Committee:

6.4.1 REDACTED: Section 43 - Commercial interests

6.4.2 REDACTED: Section 43 - Commercial interests

6.4.3 REDACTED: Section 43 - Commercial interests

6.4.4 All work from the 2023/24 plan (subject to agreed changes) had been completed and reported to the Audit and Risk Committee.

6.5 The following was **DISCUSSED:**

6.5.1 The breadth of risk areas and how the plan represented a broad, well-balanced, and robust internal audit programme.

6.5.2 REDACTED: Section 43 - Commercial interests

6.5.3 The helpful addition of an assessment of culture within the Annual Report.

6.5.4 Management's assessment of the Internal Audit team, which was positive.

REDACTED: Section 43 - Commercial interests

6.5.5 REDACTED: Section 43 - Commercial interests

6.5.6 REDACTED: Section 43 - Commercial interests

6.5.7 The Committee was assured by the volume of open issues which was a strong indication of risk management and risk culture.

REDACTED: Section 43 - Commercial interests

- 6.6 **APPROVED:** subject to the above amendments and those amendments referenced in the earlier discussions in relation to Digital Strategy, the Internal Audit Annual Report and Opinion 2023/24.

Vicki Jones-Parry joined the meeting

KEY UNIVERSITY RISKS (KURR Summary)

- 7.1 RECEIVED and **DISCUSSED** paper ref: **AUD/24-25/015** (on file).
- 7.2 The Committee **DISCUSSED** the changes that had occurred to the Key University Risk Register (KURR) and, therefore, the University's risk profile since the previous ARC update in September 2024.

- 7.3 REDACTED: Section 43 - Commercial interests

- 7.4 **NOTED:** that at ARC's September meeting, there had been a discussion regarding a series of improvements to the University's Risk Management Framework: work continued, and a more detailed progress update would be provided to ARC at its meeting in March 2025, in line with the timeline that was agreed in September.

REDACTED: Section 43 - Commercial interests

- 7.5 The following comments were made during the discussion:

- 7.5.1 Whilst inflation was back to target levels, it was noted that costs continued to be increasing,

REDACTED: Section 43 - Commercial interests

It was **AGREED** that the Committee and the Executive would maintain a watching brief on this risk.

- 7.5.2 REDACTED: Section 43 - Commercial interests

- 7.5.3 REDACTED: Section 43 - Commercial interests

Vicki Jones-Parry left the meeting

8 SUMMARY OF FINANCIAL PERFORMANCE

- 8.1 RECEIVED and **DISCUSSED** paper ref: **AUD/24-25/016** (on file).
- 8.2 The Committee **DISCUSSED** the financial performance for the first two months of financial year 2024/25 (to 30 September 2024) and the year-end forecast – this paper was also considered by the Finance and Investment Committee (FIC) at its recent meeting.

8.3 The Chief Financial Officer provided the Committee with an update on the implications of the new Labour Government's budget, on the University. The following was **NOTED**:

8.3.1 REDACTED: Section 43 - Commercial interests

8.3.2 REDACTED: Section 43 - Commercial interests

8.3.3 REDACTED: Section 43 - Commercial interests

8.3.4 REDACTED: Section 43 - Commercial interests

8.3.5 REDACTED: Section 43 - Commercial interests

This was the update that FIC received on 1st November, and an email circular had also been sent to the Board of Trustees.

8.4 The following was **DISCUSSED**:

8.4.1 The tuition fee rise

REDACTED: Section 43 - Commercial interests

8.4.2 REDACTED: Section 43 - Commercial interests

8.4.3 The Deputy Chair of FIC emphasised that there had been a robust discussion about this matter at its recent meeting on 1st November, and FIC members were very pleased to see how well the Executive had managed the budget for 24-25 and the early actions that were taken to keep ahead of the game – actions which had proved to be invaluable. FIC was also supportive of the continuation of the looking ahead that the Executive were currently doing, including refining the guardrails for next year, starting early conversations around the Integrated Planning Process (IPP) and continuing to retain some levers in order to respond to any other surprise 'event.'

- 8.5 The Committee was assured by the robust scrutiny which the Executive and FIC had afforded on this matter and encouraged it to continue.

9 UOB ANNUAL REPORT AND FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDING 31 JULY 2024

- 9.1 RECEIVED and **RECOMMENDED APPROVAL TO THE BOARD OF TRUSTEES** paper ref: **AUD/24-25/017** (*on file*).

- 9.2 The Group Finance Officer explained the difference between these Management Accounts and those presented at the September meeting.

REDACTED: Section 22 - information intended for future publication

- 9.3

REDACTED: Section 22 - information intended for future publication

- 9.4 There were some minor amendments requested to be made to some committee memberships in the front-end of the Annual Report, which the Secretary agreed to pass on to the authors prior to presentation to the Board of Trustees at the end of November.

- 9.5 In line with its terms of reference, the Audit & Risk Committee scrutinised, specifically:

- 9.5.1 The wording in the annual governance statement, the statement of internal control and other disclosures relevant to the terms of reference of the Committee;

- 9.5.2 Any changes in, and compliance with, accounting policies, practices, and estimation techniques;

- 9.5.3 Any unadjusted mis-statements in the financial statements;

- 9.5.4 Any significant judgements in preparation of the financial statements;

- 9.5.5 Any significant adjustments resulting from the audit;

- 9.5.6 The Letter of Representation from the External Auditors;

- 9.5.7 The qualitative aspects of the financial reporting and;

- 9.5.8 The transparency and openness of reporting throughout the financial statements.

- 9.6 The Committee sought and received assurances from the Finance & Investment Committee in terms of their scrutiny of the financial statements, via the Deputy Chair of that Committee who was present at today's meeting.

- 9.7 In the absence of the Vice-Chancellor & President at today's meeting, the Chair had sought by email in advance confirmation from her, as the Accountable Officer, that the accounts were true and fair and that there were no post balance sheet events that the Committee needed to be concerned about.

- 9.8 The Committee then sought and received assurances from the members of the Executive in the room that there was nothing to take into consideration in making this recommendation to the Board of Trustees.

- 9.9 The Committee **CONFIRMED** that it could provide assurances to the Board of Trustees that the financial statements were in accordance with any accounts direction from the Office for Students (OfS) and that the accounting policies and judgements were fair, balanced and appropriate, and that the Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable, and provided the information

necessary for stakeholders to assess the University's position and performance, business model and strategy.

9.10 REDACTED: Section 43 - Commercial interests

9.11 **APPROVED and RECOMMENDED to the Board of Trustees for approval:** subject to further amendments as referenced, the University Annual Report and Financial Statements for the year ending 31 July 2024.

10 VALUE FOR MONEY REPORT 2023/24

10.1 RECEIVED and **APPROVED:** paper ref: **AUD/24-25/018** (*on file*).

10.2 **NOTED:** that this report assessed the Value for Money ("VfM") the University offers to both students and tax payers across a series of key performance indicators (KPIs) that were agreed with the Board that drive VfM improvements across "Economy" (how our costs compare to others), "Efficiency" (how our performance compares to others) & "Effectiveness" (outcomes).

10.2 **NOTED:** that there had been good progress against benchmarks for both Education and Research activities, REDACTED: Section 43 - Commercial interests The report further set out proposed initiatives for 2024/25 to further enhance the value for money that the University offered.

10.3 The Committee scrutinised the University's value for money strategy in order to satisfy itself that suitable arrangements were in place to ensure the sustainability of the institution and the promotion of economy, efficiency, and effectiveness. This included consideration of arrangements that, for example, supported the risk culture and behaviour that was prevalent within the University.

10.4 The Committee congratulated the Executive on such an excellent report which it felt represented a great narrative of success at the University REDACTED: Section 22 - information intended for future publication The Committee suggested that for next year there could be some more helpful visuals added to the report.

10.5 **APPROVED:** the University of Bristol Value for Money Report for 2023/24.

11 ANNUAL TRAC RETURN 2023/24

11.1 RECEIVED and **APPROVED:** paper ref: **AUD/24-25/019** (*on file*).

11.2 **NOTED:** that the TRAC return was a statutory return required by the Office for Students and that this return would determine the Research Charge-Out Rates that were used by the institution from the 1st of February 2025.

11.3 The Committee **DISCUSSED** the processes used to complete the TRAC return and **CONFIRMED** that it felt assured that those processes complied with the mandatory sector requirements.

11.4 The Committee **APPROVED** the Annual TRAC Return for 2023/24 on the basis that it had received assurances from the Executive that the processes and controls had not changed from previous years and that they continued to be effective.

11.5 A further update would be provided to the Committee at its meeting in March 2025.

12 EXTERNAL AUDIT FINDINGS REPORT FOR YEAR ENDING 31 JULY 2024 INCLUDING REPRESENTATION LETTER

- 12.1 **RECEIVED** and **APPROVED**: paper ref: **AUD/24-25/020** (*on file*).
- 12.2 **NOTED**: the scope and proposed focus of the External Auditor's audit work was summarised in the audit plan, which was presented to the Audit & Risk Committee on 10 June 2024. The External Auditor had subsequently reviewed their audit plan and concluded that their original risk assessment remained appropriate.
- 12.3 **NOTED**: that the External Auditor had completed a significant portion of their audit work and expected to be able to issue an unqualified audit opinion on the financial statements.
- 12.4 **NOTED**:
REDACTED: Section 43 - Commercial interests
Based on the External Auditor's work performed to date, the Audit & Risk Committee could expect the External Auditor to issue an unmodified audit opinion on the financial statements once their work had been concluded.
- 12.5 The Committee scrutinised, together with the external auditors, any findings or issues arising from the interim and final audits, including the management letter incorporating the Executive's responses, and any other matters which the external auditors wished to discuss.
- 12.6 **ENDORSED** and **RECOMMENDED** to the Board of Trustees for approval: the External Auditor's Letter of Representation.
- 12.7 **APPROVED**: the external audit findings report for year ending July 2014.

13 COMPLIANCE ANNUAL STATEMENTS FROM UNIVERSITY SUBSIDIARIES

- 13.1 **RECEIVED** and **APPROVED**: paper ref: **AUD/24-25/021** (*on file*).
- 13.2 In accordance with its terms of reference, the Committee **DISCUSSED** information and assurances provided by each University Subsidiary Company board under the University's Subsidiary Governance Framework for the University of Bristol Group of companies, including an appraisal of each company's performance and information and assurance as to its corporate governance arrangements, financial systems, internal controls, risk management arrangements and relevant legal and regulatory compliance.
- 13.3 **NOTED** the following:
- 13.3.1 REDACTED: Section 43 - Commercial interests
- 13.3.2 The Committee was scheduled to undertake a deep dive into the top 5-10 risks for the other two wholly owned subsidiaries (Science Research Foundation and the NCC) during academic year 2024/25.
- 13.4 **APPROVED**: in relation to the National Composites Centre (NCC), the Chair to sign the next letter of assurance to HVMC to cover the 2023/24 financial year. It was **NOTED** that the completion of the 2023/24 UoB internal audit schedule raised no material concerns raised regarding the NCC.

14 ANNUAL FRAUD REPORT 2023-24

- 14.1 **RECEIVED** and **APPROVED**: paper ref: **AUD/24-25/022** (*on file*).
- 14.2 **NOTED**: the Annual Fraud Report contained a summary of fraud attempts identified during the academic year 2023/24, reported under the auspices of the Counter Fraud

Policy.

REDACTED: Section 43 - Commercial interests

14.3 **APPROVED:** the University's Annual Fraud Report 2023/24.

15 REPORT OF WHISTLEBLOWING OFFICER

15.1 The Committee received a verbal update.

15.2 REDACTED: Section 41 - Confidentiality

16 OFS REPORTABLE/ NOTIFIABLE EVENTS

16.1 The Committee received a verbal update.

16.2 REDACTED: Section 41 - Confidentiality

16.3 REDACTED: Section 41- Confidentiality

17 ISAMBARD AI UPDATE

17.1 RECEIVED and **DISCUSSED:** paper ref: **AUD/24-25/023** (*on file*).

17.2 REDACTED: Section 43 - Commercial interests

17.3 REDACTED: Section 43 - Commercial interests

17.4 REDACTED: Section 43 - Commercial interests

17.5 REDACTED: Section 43 - Commercial interests

17.6 REDACTED: Section 43 - Commercial interests

ACTION: Chief Financial Officer

18 AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24

18.1 RECEIVED and **APPROVED:** paper ref: **AUD/24-25/024** (*on file*).

19. ANY OTHER BUSINESS

19.1 **NOTED:** that the University's Mandatory training figures would be presented to the March 2025 Committee meeting.

19.2 This was Julie Goldstein's final ARC meeting. The Committee thanked Julie Goldstein for all of her valuable contributions over many years and wished her all the best for the future.

20. MEETING CLOSE AND DATE OF NEXT MEETING

20.1 The date of the next meeting was confirmed as Monday 03 March 2025, 1300.