

**MINUTES OF THE MEETING OF THE CARDIFF UNIVERSITY AUDIT AND RISK COMMITTEE HELD ON MONDAY 16 NOVEMBER 2020 BY ZOOM, AT 12:00.**

Present: Michael Hampson (Chair), Dónall Curtin, Paul Benjamin, Dr Janet Wademan and Agnes Xavier-Phillips.

In Attendance: Professor Colin Riordan, Jason Clarke, Ian Davies, Clare Eveleigh, Rashi Jain, Alison Jarvis, Vari Jenkins (Minute-taker), Faye Lloyd, Ruth Robertson, Claire Sanders, Robert Williams, and Wendy Wright.

**862 PRELIMINARIES**

NOTED

862.1 The Chair welcomed all members and officers to the meeting.

**863 MATTERS ARISING FROM THE MINUTES**

Received and considered for information paper 20/229, 'Matters Arising from the Minutes. The Chair led this item.

NOTED

863.1 that the University Secretary and Head of Internal Audit are meeting this week to consider priority areas for progression of internal audit recommendations. [Minute 837.5];

863.2 that the People strategy specifically refers to recruitment and retention. It was observed that recruitment within the Service is under regular review by the Director and that there had been no departures in IT Services to date. [Minute 838.8];

863.3 that no comments had been received from PricewaterhouseCoopers in response to the summary of feedback provided to them on the External Audit questionnaire. [Minute 849.3];

863.4 that the two cases under the University's Public Interest Disclosure Policy in 2019/20 related to procedures in the Student Occupational Health service, and the decision-making process in relation to a school-level decision. [Minute 857.2];

863.5 that a communication campaign would be rolled out to alert staff to the need to complete the information security training. [Minute 858.5];

863.6 that all other actions were complete.

RESOLVED

863.7 University Secretary to review ARUP report to determine compliance with procurement regulations in respect of changes to the CIC scope and advise Chair of the Committee. [Minute 831.3];

863.8 UEB Brexit paper to be circulated to the Committee. [Minute 833.13];

863.9 that the Annual Complaints report collated by the Corporate Governance team would include the themes of the two cases raised under the University's Public Interest Disclosures;

863.10 Information Security training compliance update to be provided at the June meeting of the Audit and Risk Committee.

#### **864 DECLARATIONS OF INTEREST**

864.1 There were no declarations of interest received.

#### **865 RISK REGISTER**

Received and considered for debate paper 20/213C, 'Risk Register'. The Vice-Chancellor was invited to speak to this item.

NOTED

865.1 REDACTED

865.2 REDACTED

865.3 that the committee was reassured that the Risk Register was updated on a regular basis with particular reference to the COVID-19 and Brexit situations, and they considered the Risk Register to be very robust.

RESOLVED

865.4 the committee will explore the benefits of a Viability Statement at the June 2021 meeting;

865.5 Paper 20/214C Appendix B – Full Fisk Register to be re-formatted and re-circulated to the Committee.

#### **866 LIVE INCIDENTS**

Received and considered for debate paper 20/215HC, 'Live Incidents'. The Vice-Chancellor was invited to speak to this item.

NOTED

866.1 that the Committee was satisfied with the report.

#### **867 REPORT TO THE AUDIT AND RISK COMMITTEE ON EXTERNAL AUDIT YEAR END 2019/2020**

Received for information paper 20/230C, 'Report to the Audit and Risk Committee on External Audit Year End 2019/2020. Jason Clarke, PwC, was invited to speak to this item.

NOTED

867.1 that the report confirmed agreement with the University's judgement of going concern;

867.2 REDACTED

RESOLVED

867.3 the Report to the Audit and Risk Committee on External Audit Year End 2019/2020 does not need to go to Council for debate as it will receive the

External Auditor's opinion instead. The Audit and Risk Committee Report to Council will confirm appropriate scrutiny of the paper.

**868 ANNUAL INTERNAL AUDIT REPORT 2019/20**

Received for information paper 20/216C, 'Annual Internal Audit Report 2019/20'. Faye Lloyd, Head of Internal Audit, was invited to speak to this item.

NOTED

868.1 that the content of the report was unchanged from the previous meeting on 8 October 2020 and was received for completeness.

**869 FINANCIAL IRREGULARITIES REPORT**

Received for information paper 20/217C, 'Financial Irregularities Report'. Alison Jarvis, Director of Financial Operations, was available to speak to this item.

NOTED

869.1 that there are none to report.

**870 RECONCILIATION OF THE FORECAST OUTTURN VS STATEMENTS YEAR END 2019/20**

Received for debate paper 20/218C, 'Reconciliation of the Forecast Outturn vs Statements Year End 2019/20'. Alison Jarvis, Director of Financial Operations, was invited to speak to this item.

NOTED

870.1 REDACTED

870.2 REDACTED

870.3 REDACTED

870.4 REDACTED

870.5 REDACTED

**871 JUDGEMENTS FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

Received for debate paper 20/219C, 'Judgements for the Financial Statements for the Year Ended 31 July 2020'. Rob Williams, Chief Financial Officer, was invited to speak to this item.

NOTED

871.1 REDACTED

871.2 REDACTED

871.3 REDACTED

RESOLVED

- 871.4 the Committee will be updated on discussions around the level of reserves at the February meeting.
- 871.5 the Judgement paper does not need to go to Council for debate. The Audit & Risk Committee Report to Council will confirm appropriate scrutiny of the paper.
- 872 LETTER OF REPRESENTATION - ASSURANCES AND ASSURANCE EVIDENCE FOR 2019/20**
- Received for debate paper 20/220C, 'Letter of Representation - Assurances and Assurance Evidence for 2019/20'. Alison Jarvis, Director of Financial Operations, was available to speak to this item.
- NOTED
- 872.1 that the paper referred to an appendix which was missing.
- RESOLVED
- 872.2 to circulate the appendix referred to in the Assurance Required to the Committee.
- 873 ANNUAL REPORT & FINANCIAL STATEMENTS 2019/2020**
- Received for debate paper 20/221C, 'Annual Report & Financial Statements 2019/2020'. Rob Williams, Chief Financial Officer, was invited to speak to this item.
- NOTED
- 873.1 that the report contained an additional section this year which referred to the University's COVID-19 response;
- 873.2 REDACTED
- 873.3 that the Corporate Governance statement confirmed that the University's arrangements for the provision of risk management, internal control, governance, value for money and data quality are generally adequate and effective, noting the two exceptions previously raised in the Internal Auditor's opinion.
- 873.4 that there hasn't been any information from PwC that isn't reflected in the external audit report.
- 873.5 REDACTED
- 873.6 REDACTED
- 873.7 that there have been no major changes to accounting policies.
- RESOLVED
- 873.8 a declaration of interest relating to Welsh Water to be checked for inclusion in the Related Parties Transactions section by Finance;

- 873.9 Council membership attendance records to be reviewed to ensure that possible totals reflect start dates;
- 873.10 the reference to meetings of 'senior' committee members to be clarified as meetings of the Chairs of the Committees.
- 873.11 to recommend the Annual Report & Financial Statements 2019/2020 to Council for approval.

**874 GOING CONCERN REVIEW 2020-21 AND 2021-22**

Received for debate paper 20/224C, 'Going Concern Review 2020-21 and 2021-22'. Rob Williams, Chief Financial Officer, was invited to speak to this item.

NOTED

- 874.1 that the Committee was satisfied with the report.

**875 FINANCIAL BUDGET 2020/21 AND FINANCIAL PROJECTIONS 2021-23**

Received for debate paper 20/223C, 'Financial Budget 2020/21 and Financial Projections 2021-23'. Rob Williams, Chief Financial Officer, was invited to speak to this item.

NOTED

- 875.1 that Council would be asked to delegate responsibility to Finance and Resources Committee for approval of a budget in December, to incorporate updated student numbers, post the student census date

**876 AUDIT AND RISK COMMITTEE ANNUAL REPORT TO COUNCIL 2019/20**

Received for debate paper 20/232C, 'Audit and Risk Committee Annual Report to Council 2019/20'. The Chair of the Committee led this item.

NOTED

- 876.1 That a number of comments had been raised by a member of the committee and that the report would be corrected or clarified accordingly;
- 876.2 that it was being investigated whether the independent assurance provided by C.G. Lees within Research and Innovation Services could be shared with the committee;
- 876.3 that mapping against the requirements of HEFCW's Financial Management Code was ongoing and would be shared with the committee at a future date;
- 876.4 REDACTED
- RESOLVED
- 876.5 to include reference to the Working Group established to review the CIC project and provide assurance;

876.6 to approve the Audit and Risk Committee Annual Report to Council for the 2019/20 academic year, subject to inclusion of the above item;

876.7 that a full review of the Audit and Risk Committee Annual Report be conducted before the next iteration, to ensure the report provides the assurance required whilst reducing duplication with Internal Audit Annual Report and providing a more strategic view.

**877 2019/2020 ANNUAL STATEMENT ON RESEARCH INTEGRITY**

Received for information paper 20/226, '2019/2020 Annual Statement on Research Integrity'.

NOTED

877.1 that it may be suitable for this item to be approved in future via the Governance Committee and included in their Terms of Reference to enable this.

**878 COMPLAINTS REPORT: STUDENTS, STAFF AND THIRD PARTIES (19/20)**

Received for debate paper 20/225C, 'Complaints Report: Students, Staff and Third Parties (19/20)'. Rashi Jain, University Secretary, was invited to speak to this item.

NOTED

878.1 that this report was required in line with the HEFCW Financial Management Code and Memorandum of Assurance and Accountability;

878.2 that there had been an increase in the number of student complaints by around 65%; these were mainly linked to industrial action and COVID-19;

878.3 that under table 3, the wording should be amended to read "Of the 7 cases found to be Partly Justified or Justified in 2019"

878.4 that these figures did not include any deputations received by Council; there was a process for management of deputations and responses within the Ordinances;

878.5 that recruitment to the student cases team was ongoing to ensure the volume of complaints could be responded to.

RESOLVED

878.6 for detail to be provided on why the numbers of student cases differ in this report and in the Letter of Representation Assurance & Assurance Evidence;

878.7 for detail to be provided on whether the number of Welsh Language related complaints has increased or decreased since the appointment of a new Welsh Language Commissioner;

878.8 to determine whether this report should come to this committee or Governance Committee.

**879 COMPLIANCE REPORT: HEFCW FINANCIAL MANAGEMENT CODE**

Received for debate paper 20/233C, 'Compliance Report: HEFCW Financial Management Code'. Rashi Jain, University Secretary, was invited to speak to this item.

NOTED

879.1 that the Committee was satisfied with the report.

**880 TRUSTEES GIFT & HOSPITALITY REGISTER**

NOTED

880.1 that there are no entries on the register to note for 2019/20.

**881 ANY OTHER BUSINESS**

NOTED

881.1 that a number of other universities had widened the scope of the work undertaken by the Internal Audit department and that a similar review of potential activities would be useful; however the priorities for Internal Audit for 20/21 were already agreed therefore any such review would need to be in the context of 21/22 programmes;

881.2 REDACTED

RESOLVED

881.3 for the Chair's report to Council to be updated to include reference to the key issues discussed at this meeting;

881.4 for the Head of Internal Audit and the Chief Operating Officer to discuss and report to the next meeting on an appropriate time to review possible further areas of work for Internal Audit to undertake and to consider the involvement of an external expert in the discussion,

881.5 for the annual review of the external auditors to be issued in January 2021, as opposed to at the end of the academic year.

**882 AGENDA FOR THE NEXT MEETING**

Received for debate paper 20/245, 'Agenda for the Next Meeting'. The Chair spoke to this item.

NOTED

882.1 that the Committee was satisfied with the provisional agenda.

**883 PROGRAMME FOR REVIEW OF RISK (18 JANUARY 2021)**

Received for debate paper 20/244, 'Programme for the Review of Risk'. The Chair spoke to this item.

NOTED

883.1 that the Committee was satisfied with the provisional agenda.

**884 MINUTES OF PREVIOUS MEETING (8 AND 28 OCTOBER 2020)**

Received and considered for decision papers 20/228, 'Minutes – Audit and Risk Committee 081020' and paper 20/227 'Minutes – Audit and Risk Committee 281020'.

RESOLVED

884.1 to approve the minutes of the meetings of the Audit & Risk Committee held on 8 October 2020 and 28 October 2020.

**885 COVID-19 & HEFCW REGULATORY REPORTING – UPDATE**

NOTED

885.1 that no further update from HEFCW has been received.

**886 HEFCW INSTITUTIONAL RISK REVIEW**

NOTED

886.1 that HEFCW will not be issuing an Institutional Risk Review Letter for 2019/20.

**887 RECEIPT OF GOVERNANCE COMMITTEE MINUTES (30/9/20)**

NOTED

887.1 that a discussion had been held on the possible use of Body Cameras for Security staff on site.

**888 SENIOR STAFF SALARY RECOMMENDATION (RESERVED)**

NOTED

888.1 that only members of the Committee, the University Secretary, the Chief Operating Officer and a minute taker were in attendance for this item;

888.2 REDACTED

888.3 REDACTED

**889 IN-CAMERA**

Following the meeting of the Audit Committee, an *in-camera* was held. Only the members of the Audit Committee, Head of Internal Audit and the External Auditors were present.

*"That the Minutes of the Meeting of the Audit and Risk Committee held on the 16 November 2020 be signed as a correct record".*

**Chair**

**Date**

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