



HARTPURY

AUDIT AND RISK MANAGEMENT COMMITTEES HARTPURY UNIVERSITY AND HARTPURY COLLEGE

Minutes 10am Tuesday 28th June 2022 Via Videoconferencing – Microsoft Teams and Gordon Canning Room

Members	University Audit Committee	College Audit Committee
Professor Ian Robinson	Present (until 11.30)	-
Dr John Selby	Present (Vice-Chair) (from 10.20)	-
Mr David Seymour	Present (Co-opted for meeting)	
Mr Patrick Brooke	-	Present (Chair)
Mrs Barbara Buck	Co-opted to HE Audit Committee for meeting	Present
Ms Mary Heslop	-	Present
In Attendance		
Ms Lynn Forrester-Walker	Present (Chief Operating Officer)	Present (Chief Operating Officer)
Ms Gillian Steels	Present (Clerk to the Board)	Present (Clerk to the Board)
Mr Nick Tingle	Present (Management Accountant)	Present (Management Accountant)
Ms Helen Cargill	Present (TIAA)	Present (TIAA)
Mr Russell Marchant	Present (Vice-Chancellor) (until 10.55am)	Present (Principal)
Mr Graham Quint	Director of Digital Services 10-10.30	
Mr Alan Powderhill	Sports Academy 10-10.30	

	ACTION & DATE
Development Session Deep Dive Risk Management – Business Continuity Graham Quint – Director of Digital Services and Alan Powderhill – Sports Academy The Director of Digital Services took the Committees through the Hartpury approach to Business Continuity, at both an organisational and departmental level. He outlined its role in ensuring there were processes in place to deal with business interruption – whether planned or unplanned. He confirmed that there was a Corporate Business Continuity Plan supported by local Business Continuity Plans. He advised the local plans were being finalised and reviewed for consistency and to ensure they mapped to available resource. He advised responses were split into bronze (local response), silver (Exec/SMT response) and gold response (Exec/ SMT response) levels to enable decisions to be made quickly and at the right level. He advised that the local plans were developed by the Risk Manager for the area, and that they were provided with training and support to help with the process. The plan required them to: identify, analyse, create and measure to ensure that plans focused on their key processes and how to respond to an interruption of service. They were required to rank how quickly they would need services to be recovered, including reflecting on different times in the year to assess importance at that specific time. The Risk Management Group would then review the plans and confirm prioritisation.	

Alan Powderhill took the Audit and Risk Management Committee through the processes he used in the Sports Academy – covering the approach used to consider loss of all facilities, loss of a specific department and issues relating to reputational challenges, such as behaviour. He advised of the approach that would be taken in each circumstance, with reference to the Business Continuity processes.

10.20 John Selby joined the meeting

Alan Powderhill gave examples of how this had worked in practice, for example how the department had responded to Covid to ensure that students remained engaged and the response to loss of power in one building at the weekend.

A governor queried how many Local Business Continuity plans there were and was advised there were c27. The frequency of review was also questioned. The Director of Digital Services advised that as they were relatively new they were still in first review stages. In future it was expected they would be reviewed annually, or when a significant change to a process or activity was undertaken, for example the move to the new Graze.

A governor asked how Hartpury could ensure there were no gaps or areas over looked. The Director of Digital Services advised that the review process should minimise this risk, but noted that as circumstances changed there was a need to ensure plans were reviewed. He advised that the process looked at impacts rather than specific occurrences which helped to ensure the plan was adaptable to a range of issues/risks/incidents – for example loss of access, loss of IT, loss of facilities, loss of staff, against a long- and short-time frame.

Governors queried how staff were trained. The Director of Digital Services advised there had been training for the Risk Management Group and that relevant new starters, such as the Farm Manager had received individual training subsequently.

The Chief Operating Officer advised that in a recent review in readiness for the upcoming Equine Events being held by Hartpury that the Health and Safety Manager had held a scenario planning session – this had confirmed that the team were ready for a range of situations, which had given helpful assurance. It was planned to roll out this process.

The Chair thanked the Director of Digital Services and Alan Powderhill for their informative session.

AR01/06/22	<p>Apologies & Confirmation of Quoracy</p> <p>Apologies were as noted above.</p> <p>It was confirmed that the University Audit and Risk Management Committee and the College Audit and Risk Management Committee meetings were quorate.</p>	
AR02/06/22	<p>Declaration of Interest.</p> <p>The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests. There were no further declarations of members' interests for agenda items.</p>	
AR03/06/22	<p>Minutes of the Meetings – 31st March 2022</p> <p>The minutes of the University Audit and Risk Management Committee and the College Audit and Risk Management Committee 31st March 2022 meetings were APPROVED as true records.</p>	
AR04/06/22	<p>Matters Arising</p> <p>The updated Action Log was noted.</p>	

	<p>Water tanks move to mains – the Chief Operating Officer advised that this would improve water pressure and provide higher water quality. Safety tests would continue to be conducted. It was noted that the cost had been managed within existing budgets.</p> <p>Risk Deep Dive for Safeguarding – this would be scheduled in November or March depending on agendas.</p>	<p>Clerk Mar 23</p>
AR05/06/22	<p>Audit Recommendations Follow Up Update</p> <p>The Committee considered the update which detailed progress on the recommendations. It was noted the Information Security Policy had been delayed to allow review by the Information Governance Group but a revised target date was now in place and was on track. All the other recommendations had been completed.</p> <p>The Audit Recommendations Update Report was NOTED.</p>	
AR06/06/22	<p>Procurement Compliance</p> <p>The Management Accountant presented the Procurement Compliance Report and provided assurance where there had been any variation on the standard compliance requirements, for example where work was bespoke, time critical or there was a need to align to current services, or there was only a single supplier. A governor questioned whether the Pelican invoices were a monthly consolidated invoice, and this was confirmed. It was noted that sometimes the reference to a single supplier reflected an ongoing contract.</p> <p>The Procurement Compliance Report was NOTED.</p>	
AR07/06/22	Internal Audit Reports	
7.1	Summary Internal Controls Assurance (SICA) Report	
	<p>The summary controls assurance report provided the Committees with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Hartpury University HEC as at 21st June 2022. It confirmed that of the two audits undertaken since the last meeting both had been assessed as providing substantial assurance. There had been no changes to the Plan over the year. The ICT Security Report had been delayed due to sickness and an alternative auditor would be assigned. The Internal Auditor apologised for the delay in the provision of the report but advised that the fieldwork had not indicated any issues. The report would be provided to the November meeting.</p> <p>It was noted that TIAA had been appointed to investigate an irregularity. The work has been undertaken by the Anti-Crime team who are independent of the core audit team. It was confirmed the Chief Operating Officer would update on this later in the meeting.</p> <p>The Committees NOTED the Report</p>	
7.2	ICT Security Update - position noted as above	

7.3	Governance Performance Management – SUBSTANTIAL ASSURANCE Action Points: 0 - Urgent, 0 - Important, 2 - Routine, 0 – Operational	
	<p>The review considered the arrangements for providing assurance to the Corporation and Leadership Team through the use of Key Performance Indicators and the systems that are used to track and manage the attainment of these targets. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the committees/groups or the appropriateness of all decisions taken.</p>	
	<p>Strategic Findings were: Performance management measures and processes were aligned to the Strategic Plan and its organisational and departmental objectives and plans. Although Performance Management arrangements were established and reflected best practice, there was no documented framework in place to define those arrangements. Evidence was provided of performance management and reporting taking place through the provider's governance fora. Key Performance Indicator (KPI) reporting would benefit from a review and potentially the inclusion of a short list of higher level (critical) KPIs as there were a lot of KPIs currently reported at Governor level.</p> <p>Good Practice identified: The provider's performance management reflects the 'golden thread' metaphor aligning the organisation's vision and Strategic Plan and its objectives to organisational planning and performance mgt.</p> <p>It was confirmed that the recommendations were accepted and would be actioned. The Vice-Chancellor and Principal advised that it was planned to present the Boards with 12-14 proposed KPIs at the July Boards for discussion. It was recognised that other more detailed KPIs could be devolved to Committees who could highlight concerns to Board. The possibility of a monthly dashboard was being considered. It was agreed it would also be helpful to map which KPIs went to which Committee, and which external agency required their monitoring.</p> <p>10.55 The Vice-Chancellor and Principal left the meeting</p>	COO/Clerk Nov 2022
	The Committees NOTED the Audit and level of Assurance provided.	
7.4	Key Financial Systems - – SUBSTANTIAL ASSURANCE Action Points: 0 - Urgent, 0 - Important, 0 - Routine, 0 – Operational	
	<p>The audit had reviewed the arrangements in place to set and manage budgets, including virements and reporting; the arrangements in place to maintain the general ledger including coding, segregation of duties, journals and control account reconciliations; and, the arrangements for managing cash including bank reconciliations, investments and cash flow forecasting.</p>	
	<p>Key Strategic Findings were: Detailed monthly Management Accounts are presented to the Senior Management Team and the Corporation Board on regular basis. Regular reconciliation of bank statements and control accounts is undertaken and independently reviewed and approved. Loan covenants are monitored for ongoing compliance.</p>	
	<p>Good Practice identified was that effective controls were in place around Cash, Banking and Treasury Management and the loan covenant had been met</p>	

	The Committees congratulated the Finance Team on achieving an audit with no recommendations. The Internal Auditor confirmed this was a very positive achievement.	
	The Committees NOTED the Audit and level of Assurance provided.	
7.5	Follow Up Update	
	It was noted that the follow up review considered whether the management action taken addressed the control issues that gave rise to the recommendations. It was confirmed that the majority of recommendations had been implemented (eight). There were two outstanding recommendations for which confirmation was provided that they were in the process of being implemented. The Internal Auditor confirmed this was a positive position.	
	The Committees NOTED the Audit and level of Assurance provided.	
AR08/06/22	Internal Audit – Draft Annual Report 2021/22 - Update	
	It was noted that the annual internal audit report summarised the outcomes of the IA reviews carried out on the organisation's framework of governance, risk management and control. It was confirmed that the work had been carried out as planned and that a clean opinion would be given. She advised that at this stage the opinion was not expected to change. The report would be confirmed at the November meeting.	
	Governors were pleased with the positive assurance given.	
	The Draft Internal Audit Report was NOTED.	
AR09/06/22	Internal Audit – Draft Annual Plan 2022/23	
	It was confirmed the plan was based on the overarching strategy previously agreed, subject to review against current conditions, issues that had occurred in year and discussions with the Chief Operating Officer - reflecting feedback from the Executive. The Committees considered the planned programme and generally agreed the provisions. They queried the proposal to use 6 days for the Student Union given it did not operate as a distinct body. It was agreed that the Internal Audit team would review this with the Chief Operating Officer, and that any days removed from this audit would be held as a contingency. It was noted that if the irregularity review identified any further work required potentially the days could be used for this. It was confirmed that the review of the HESA return was a significant piece of work which would require the allocated days. It was confirmed that the fee was fixed and in line with the current year. Governors queried when they would be updated on an any irregularity issue and were advised this would be in line with the Fraud Policy.	
	The Internal Audit Plan was APPROVED, subject to the discussion.	
AR10/06/22	External Audit Strategy Memorandum	
	It was confirmed that the purpose of the document was to summarise the audit approach, highlight significant audit risks and areas of key judgements and	

	<p>provide the details of the audit team. As it was a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 6 of the document which summarised the EA considerations and conclusions on their independence as auditors was highlighted.</p> <p>Richard Bott, Mazars, advised there had been few changes to the requirements. It was noted there were some additional Annual Report declarations, such as Governor Training and changes in relation to related Party transaction required declarations. It was confirmed it would be a risk-based audit. The Team was detailed – no changes of key personnel. The timeline was noted. It was confirmed some work had already been undertaken. The clearance meeting would take place on 19th October.</p> <p>The Committees were taken through the risks and judgements which would be applied.</p> <p>Richard Bott, Mazars flagged the ongoing consideration of the methodology to be used to gain comfort in relation to the assets and liabilities of the pension scheme, the issue of the assumption to be made in relation to salaries was also flagged.</p> <p>The level of materiality in the audit was confirmed – 2% of income, lower for subsidiaries, specific materiality would be less.</p> <p>A governor referred to the Federal Student aid reporting requirements, and it was confirmed the process was very time consuming.</p> <p>The Annual Audit Strategy Memorandum was APPROVED.</p>	
AR11/06/22	<p>Risk Management</p> <p>11.1 Review Risk Management Register</p> <p>The Committees considered the Register. The Risk Register had been reviewed and updated following the latest Risk Management Group meeting and continual reviews by each operational area of their local risk registers. The latest version (available on the Governors website) had been reviewed by the Executive at a recent meeting. change of Vice-Chancellor/Principal/CEO in any organisation.</p> <p>A new risk had been added to the Register:</p> <ul style="list-style-type: none"> Data Futures product within Unit-e will not be functionally sufficient/ready for go-live of Data Futures <p>The following risk had been increased:</p> <ul style="list-style-type: none"> Achievement HE recruitment targets in line with 2025 Strategy <p>The Covid specific risk register had been removed.</p> <p>Governors questioned if Covid should still be reflected in the register, recognising that number of infections were increasing. The Chief Operating Officer advised she would discuss with the leads for this area whether an overarching Covid risk should be included in the register to reflect this concern.</p> <p>It was noted that Risk 2.0.6 Initial Score in the summary was not in line with the Risk Register – this would be updated. Risk 2.0.8 wording in mitigation to be updated to: “Ongoing induction processes in place, transition processes being considered by Board. Incoming Vice-Chancellor attending range of events including</p>	<p>COO July 2022</p> <p>COO July 2022</p>

<p>Governor Strategic Event to support transition. Board considering any additional governance changes to support transition, for example Capital Project Assurance Working Group. Stable SMT in place to support transition effectively. Comprehensive recruitment process used which included due diligence checks". Governors debated whether the risk was scored highly enough. After reflection and agreement of above changes to wording it was agreed the risk should remain scored as currently.</p>	<p>COO June 22</p>
<p>A governor flagged that the register still contained some partial scores and the Chief Operating Officer confirmed she would remove them.</p>	<p>COO – June 22</p>
<p>The Committee considered the Risk Score relating to Cyber, noting the score remained high despite significant and ongoing mitigations. The Chief Operating Officer advised this reflected the ongoing challenges to Cyber, but confirmed she would recheck with the Director of Digital Services. Internal and External Auditors confirmed it remained an area of High Risk and that the impact was very significant.</p>	<p>COO July 2022</p>
<p>The Risk Register was NOTED.</p>	
<p>11.2 Review Top Risks</p> <p>The governors considered the Top Risks and changes since the last meeting. It was confirmed the Risk Management Group had met to discuss these risks and updated where appropriate, the Senior Management Team had also reviewed the list.</p>	<p>COO June 22</p>
<p>The report identified all risks across the Main Risk Register and Capital Risk Register, which were RAG rated as red when the risk was identified and therefore were the most significant risks Hartpury faced.</p>	
<p>Changes to the Risks were highlighted which were as set out within item 10.1. It was noted that the Project Board referred to on P121 and as a steering Board on P122 should read Project Board in both places. It was noted that the Chair of the Box Part Project Board was Clare Whitworth. A clarification was provided in relation to Off-site – clarifying the link to trips and the obligations under “duty of care”.</p>	<p>COO June 22</p>
<p>11.30am Ian Robinson left the meeting</p>	
<p>A governor queried whether there was a risk relating to research following recent press coverage of a scientist brain drain following Brexit. The Chief Operating Officer advised that no HE staff had a remit that was entirely research, all did some teaching. Additionally, as Hartpury was involved in applied research it was felt that currently this was not an issue that needed to be reflected on the risk register, but it was confirmed it would be kept under review.</p>	
<p>Richard Bott, Mazars, highlighted the recent court ruling where Bristol University had been found guilty of disability discrimination and fined £50k following the suicide of a vulnerable student. Governors considered the processes in place at Hartpury to support student wellbeing. It was recognised no institution could be complacent, but agreed that Hartpury had robust processes and procedures to help reduce this area of risk. It was agreed that Hartpury’s size and the purity</p>	

family ethos also helped to provide a supportive approach. The need to ensure students shared their concerns in order to receive support was recognised. It was noted that the MyConcern flagging system should help ensure concerns were appropriately shared.

The Committees reviewed and NOTED the top risks.

11. 3 Risk Management Group Minutes

A governor queried the level of apologies and was advised that there had been a number of clashes and also some individuals absent on maternity leave. The Chief Operating Officer advised she followed up with non-attendees to ensure they were kept in the loop. Governors queried if the delay in the commencement of Callmy was an issue. It was confirmed this was to allow the functionality to be fully explored and was not an issue. It was noted dates would be added to the other actions.

The Risk Management Group Minutes were NOTED.

11.4 Feedback from A&RM Committee Risk Maturity Questionnaire

The Risk Maturity questionnaire was sent to all the Governors who are members of the Audit and Risk Management Committee (ARMC), 4 responses were received as set out in the report. The analysis provides for each question the % response against each of the statements.

As can be seen from the analysis in the attached report there was generally a high level of understanding across all areas of Risk Management. It was therefore suggested that any specific areas of concern are picked up through the various discussions in future meetings and that a Board wide development event is undertaken to assist new members to the committee and wider Board to understand Hartpury's approach to Risk Management. The Committees were supportive of this approach. One member commented that in relation to some of the questions she had known that aspects were in place but had not been sure where to find them. It was agreed this aspect would be taken forward in the development planned and also in the ongoing redesign of the Governance Site. It was agreed governors would be involved in trialling it.

The Update and approach were NOTED and ENDORSED.

**COO
July 2022**

AR12/06/22	Internal Audit Guidance Notes and Hartpury Response	
	The Committees had been provided with a report which had been developed in response to the regular briefings provided by TIAA on key sector issues which are shared with the committees and in response to a request by the committee to demonstrate the briefings have been considered. The Committees agreed the report provided helpful assurance and closed the loop on the information provided.	
	The Update was NOTED.	

AR13/06/22	Regularity Audit – Self-Assessment	
	<p>The Committees had been provided with the updated Regularity Audit Self-Assessment it was noted that completing the Regularity Self-Assessment Questionnaire is an annual requirement for the College Board under the requirements of the Post-16 Audit Code of Practice.</p> <p>The Questionnaire covered key internal controls.</p> <p>It was noted that the scope of the questionnaire is reviewed annually by the ESFA. This year there were additional sign off declarations relating to whistleblowing and fraud allegations. To date there were no issues to highlight, if the position changes pre the financial year end the Audit & Risk Management Committee will be advised and the Assessment updated.</p> <p>In addition, additional areas incorporated in the questionnaire related to the requirement for Annual Self-Assessment of Governance and External Review every 3 years, checks and balances in recruitment and the fit and proper person checks. The Committees noted the response to the questionnaire. Minor changes were suggested to wording to increase clarity.</p> <p>The College A&RC, subject to the amendments above, APPROVED the Regularity Self-Assessment for RECOMMENDATION to the College Board for signing as required.</p> <p>The University A&RMC NOTED the update.</p>	Clerk July 2022
AR14/06/22	Post-16 Audit Code of Practice Changes 2021/22	
	<p>The changes made to the Post 16 Audit Code of Practice had been provided. It was noted these were less significant than the changes in 2020/21 which were subject of significant discussion in relation to the ILR Audit and the reporting by the External Auditors to the Board. These changes are maintained.</p> <p>It was confirmed the full code was available on the governors' website.</p> <p>The Committees NOTED the update.</p>	
AR15/06/21	Any Other Business	
	None	
AR16/06/21	Dates of future meetings all at 10am	
	Noted	

The meeting closed at 12.10