

AUDIT AND RISK COMMITTEE

Matters for note by Council at its meeting on 30 November 2022 arising from the meeting of the Committee held on 29 September 2022

(a) The Deputy Vice-Chancellor presented the Vice-Chancellor’s overview report. Particular attention was drawn to the impact of cost-of-living pressures on staff and students, the student recruitment outcome and an increase in QR funding based on the successful REF results. The Committee also discussed the risk of further industrial action by UCU and oversight of the University’s property portfolio by the Accommodation Group.

(b) As it was the first meeting of the academic year, the Committee noted its revised Terms of Reference as approved by Council the previous year. With regard to its action-log and annual schedule for 2022/23, it was noted that the Annual Health & Safety (H&S) Report would be considered at the February meeting in order to accommodate the start of the new H&S Director in October 2022 and planned H&S reporting to Council.

(c) The Committee considered an update on Risk Management developments including activities since the last meeting to update the Corporate Risk Register and empowerment of the Risk Review Group with greater authority delegated from UEB. [REDACTED]

[REDACTED]

[REDACTED] The articulation and scoring of the Student Mental Health and Welfare risk was currently under discussion with the new Director of Student Life and Wellbeing. RRG was working on categorisation of risks by theme and also considering options for articulation and definition of Risk Appetite by UEB in order to agree a format for presentation to Council [*Secretary’s Note: UEB has scheduled a Think Tank session on risk appetite on 03 December 2022*]. The Committee requested that, given the current reliance on internal audit for assurance purposes, previous work on Assurance Mapping should be continued in order draw out and confirm other sources of assurance in respect of individual corporate risks. It also agreed that RRG should continue to explore how the different sorts of risks associated with the Integrated Infrastructure Plan (IIP) might be separated out (e.g. IT/technology risks and building/estate risks).

(d) [REDACTED]

(e) The Committee considered a periodic assurance report on general IT matters, noting that several significant improvements had been made during 2022 relating to cyber and data information security at the University,

including investment in a new training platform, deployment of Multi Factor Authentication (MFA) for staff and students and, most recently, UEB approval for a new policy on managed devices. The IT Director reported that the roll-out of the new managed devices policy represented a significant cultural shift where winning hearts and minds would be pivotal to its successful implementation, including through an associated communication plan and close collaboration with the academic community. The associated costs were within current budgets and would include initially placing new controls on unmanaged devices while new managed devices were rolled out in a phased manner. IT spend more broadly was being integrated into the five-year financial forecasts and the incremental costs were deemed to be acceptable. The Committee noted that, although the University had not been subject to a recent cyber-attack, these had been seen in its supply-chain and at other universities. In terms of IT services generally, the IIP was focused on providing a secure core network through enhanced cybersecurity, improved integration across currently independent systems and also the retirement of out-dated systems. As regards skills scarcity and recruitment challenges in some IT areas, a range of possible solutions was available, including market supplements, positive marketing of the University as a digital institution of the future and attraction of dynamic York graduates through graduate training schemes and apprenticeships. [REDACTED]

[REDACTED] The Information Strategy Board (ISB) was also currently working on general information governance improvements in order to provide the COO with assurance as the University's Senior Information Risk Owner (SIRO). The Committee agreed that, while it would welcome a further report from the IT Director in a years' time, it would also be pleased to learn about any significant developments in the interim period, including any developments in information governance once they had been signed off by UEB.

- (f) The Committee considered a briefing note from the Planning Office on the statutory data returns submitted by the University, noting that the report was intended to inform its annual assurance opinion to Council in respect of data quality. It noted the considerable time and effort involved in compiling the large number of different returns (a sector-wide issue) and also the University's intention to re-activate the former Statutory Returns Coordination Group in order to oversee the process. It was agreed that, while some of the data returns provided useful benchmarking for the whole sector, others seemed of limited value. The Committee observed that efforts should continue to be made to reduce the levels of manual processing and that the University should continue to lobby nationally to seek a reduction in the volume of required annual returns.
- (g) The Committee considered a progress report against the 2021/22 internal audit plan, noting that four reports had been finalised since the last meeting. The internal auditors reported that, following delays in finalisation of a number of reviews, they were actively collaborating with the Finance Department and individual audit sponsors to improve the scheduling of fieldwork and report-drafting to ensure that management was given sufficient time to respond; to support this monthly progress meetings had been arranged with the newly appointed Group Finance Manager. [REDACTED]
- (h) The external auditors reported that the audit of the annual financial statements was currently progressing well with no significant concerns to report at the present time.
- (i) The Committee considered a report from the Finance Department on the fees paid for internal and external audit services during 2021/22. It noted in particular that the external audit of the subsidiaries in the current year would be undertaken by Azets and that the Azets partners would therefore be invited to the joint meeting with the Finance Committee in November 2022 as part of the induction of the new auditors.

**Audit and Risk Committee meeting on 17 November 2022**  
**Executive Summary for note by Council at its meeting on 30 November 2022**

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report. Particular attention was drawn to the University's contingency planning arrangements for the industrial action recently announced by UCU [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Other subjects discussed included the University's work on decolonisation of the curriculum and the impact of high inflation on the University's financial position and the wider HE sector (noting likely differences between the pre- and post-92 sectors). Congratulations were offered on the University's rise of 30 places in the THE World University Rankings, bringing it back into the Global Top 150.
2. The Committee considered an update on Risk Management activities with particular focus on changes since the last meeting in the categorisation of risks under the 'Treat' or 'Tolerate' headings. Clarification was provided on the re-categorisation of the IT Security risk to 'Tolerate' on the basis of the agreed and budgeted plans to mitigate the risk even though some of the actions would take some time to take effect (as reflected in the execution and resourcing gaps associated with the risk). The Committee endorsed this approach, noting that the risk score remained the same and would not be lowered until there was clear evidence of the impact of mitigating actions. It also noted that the re-categorisation did not affect the planned priority resource allocation agreed by UEB in this area. In terms of other corporate risks, the Committee discussed aspects of the USS pension scheme including liability-driven investing and the potential consequences if the scheme moved from deficit to surplus. It also agreed that Risk Review Group should continue to explore how the different sorts of risks associated with the Integrated Infrastructure Plan (IIP) might be separated out (e.g. IT/technology risks and building/estate risks), noting that significant work was ongoing to split out the capital/revenue elements of major IT projects.
3. The Committee considered a detailed report on Value for Money (VFM), noting that the report considered the achievement of best value from both the University and student perspective (as the latter was the primary focus of the OfS). It noted that the purpose of the report was to inform its opinion on the adequacy of VFM arrangements in its Annual Report to Council (as required by the CUC Code for Audit Committees in HE). The Committee welcomed the clear demonstration that VFM considerations were strongly embedded in University management processes such as planning, budgeting, procurement etc and, noting UEB comments on the time and effort taken to compile the report, it agreed that in future reports these more straightforward aspects of VFM reporting could be conveyed in a few paragraphs of reporting by exception (i.e. noting any significant changes since the previous report). The Committee also acknowledged that, while standalone reviews of VFM were uncommon, additional assurance was provided by internal audit (IA) consideration of VFM as an integral aspect of most of its individual assignments. It was suggested that in future years such assurance on VFM might be made more prominent in the IA Annual Report and that it would be helpful if both internal and external auditors could provide examples of the approach to VFM reporting adopted among their other University clients. As regards the more challenging aspect of VFM assessment from the student perspective, it was agreed that further consideration should be given to which existing University KPIs might stand as a proxy for VFM for students (e.g. NSS and Graduate Outcomes data), with further clarification to be sought from the OfS as to its precise expectations in this area, reinforced by examples of VFM reporting practices at other universities.



- 7. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] On the general matter of data returns, the Committee welcomed confirmation from the Director of Planning & Risk that a Statutory Returns Manager was to be recruited to oversee their compilation, drive efficiencies in the collection process and identify inter-connections between different data-sets (e.g. as these pertained to league table performance).
  
- 8. The Committee considered a draft of its Annual Report to Council 2021/22, welcoming the ongoing improvement in its format/content and agreeing that it provided assurance to Council on the areas required under the CUC Code while also accurately reflecting its work over the last year. Subject to a number of minor presentational amendments, the Committee delegated authority to the Chair and Secretary to finalise the report for submission to Council (*Secretary's Note: the annual report appears as a separate item on the Council agenda*).

**DAVID WATSON**  
**Chair of Audit & Risk Committee**  
**November 2022**

**Audit and Risk Committee meeting on 16 February 2023**  
**Executive Summary for note by Council at its meeting on 1 March 2023**

1. The Deputy Vice-Chancellor and Provost presented the Vice-Chancellor's overview report. Particular attention was drawn to current ACAS talks regarding the ongoing UCU industrial action, changes in the government departments with responsibility for universities, science and innovation, the unlikelihood of UK universities being able to associate with the Horizon EU research programme and the erosion of the value of UG Home (UGH) tuition fee. With regard to the final point it was noted that the surplus/deficit chart in the paper represented a basic analysis to reinforce a specific point to the University community and government about the effect of inflation in a fixed-fee environment, with a wider range of more sophisticated data beyond marginal contribution levels being used for strategic decision-making. The Finance Director outlined the risks associated with balancing home and international recruitment as they pertained to different types of international students, supply chain issues, student residences and market capacity. It was agreed that the risks/revenues associated with student mix were more appropriately considered by Finance Committee as part of its work in relation to the five-year plan. The Committee also discussed the implications of student number planning for accommodation provision including in respect of future campus development, nomination agreements with private providers and variable student requirements as regards cost/quality. Other topics considered included the current level of student hardship funding and the implications for research of government export controls on sensitive technologies, with the latter agreed as a suitable area for inclusion in the internal audit programme in due course.
  
2. In considering its minutes, action tracker and annual schedule the Committee noted that: as requested by the Committee Governance and Assurance were charged with investigating regulatory requirements and sector practice, and would do so to discuss and pass onto the Finance Directorate which was responsible for VfM reporting, to bring options to the May 2023 ARC meeting. Work had commenced in Governance and Assurance led by the Deputy Secretary, endorsed by Heads of Professional Services, to develop an institutional policy framework/register as recommended by a previous internal audit report. New items had been added to the schedule in respect of the management letter from Azets on the audit of subsidiaries companies and internal/external audit contracts.
  
3. The Committee considered an update on Risk Management activities with particular focus on those risks currently assigned to the 'Treat' category. As regards potential risks to student assessment arising from the current industrial action, it was expected that implementation of the University's agreed contingency plan for circumstances affecting assessment would mitigate effectively against such risks materialising. [REDACTED]  
[REDACTED]  
[REDACTED] On the Student Wellbeing risk it was noted that student feedback was routinely sought on the success of new initiatives such as the introduction of Student Wellbeing Officers (noting with regard to the latter that the Academic Registrar was considering current retention issues). As regards IT Security the Committee discussed the timescale for meaningful reduction of the risk, especially the roll-out of managed devices and communication actions to mitigate pushback against this in some quarters. While acknowledging the reduction in risk from successful implementation of 2-factor authentication (2FA), the Committee agreed it would be helpful to invite the IT Director to the next meeting to provide further assurance on the pace of mitigating actions in this particularly complex risk area, with particular focus on the Risk as presented in the full Corporate Risk Register. The Committee also **resolved to endorse the approach to defining Risk Appetite which had emerged from detailed UEB Think Tank discussions**, noting the proposed five levels of appetite (ranging from 'averse' to 'eager') and the intention to seek Council's initial views through presentation of case studies in which the methodology was illustratively applied to individual corporate risks. It was noted that following final UEB review, the Committee would then receive the proposed final risk appetite statement at its May 2023 meeting for recommendation to Council. On the matter of assurance mapping, the Risk Manager confirmed that work was ongoing in this area and would be presented to the Risk Review Group before submission to the Committee in July. It was noted that the mapping exercise was a useful engagement tool for colleagues across the wider University and also contributed to the identification of mitigations in some areas.
  
4. [REDACTED] the Committee received a detailed presentation from the new H&S Director (Monica Kanwar) on her initial impressions and plans after 3 months in post. Particular attention was drawn to: key points from the Annual H&S Report 2021/22 (drafted by the Director's predecessor), an assessment of the current H&S culture at York, aims for moving forward and development of a whole-University approach. In discussion the Director confirmed that she had developed a business plan for Health and Safety Services (HSS) which would be appropriately resourced through the Professional Services budget, with recruitment of additional staff to commence soon and an initial focus on fire safety and chemical management. In terms of benchmarking, a H&S maturity assessment would be used to inform the required resource level and any required structural changes linked to the University's organisational change programme. [REDACTED]

As regards accommodation agreements with private providers, the Director would contact the Chief Operating Officer to seek assurance on appropriate due diligence having been undertaken with regard to fire safety for student residents. On the matter of the rolling H&S audit programme which had been temporarily paused, the Committee noted that this would shortly recommence in specialist areas such as radiation, with high-level summaries to be included in the next H&S Annual Report which would be considered at the November 2023 meeting ahead of submission to Council (to bring its timing in line with other annual reports such as Prevent).

As a final observation the Committee asked the Director to ensure that her approach to risk assessment and management followed the corporate risk register template and framework.

5. The Committee received a verbal update from the University Secretary on regulatory matters including the following: the HE (Freedom of Speech) Bill was close to Royal Assent and would then be translated into regulation for the sector by the OfS; the Home Secretary had committed to delivering rapid change across the Prevent programme following a major independent review by William Shawcross; the University had recently submitted to the Teaching Excellence Framework (TEF) with results to be announced in Summer 2023. OfS was in a position where it would no longer be the arms-length body for either quality and data, as JISC had absorbed HESA as Designated Data Body (DDB) and the QAA be stepping down for its role as Designated Quality Body from 31 March 2023, a role which would be taken on by OfS itself as an interim measure.

6. The University's newly appointed external audit engagement lead Deborah Watson (*Grant Thornton*) introduced herself to the Committee, noting that the external audit plan/strategy would be submitted to the next meeting and would include an assessment of key audit risks.

7. The Committee considered a progress report against the current 2022/23 internal audit plan, noting that one report had been finalised since the last meeting. The current status of other reviews in the plan was noted, with further rescoping to be undertaken with the new Director of the H&S Governance review to ensure it added value to her own current review activity, with the intention of reporting to the July 2023 meeting. **The Committee resolved to approve one proposed change to the plan: Recruitment and Succession review to focus on Recruitment only in recognition of the University's ongoing work to develop a talent management strategy as an enabler of succession planning activity.**

In terms of follow-up work the Committee welcomed the fact that no high-risk actions were open and no actions were overdue. As regards PwC's annual benchmarking report on the most common areas with high-risk findings across its client base (namely Cyber Security, Data Quality, IT Governance, Procurement/Contract Management and Key Financial Systems), the Committee suggested it might be useful to share these findings with relevant University administrative units. It was also suggested that PwC's assessment of risk management in HE compared to other sectors, which included key questions for audit committees in assessing the effectiveness of their organisations' approach, might usefully be shared with the Risk Review Group.

8. **The Committee resolved to approve proposed minor changes to the Internal Audit Protocols document, subject to addition of reference to reporting to ARC in respect of critical/high-rated findings in paragraph 9.2(e), third bullet.**

9.

10. Noting that *Grant Thornton* as the new external auditors had requested confirmation on this matter, the Committee agreed that management should provide a note of confirmation/assurance to its November meeting in respect of any live cases of litigation, fraud or whistle-blowing at the University, in order to inform its recommendation to Council regarding signing of the Representation Letter to the auditors confirming that the University has disclosed all relevant information as part of the year-end audit process.

**Audit and Risk Committee meeting on 11 May 2023**  
**Executive Summary for note by Council at its meeting on 18 May 2023**

1. The Deputy Vice-Chancellor and Provost presented the Vice-Chancellor's overview report. Particular attention was drawn to current financial challenges, especially their impact on the University's five-year forecast (5YF) which was currently under consideration, and also to the current Marking and Assessment Boycott (MAB) by UCU as action short of a strike (ASOS). The potential implications of the latter for student progression/graduation were emphasised. [REDACTED]  
[REDACTED]  
[REDACTED] It was also reported that the 50% of salary to be withdrawn from staff engaged in the MAB would be ring-fenced for student cost of living support. In terms of the formal "contract" with students, the Academic Registrar noted that this was formed at various stages and through different sources of information from initial offer to formal registration, with an external complaint procedure available through the Office of the Independent Adjudicator for Higher Education. As regards the summer graduation for finalists, there remained an element of risk, possibly clustered in certain departments where the MAB was being more strongly supported, but it would be possible if necessary for students to graduate initially with unclassified degrees (for classification at a later point) in order to satisfy any employment or future study options. As regards financial matters relating to the 5YF, these would be discussed at the forthcoming Council meeting, with roles for both Finance Committee and ARC in terms of monitoring the agreed process and intended outcomes from the budgeting process. The COO confirmed in this context that any cost containment measures proposed by UEB would not adversely impact on capacity to deliver key health and safety requirements and improvements, including the current process review activity in respect of fire safety.
2. In considering its annual schedules for 2022/23 and 2023/24, the Committee agreed that it should have sight of the subsidiaries external audit plan from Azets (as advised by Grant Thornton) and would defer consideration of the accounting policies applied to the accounts until its next meeting in July, ie after the 5YF and associated Going Concern assessment had been agreed. As regards the proposed schedule of periodic assurance reports for 2023/24, the Committee noted that these had been introduced as an action arising from its effectiveness Review in response to the broader assurance remit of university audit and risk committees under the terms of the current CUC Audit Code. The Committee agreed that it was for management to decide the format of such reports in such a way that they did not generate additional burden on University colleagues, but that it would be keen to add EDI/widening access and environmental sustainability to the list of possible topics set out in the report. The University Secretary would draft some top-level guiding principles for such reports for consideration at the next meeting to ensure they were relevant to the assurance and risk focus of the committee
3. The Committee considered a detailed update from the IT Director on the Corporate Cyber Security Risk with particular focus on: identification of underlying risks with causes, effects and controls; developments and responses across the sector to the growing cyber security risk; the current situation regarding the growing threat of ransomware events and associated University response planning; and confirmation of completed cyber security actions (e.g. deployment of multi-factor authentication). In discussion the Director confirmed the controls which could be applied to unmanaged/BYO devices to restrict access to sensitive data by staff and students and also the immediate responses (both automated and personal) and recovery processes for victims of phishing attacks. The Committee welcomed the 25% increase in use of managed devices and confirmation that ever more staff were being moved in this direction with the support of IT Services. [REDACTED]  
[REDACTED] The initial recovery and response protocols in the event of a ransomware attack were also noted, although the IT Director observed that depending on the severity of the attack these could take some time (i.e. months, not weeks) to fully implement. The Committee noted that, despite the considerable amount of activity in train, the Corporate Cyber Security Risk remained largely static at the present time, reflecting on the one hand the significant progress that had been made to enhance the University's defences and protections against cyber risks versus the escalating threats posed by the cyber hackers and ransomware attacks.
4. The Committee considered a periodic assurance report from the Academic Registrar on Campus/Student Safety. Particular attention was drawn to the incorporation of Campus Security (now rebadged as Campus Safety) into Student Life and Wellbeing, with additional training for staff on student mental health matters and relocation of the main control-centre. Developments in respect of telephone call-handling and emergency power provision on campus were also noted as well as the University's response to the proposed new OfS registration condition on harassment and sexual misconduct affecting students. In discussion the Committee suggested that it might be useful to develop an overarching statement/definition or system-map for a safe campus (to support risk identification/process design). As regards tracking outputs, the Academic Registrar confirmed that the Student Life Committee was currently developing KPIs for the non-academic student experience which would include data on reported harassment cases. Other relevant activities which might generate appropriate monitoring data



included the weekly 'student of concern' meetings (normally dealing with 40-50 cases) and the Support to Study Policy which could be invoked in the event of student's inability to fulfil academic requirements without serious detriment to their own health or the safety/wellbeing of other members of the University community. [REDACTED]

[REDACTED] In such cases the University's 'Report and Support' tool could be used to report student misconduct (with contact details or anonymously) and to access support both within and outside the University.

5. The Committee considered a report from the University Secretary and Finance Director on VfM assurance and **resolved to approve the recommendations regarding (a) more concise, student-specific annual reporting aligned to the OfS VfM Strategy (as per Option 1 in the paper) and (b) more explicit and systematic reference to VfM in the Annual Report from the internal auditors.** Noting that provision of an annual opinion on VfM from university audit committees to the governing body remained a requirement of the CUC Audit Code, the Committee nevertheless supported the executive view that it should be light-touch and student-focused, drawing on existing data sources to minimise the associated staff workload.
6. The Committee considered a progress report on Risk Management (RM) and agreed that, as the paper in question had been circulated later than was desirable to both UEB and ARC, the Risk Appetite Statement should be deferred for consideration until its next meeting so that it could be fully reviewed and any amendments proposed by UEB for the Committee's consideration. [REDACTED]  
[REDACTED] As regards *CRR 22: Workforce Planning*, the Chief Operating Officer agreed to investigate the availability of data on the proportion of staff leavers who completed the optional leavers questionnaire or requested an exit interview.
7. The Committee received a verbal update from the University Secretary on regulatory matters including the following: the recently closed OfS consultation on regulating harassment and sexual misconduct in English higher education; the QAA having stepped down for its role as Designated Quality Body (DQB) from 31 March 2023; input via UUK and the Russell Group to a current House of Lords Inquiry into the OfS, and in particular evidence of how it created additional regulatory burden.
8. The Committee considered a progress report against the current 2022/23 internal audit plan, noting that three reviews had been finalised since the last meeting. The current status of other reviews in the plan was noted and **the Committee resolved to approve one proposed addition: a review of the Hull York Medical School (as requested by the HYMS Strategic Planning Group).** [REDACTED]  
[REDACTED]  
[REDACTED]  
In discussion of the YCL review, the Committee focused primarily on the recommendations in respect of the company's overarching purpose, income allocation and stock control processes.
9. The Committee considered the external audit plan from Grant Thornton (GT) for the year ending 31 July 2023, [REDACTED]  
[REDACTED]. As regards the pension risk, it was noted that GT would use their own actuaries to test the University's assumptions as regards both the actual figures and the accounting treatment. It was also clarified that the SCAs with Civitas and UPP related to student accommodation provision and the associated annual nomination agreements which formed the basis for the accounting entries. As regards the agreed audit fee [REDACTED], it was noted that this included the separate audit opinion on the US GAAP accounts. In the event of any new concerns, risks or material external events, the auditors would report further at the next meeting.
10. The Committee considered the subsidiaries audit feedback report from Azets for the year ending 31 July 2022, noting that the Chair and Mr Trotter had reviewed the findings in detail with the Finance Director and relevant Finance colleagues. [REDACTED]  
[REDACTED] The Committee noted that separate feedback reports had been provided to each subsidiary and Azets would present their plan for the current year's audit to the next meeting.
11. The Committee noted that the University had procured the services of PwC for taxation advice [REDACTED] and specialist firm Scrutton Bland for preparation of US GAAP accounts [REDACTED].

12. Noting that this was her last meeting before she left the University to take up a new post, the Chair thanked the Director of Planning and Risk for her considerable contribution to the work of the Committee, especially in the risk management area.

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**University Of York**  
**Audit and Risk Committee**

**Matters for note by the University Council at its meeting on 24 July 2023 arising from the meeting of the Audit and Risk Committee held on 13 July 2023**

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, drawing particular attention to the impact on students of the ongoing Marking and Assessment Boycott and also the University's cost containment programme in response to current financial challenges. It was noted that the majority of finalists would still graduate with classified degrees [REDACTED] and that this was believed to be at the lower end of impacts across the sector. As regards reputational impact and potential legal claims, work was underway to mitigate in both areas but many aspects remained untested and therefore uncertain at this time. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] The Committee also discussed plans in development to optimise the University's international league table position, which was being taken forward by the new Pro-Vice-Chancellor (Global Strategy), and **decided that a periodic assurance report should be presented in 12 months' time on the general subject of league tables.**
2. In considering its draft annual schedule 2023/24 the Committee endorsed the general principles for periodic assurance reports drafted by the University Secretary, noting that these sought not to be overly prescriptive and also to minimise the workload impact on colleagues by using existing sources of assurance wherever possible. It was agreed that inclusion of some form of headline assurance opinion from the manager responsible would be useful. Scheduling would also be discussed with relevant colleagues to identify the best timing during the year. In discussion of possible topics, the Committee suggested that its priorities for the next year included environmental sustainability, academic assurance (in the context of Council's top-level responsibilities in this area) and corporate/business ethics (understood in broad terms to potentially include matters such as responsible investment, policies on student/staff relationships, disclosures of interests, gifts/hospitality, whistleblowing etc). As regards statutory, regulatory and legal compliance, it was noted that the relatively new Legal Services unit, which had recently moved from the Planning and Risk Office to the Finance Department, was currently engaged in categorising legal queries by risk/impact in order to develop appropriate triage protocols for them. As an over-riding principle the Committee agreed that it should focus on process assurance, in accordance with its Terms of Reference (TOR).
3. The Director of Strategic Planning and Performance, who had recently taken over the risk portfolio, presented the latest progress report on risk management (RM), noting that attitudes and practices continued to mature in this area across the University. It was also noted that the current internal audit review of RM would feed into this developmental process and that gradually the focus would shift from updating risk ratings to concentration on mitigating actions in a rapidly changing environment. [REDACTED]  
[REDACTED]  
[REDACTED] As regards the proposed Risk Appetite Statement, the Committee welcomed the good progress made since the previous iteration and generally endorsed the approach and format. Specific comments were noted in respect of adding in further details about the University's general strategic attitude to risk (to clarify those areas where a higher level of risk would be tolerable) and establishment of the financial risk appetite on the basis of UEB and Council decision-making over the last five years. In this context the Treasurer confirmed he was comfortable with the presentation of financial risk, noting that while certain risks needed to be taken for strategic reasons, this could be done in an orderly and managed way. As regards the timing for updating of the Risk Appetite Statement, it was noted that the overarching RM Policy/Framework identified this as being an annual exercise. Following discussion and subject to its comments, **the Committee endorsed the Risk Appetite Statement for approval by Council at its July 2023 meeting.**
4. The Committee considered a periodic assurance report from the Insurance Manager in respect of University insurance arrangements. Particular attention was drawn to: the reporting line for insurance matters through the Head of Legal upwards to the Finance Director and Chief Operating Officer; the frequent interaction with Aon as the University's

broker; and timescales for policy renewal and procurement. Attention was drawn to the University's strategic focus on EDI, which included procurement considerations around suppliers having suitable EDI policies, and the Insurance Manager agreed to explore this with Aon and the Northern Universities Insurance Group. In terms of inflationary pressures, the Insurance Manager confirmed that buildings insurance was index-linked (currently at 4.8%) and so rose in line with rising building costs. [REDACTED]

[REDACTED] Noting the University's relatively lower spend on insurance compared to some competitors, the Insurance Manager and Finance Director clarified the various factors such as turnover, past claim levels and use of a broker rather than UMAL (a mutual association owned by higher and further education institutions). As regards the separate asset registers maintained for insurance and accounting purposes (re-instatement costs v replacement costs), the Insurance Manager agreed to discuss this with relevant colleagues in Estates to identify whether their separate asset surveys could be run in tandem.

5. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] The Director also responded to a Committee enquiry on the commitment given to increase staff resource in H&S, reporting that she was comfortable with the progress being made in this area, including the use of external advisers and staff from other units to support the core team. The Deputy Vice-Chancellor also confirmed that in the PS budgeting process under the COO, the importance of staffing in the H&S and cyber-security areas was fully acknowledged and duly prioritised.
6. The Committee considered a progress report against the current 2022/23 internal audit plan, noting that one review had been finalised since the last meeting (UKVI Compliance [REDACTED]). It was reported on behalf of the Academic Registrar that he fully supported the audit findings and implementation of both recommendations was in hand. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] The Committee welcomed the proposed management and auditor actions to improve the flow of internal audit reports over the year, noting that this had been a perennial issue which needed to be addressed (as confirmed by the ongoing action from July 2022 in its own action schedule). It was also noted that delays in completion of the annual internal audit plan not only over-burdened the agenda of its September meeting but could also impact on concluding the auditors' overarching year-end opinion.
7. The Committee considered the proposed internal audit plan for 2023/24, noting the view from the auditors that 200 days' work was appropriate to the organisational size and scale, and sufficient to provide a robust year-end assurance opinion. As regards possible further work in the H&S area, the auditors confirmed that this would be dictated by the risk rating and recommendations from the audit currently in progress. It was also suggested that, although not explicitly in the plan, the internal auditors might usefully report to management on any findings in their work relating to the University-wide cost-containment exercise. The University Secretary also welcomed the planned reviews which included a VfM element as it had been previously agreed that the internal auditors should provide more explicit assurance to inform management reporting to the Committee (and thereby Council) on this matter, which remained an area of required assurance under the terms of the current CUC HE Audit Committees Code of Practice and was therefore reflected in the Committee's Terms of Reference. **The Committee approved the internal audit plan for 2023/24.**
8. The Committee considered a report on the key assumptions and accounting policies which would be used in preparing the annual accounts for the year ending 31 July 2023. [REDACTED]  
[REDACTED]  
[REDACTED] There was currently one open issue related to accounting for debt, but this matter was expected to be agreed shortly between the University and Grant Thornton (GT).

9. The Committee considered the external audit plan for subsidiary companies from Azets, noting that GT had confirmed this to be good practice. The external auditor confirmed that 10 entities would be audited, with the key headline risks as set out in detail in the paper and specific attention being paid to identified risks in areas such as fair value assessment, income recognition and purchase cut-offs. It was also reported that in the case of two subsidiaries, letters of support would be issued by the University (signed by the Finance Director). Noting that the precise audit timeline would shortly be agreed with the Finance Department, the Committee looked forward to receiving the final Management Letter on the subsidiaries audit outcome early in 2024.
10. The Committee received further information and headline data from the HR Director on the University's exit questionnaire process but agreed to defer consideration of the report until its next meeting when the Director would be invited to attend to present the report. As a general comment, the Committee observed that exit interviews could be an efficient means of gathering valuable information and useful advice on key current issues.
11. The University Secretary reported verbally on the external regulatory environment including the appointment of Professor Arif Ahmed as the OfS' first Director of Academic Freedom and Free Speech and the recent publication by the OfS of a statement on sector financial sustainability. As follow-up to his attendance at an OfS webinar in May 2023 on the role of audit committees in mitigating risks relating to the use of delivery partners, the Chair reported that the Pro-Vice-Chancellor (TLS) had provided strong assurance in respect of the University's two such partners (in one case because its students were mature and therefore self-funded and in the other because no UK public funding was involved). The University's due diligence before entering into such partnerships was also extensive and robust, which meant that the possibility of the potential issues highlighted by OfS was remote. It was therefore agreed that the Committee would re-visit this matter in July 2026, initially just to verify whether the number and risk rating of such delivery partners had increased.
12. [REDACTED]

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