

University of York
Audit and Risk Committee

Matters for note by the University Council at its meeting on 29 November 2023 arising from the meeting of the Audit and Risk Committee held on 21 September 2023

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, drawing particular attention to the University's cost containment programme in response to current financial challenges and also the current status of UCU industrial action. [**MATERIAL REDACTED**]. The Director of Estates reported that a series of investigations had confirmed no presence of RAAC (Reinforced Autoclaved Aerated Concrete) within University buildings, with further surveys being undertaken in the coming weeks to further verify this position.
2. As it was the first meeting of the academic year, the Committee confirmed its Terms of Reference remained appropriate, with the reinstatement of the practice of holding a private meeting with the auditors [*duly held after this meeting*] and further work to be brought forward in respect of assurance mapping. On its membership the Committee welcomed report from the University Secretary that, following the resignation of Amanda Nevill from Council/ARC due to pressure of other commitments, work was now in train through the Constitution & Nominations Committee to recruit two new members to Council (ideally both female), one of whom would be expected to join ARC. ARC member Owen Trotter would also become a full Independent Member of Council from 1 October 2023. After these developments, the Committee would consider whether it might be appropriate to include a staff and/or student member in its constituency (a practice which was not widespread but permissible in regulatory terms).
3. The Committee approved the minutes from its last meeting, including the related action-schedule, and the University Secretary provided an update on the ongoing development of an Institutional Policy Repository following approval by UEB of the overarching Framework for this initiative. The schedule of business for the coming year was noted and the Committee approved draft schedules for periodic assurance reports in 2023-24 and 2024-25. The Committee noted that the latter would complement the Internal Audit (IA) programme in providing assurance across a range of control areas, some of which were annually required opinions (e.g. VfM, data quality, Prevent, health and safety). The Committee also discussed possible approaches to academic assurance, an evolving area on which the OfS expected governing bodies to receive high-level assurance. Regardless of the assurance area in question, the Committee agreed that, in accordance with the guiding principles previously approved, its focus should be on testing processes and controls, i.e. not performance or outcomes. It was noted that the schedule had been shared with relevant senior managers and further discussions would be held with these colleagues to identify appropriate and effective reporting that drew on existing sources of information/assurance. On the academic side, further discussions would also be held with the Vice-Chancellor as Chair of Senate on the best means of providing a stronger sense of mutual understanding between Senate and Council, noting that an informal joint event had been held during 2022-23 which had partly sought to address this knowledge gap. It was agreed that the eight members of Senate who served on Council (4 appointed and 4 *ex officio*) might also be usefully involved in the process of providing academic assurance to the Committee and that consideration might also be given by the Vice-Chancellor to inviting independent Council members to observe Senate meetings.
4. The Committee received a presentation from the Director of Technology, Estates & Facilities on the University's fire safety arrangements as an introduction to considering a report from the Director of Health & Safety (H&S) on the recent internal audit of this aspect of H&S and progress to implement specific fire safety actions in King's Manor. The Committee received assurance on the independence and impartiality of the H&S unit and associated reporting and escalation lines to both the Chief Operating Officer and Deputy Vice-Chancellor following its recent move from Planning to Estates. Further information was provided in respect of the rolling programme of fire safety building inspections by both the University's own Fire Safety Officers and the North Yorkshire Fire & Rescue Service, with the latter recently determining the student residential accommodation to be "*broadly compliant*" (their highest rating). The internal auditors also set out the four medium-risk findings from their recent audit which had focused specifically on policies/procedure, governance, fire safety activities and third-party accommodation providers. As regard the latter, the Director of TEF clarified the different sorts of legal and contractual arrangements depending on whether the accommodation was on- or off-campus as well as the additional activities undertaken by the University (e.g. site visits, provision of advice to student residents etc). As regards HMOs in York, it was noted that these were licensed by the City Council and would soon be subject to a new landlords' registration scheme brokered by the Academic Registrar (as responsible for student wellbeing). Regarding King's Manor, the Director of H&S reported on a recent safety exercise which had satisfied the Fire Safety Officer and provided assurance that fire safety was not compromised in the building; continued oversight would be provided by a new task and finish operational fire safety group established by UEB and reporting into the H&S Committee of the Arts & Humanities Faculty. Updates were provided on the recruitment of two new Fire Safety Coordinators in the H&S team, the continuing use of specialist external consultants and the work of the Health, Safety & Welfare Committee (a UEB sub-group with representation

from across the University, including trade unions). With regard to the two laboratory H&S incidents reported to the Committee during 2022/23, the H&S Director reported on the implementation of the consequential actions (including improvements in the reporting process via the Campus Safety control-room) and on the ongoing monitoring by the H&S Committee of the Sciences Faculty, especially as regards behaviours and culture. In general terms, the Committee acknowledged that H&S at the University was going through a process of up-grade under the leadership of the new Director and welcomed the strong assurance that this process was well underway with appropriate resources being allocated and appropriate structures put in-place to ensure compliance.

5. The Committee considered the annual assurance report on data quality as it related to statutory returns submitted by the University to external bodies, welcoming the overarching view from the Director of Strategic Planning & Performance that there were adequate arrangements in place to effectively manage risks in this area of required assurance opinion from ARC to Council. While acknowledging the burden in compiling such returns, the Director noted that in many cases they also provided useful benchmarking data and management information. The main risk currently identified related to the impact of the Data Futures programme which would increase the reporting burden through a move to multiple submissions requiring increased investment of resource. Noting the estimated FTE staff time invested in data submissions across multiple administrative units, the Committee encouraged the Director to continue to seek process improvements through automation or improved system integration wherever possible. The University Secretary also reported on sector-level lobbying by the University on regulatory burden through UUK, Russell Group and provision of evidence to the recent House of Lords Industry and Regulators Committee inquiry into the OfS.
6. The Committee considered the annual assurance report on Value for Money (VfM), welcoming the overarching view from the University Secretary and Finance Director that there were adequate arrangements in place during the reporting period to secure VfM at the University and therefore to reinforce the required assurance opinion from ARC to Council on this matter. Noting that the report remained draft pending inclusion of further data in some areas and would therefore be re-submitted to the next meeting, the University Secretary observed that it had been compiled largely from existing information sources, as previously agreed by both UEB and ARC, as well as being strongly student-focused in line with the OfS VfM Strategy 2019-21. As regards the recent NSS 2023 outcome and resulting action-plan, it was noted that this would be presented to the next Council meeting by the Pro-Vice-Chancellor (TLS). The 2022-23 financial outturn, currently forecasting a -3.5% deficit due to high inflation, would also be added to the report under the Key Financial Indicators (KFIs) heading. As regards competitor benchmarking groups, it was noted that these were different for financial outcomes (where scale/turnover was a factor) and student outcomes (where the Russell Group was used).
7. The HR Director presented a report on the levels of take-up of exit questionnaires/interviews by staff leaving the University. Noting that this was voluntary, the take-up level for interviews of 24% (of those who had completed the exit questionnaire) was believed to be fairly standard for the sector. The Director acknowledged that more could be done to process and analyse the responses in order to draw out potential themes/patterns, although there were some constraints arising from current HR systems and resources (as most staff requesting an interview asked for it to be with an HR colleague rather than departmental managers). The Committee commented on the general benefits to be gained from talking to departing staff as they were able to speak more openly about their experiences at that stage, and encouraged the Director to continue to pursue this value-adding activity. On a similar theme, the Director also updated the Committee on the current thinking in HR about future staff surveys and how these might be shorter but more frequent going forward (possibly as 'pulse surveys' on specific themes). It was agreed that when the HR Department had finalised its annual priorities these might usefully be shared with the Committee at a future meeting.
8. The Committee considered its Annual Report to Council and agreed that it should continue with the concise presentational slide format of the last two years. The internal auditors were also asked to include additional commentary on VfM in their annual report so that the Committee could draw on this in its own report.
9. The University Secretary reported verbally on the external regulatory environment including: the University's TEF outcome (as set out in the Vice-Chancellor's report); an anticipated OfS consultation on the new free speech regime; criticism of the OfS in the recently published report of the House of Lords Industry and Regulators Committee; and further review of the OfS by the Public Accounts Committee (to be focused on delivery of VfM).
10. The Committee considered a progress report against the 2022/23 internal audit plan, noting that four reviews had been finalised since the last meeting: Faculty Financial Compliance (*medium risk*); Equality Diversity & Inclusion (*medium risk*); H&S Governance (*medium risk*); Risk Management (*low-risk*). The executive leads for each audit commented on the specific findings and the system/process enhancements that would be introduced in response. The Committee also discussed the 2023/24 IA plan and agreed that UEB sponsors should be asked to undertake a further review of the scheduling of individual audits to ensure these were realistically achievable within the proposed timeframes. The Committee also suggested that UEB might like to consider whether PwC should be asked to review the effectiveness and impact of the cost-saving programme at an appropriate point later in the academic year (i.e.

after Q2). As regards the audit of succession planning which had been previously deferred, the COO confirmed that this would be included in a future audit programme following consideration by UEB of a new Talent Management Framework in October 2023. It was also agreed that an audit of the University's arrangements for governing the use of international student recruitment agents (under the Corporate Governance heading) would be appropriate in 2024/25, i.e. after the re-basing of such recruitment activities in the current year. The Committee also received a report from the Assistant Director (Commercial Services) confirming new internal controls put in place in YCL (a University subsidiary) in response to internal and external audit findings the previous year.

11. The external auditors reported verbally that the Finance Department had provided requested information but it was still early in their audit process. There were no significant issues to report at the current time.
12. The Committee received the annual report from the Group Finance Manager confirming all fees (core and non-core) paid to the internal and external auditors during 2022/23. It was noted that there had been no non-core fees over £20k during the year (requiring prior approval by ARC).

University of York
Audit and Risk Committee

Matters for note by the University Council at its meeting on 29 November 2023 arising from the meeting of the Audit and Risk Committee held on 16 November 2023

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, drawing particular attention to the University's approach to managing the potential impact on staff/students of the current conflict in Gaza; the activities of the Budget Monitoring Group (a UEB sub-group) in the context of the current cost containment exercise and covenant compliance; and planned actions to drive improvement in international league tables. As a general point on league tables the Committee acknowledged that, while the University's performance in the domestic tables was good, it was concerning that both UK HE generally and the University specifically appeared to be dropping down the rankings, which in turn might have a negative impact on overseas recruitment. In discussion the Committee focused on trends and developments in the increasingly challenging international student recruitment market and actions currently being taken by the University to re-base and then achieve targets going forward. The opportunities offered by the UK re-joining the Horizon European research programme were also considered including the importance of continuing to preserve the margins achieved in research income and engaging academic staff in areas of strength to reinvigorate prior collaborations.
2. The IT Director joined the meeting to respond to a recent internal audit report (2022/23 cycle) on IT Strategy and Governance which had considered, *inter alia*, IT risks, programme management, operational models and performance monitoring. The Director welcomed the findings in respect of support for the Integrated Infrastructure Plan (IIP), risk identification/assessment, gap analysis and suitable KPIs for the IT aspect of the University's strategic objectives. In discussion the Committee noted ongoing challenges in the IT recruitment market and the partnership working model being employed to increase the available resource and expertise.
3. The Committee approved the minutes from its previous meeting and noted the associated action-tracking schedule and business plan for 2023/24, including the need to schedule a joint meeting with the Finance Committee to consider the US GAAP accounts in January 2024.
4. The Director of Strategic Planning & Performance presented an update on Risk Management (RM) which set out the corporate risks currently assigned to either the 'Treat' (further action required) or 'Tolerate' (managed to an acceptable level) categories, with the rationale for any recent movements between categories as a consequence of mitigating actions. The Committee welcomed the ongoing effort to provide top-level assurance on RM in a simple, accessible format and requested for its next meeting a somewhat more detailed exploration of the Sustainability risk in order to inform its understanding of this key area for the University. The Chief Operating Officer also responded to queries about the Workforce Planning, noting that the risk manifested differently in different University units but would continue to be monitored closely by Human Resources as a risk that could change quickly. It was noted that a report on the 'Deep Dive' taken into the Research risk and the lessons learned from the process would be submitted to the next meeting together with an update on the work to-date to map sources of external assurance beyond internal audit. As regards the Risk Appetite Statement approved by Council in July 2023, going this would be reviewed at the start of each academic year going forward.
5. The Committee considered an updated version of the annual Value for Money (VfM) report it had discussed at its previous meeting. The Group Financial Controller responded to specific queries on the timescale for updating 'cost of living hub' webpages, the award-winning sustainable IT procurement partnership with the Stone Group and the appropriateness of the current KFI's endorsed by UEB/Council for benchmarking purposes. It was agreed that these clarificatory points should be incorporated in the report before re-circulation to the Committee as a final version. As a general point, the Committee welcomed the re-focusing of the report around the student-focused priorities set out in the VfM Strategy of the Office for Students.
6. The H&S Director presented the H&S Annual Report 2022-23, including clarification of a number of specific queries raised in advance of the meeting in respect of staff recruitment, general resourcing (including non-staff), staff/student travel to high-risk countries (a sector-wide issue), ensuring statutory compliance, completion of agreed actions and the projected timeline for developing maturity in H&S matters across the University. Further information was also provided in respect of the enhanced role and training for Departmental Safety Advisers (DSAs) and the new business partner approach to H&S management in academic Faculties. In discussion the Committee focused on the timeliness of University recruitment processes in key compliance areas such as H&S and also on the intersection between H&S

arrangements and University insurance policies/costs. [**MATERIAL REDACTED**]. Following a detailed discussion, the Committee thanked the H&S Director for her active engagement and reporting over the last year and endorsed the Annual Report for onwards submission to Council, subject to some minor amendments and additions to capture the discussion at this meeting.

7. The Committee endorsed the Prevent Duty Annual Report 2022/23 for onwards submission to Council, commending the detailed work being undertaken across the University to ensure compliance with Home Office requirements in this area as monitored through an annual accountability and data return to the OfS.
8. The Committee considered a progress report against the 2022/23 and 2023/24 internal audit plans, noting that two reviews had been finalised since the last meeting: IT Strategy/Governance (*medium risk*, see para 2 above) and Health & Wellbeing (*medium risk*). With regard to the latter the HR Director attended the meeting to respond to the findings in respect of the governance around staff wellbeing, feedback gathering mechanisms and communications to staff. The Director welcomed the recommendations from the audit which had been requested by management to inform the updating of the Staff Health and Wellbeing Plan 2023-28. Noting the governance responsibility of the Sustainability Steering Group in this area (as the University Sustainability Plan included a 'good health and wellbeing' goal for staff and students), the Director confirmed that the Steering Group would need to be provided with appropriate data on health/wellbeing matters in order for action owners to be held accountable within this forum. Discussion of the report focused on different means of gathering survey data from staff and how best to provide Council as the governing body with an accurate picture of workforce health and satisfaction. It was agreed that the Director might usefully cover this in her planned report to the Committee at its next meeting on current top-level HR priorities (with focus on process rather than outcomes in accordance with its remit). As regards PwC's report on HESA's Data Futures project, the Director of Strategic Planning & Performance agreed to feed this into the University's work in this area, noting that an internal audit of the effectiveness of the key processes to compile/submit the University's return was included in the current year internal audit plan. **The Committee approved a proposed change to the current year's internal audit plan (review of Estates Governance to be replaced by review of progress with the University Sustainability Plan, precise scope t.b.c).**
9. The Committee considered its own draft Annual Report 2022/23 to Council and delegated authority to the Chair and Secretary to finalise it for submission. Specific comments were noted in respect of the external audit, H&S and membership elements of the Report, which would be updated as necessary. As regards the Committee's membership, the Chair reported verbally on progress to recruit two new members (one of whom would also join Council), noting that there had been a strong field of candidates from which a shortlist had been agreed for interview on 6 December 2023.

University of York
Audit and Risk Committee

Matters for note by the University Council at its meeting on 28 February 2024 arising from the meeting of the Audit and Risk Committee held on 15 February 2024

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, drawing particular attention to the imminent updates to Finance Committee and Council on the University's challenging financial position; the planned approach to changing the underlying financial model in response to anticipated declines in international student recruitment; and the key aspects of the ongoing cost containment exercise and strengthening of budgetary controls. It was noted that these measures were closely linked to the "changing the work" [**MATERIAL REDACTED**]
2. The Committee noted the minutes from the two recent meetings of the Council's Urgent Decisions Group which confirmed completion of the audit process and final approval for the 2022/23 University accounts and US GAAP accounts. The Finance Director confirmed that implementation of the internal control recommendations made by the external auditors on both sets of accounts would be monitored and reported back to the Committee.
3. With regard to its action-tracking schedule and business plan for 2023/24, the Committee noted the updates in respect of development of an institutional policy repository and University insurance arrangements. It was noted that the proposed audit of arrangements for governing the use of international student recruitment agenda would be discussed further between PwC and management in order to agree the most appropriate timing in the context of other related developments in this important area of activity (which had also been subject to recent negative media coverage). As regards Deep Dives into specific risk areas, the Director of Strategic Planning and Performance reported that he would bring an updated process and schedule for these to the next meeting, including re-visiting the Research Risk and plans for consideration of the Sustainability Risk (to take place after the scheduled internal audit of this strategic area).
4. The Director of Strategic Planning & Performance presented an update on Risk Management (RM) which set out the corporate risks currently assigned to either the 'Treat' (further action required) or 'Tolerate' (managed to an acceptable level) categories. As regards development of an assurance map, which had been work in progress for some time, the Director reported that the intention was not to provide exhaustive detail but rather high-level visibility of sources of external assurance with sufficient underpinning evidence. Some examples of such mapping had been submitted to UEB and would be further enhanced. In terms of horizon scanning as an element of RM, management would consider how best to harness the expertise of the independent members of Council and ARC in this process. Noting that the Workforce Planning Risk (CRR 22) had been removed from the Corporate Risk Register to be managed locally, the Committee encouraged management to retain a sharp focus on this risk in the context of the current cost containment and transformation programmes and their potential impact on staff retention and morale. As regards queries from the new members of ARC with specialist RM and IT expertise about the underlying processes for risk identification and categorisation (especially reputational and cyber security risks), it was agreed that the Director and the Risk Manager would provide further induction briefing outside the meeting, involving the IT Director as necessary. The Committee also endorsed the new risk appetite statements (including level definitions) for the Sustainability and Student Recruitment Risks, noting that these would be included in the next routine RM update to Council. As regards the updated overarching institutional risk appetite statement, this would be presented to the September meeting of the Committee ahead of its submission to the first Council meeting of 2024/25. The Chief Operating Officer and Deputy Vice-Chancellor also clarified how certain aspects of the Estates Plan Risk (CRR 23/'Tolerate') would be revisited in the context of the cost containment exercise in order to verify that this risk was not under-stated.
5. The Committee considered a periodic assurance report on corporate/business ethics, endorsing the new trial reporting format and welcoming the strong assurance it provided on the University's processes, policies and internal controls for the following: responsible investment, anti-fraud/money laundering, whistle-blowing, staff-student relationships, disclosure of interests, gifts/hospitality and freedom of speech. [**MATERIAL REDACTED**]. As regards whistle-blowing, the HR Director confirmed that there had only been one case in recent times which fell within the University's Public Interest Disclosure Policy, and that this was thought to be fairly typical for the sector. On the question of staff/student relationships, this was noted to be a very 'live' policy area as the Office for Students (OfS) was shortly expected to publish new regulatory conditions in respect of harassment and sexual misconduct. An updated University policy would therefore be considered by UEB that included banning such relationships (an approach supported by a

motion recently passed by the local branch of UCU). It was noted that failure to comply with the new policy might in extreme cases become a misconduct issue leading to dismissal.

6. The HR Director presented a report on the following current strategic HR priorities in addition to core and reactive delivery work: HR transformation, cost management, reward/progression, change management, EDI, employee voice, pensions, workforce planning, people/organisational development and health/wellbeing. In discussion the Committee focused on the need to assess and bolster staff morale during the current period of considerable change, welcoming the plans for more regular 'pulse surveys' of staff satisfaction and also the introduction of a staff engagement KPI which would be reported to Council with other institutional KPIs. Noting that the pulse surveys would be based around specific themes and suitably scheduled to avoid 'survey fatigue', the Committee encouraged the HR Director to implement the new survey process as soon as possible in order to establish an initial baseline against which the efficacy of the related Health and Wellbeing Action Plan could then be assessed. The Director also updated the Committee on the options for a new pensions management system being presented to UEB in response to the University ending its relationship with *Civica* as system provider due to delivery and cost issues. On the general point of monitoring delivery of major IT projects, it was noted that this was undertaken by the Capital, Enterprise Systems and Infrastructure Strategy (CESIS) Board which reported to Finance Committee. As regards possible future HR initiatives which were currently un-resourced, the Director noted that one such project was enhancement of the University's whole employment proposition as a unified package of attractive benefits for staff.
7. The Committee considered a progress report against the current 2023/24 internal audit plan, noting that two reviews had been finalised since the last meeting: Financial Controls: Accounts Payable (*medium risk* - 1 high, 3 low and 1 advisory recommendation) and UUK Accommodation Code of Practice Compliance (*advisory review*). The Committee **approved** changes requested by management to the planned reporting schedule in respect of the reviews of Faculty Purchasing and Inventory Management, Data Futures and Technology/Cyber/Information Security. [**MATERIAL REDACTED**].
8. The Committee considered the audit findings report from *Azets* in respect of the University subsidiary companies, noting that no significant issues had been identified in respect of the key audit risks identified during the planning phase; similarly, there had been no material unadjusted errors. Common themes across the companies' accounts included issues relating to purchase and sales cut-offs, inter-company reconciliation, significant bank balances that might be better invested in other accounts and in some cases lack of a single point of ownership of the financial statements. Welcoming the report of a generally smoother accounts closure process compared to the previous year, the Committee requested that, as with the main University accounts, the implementation of the associated control observations be monitored and confirmed by Finance.

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[Note: the following matter appears as a separate substantive item on the Council agenda.]

9. [**MATERIAL REDACTED**]

University of York

Audit and Risk Committee

Matters for note by the University Council at its meeting on 15 May 2024 arising from the meeting of the Audit and Risk Committee held on 25 April 2024

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, drawing particular attention to the University's planned approach to managing significant financial challenges, with a particular focus during the current year on covenant compliance. [**MATERIAL REDACTED**].
2. As matters arising from previous meetings, the Committee received updates on new staffing in Health and Safety (H&S), implementation of control recommendations arising from external audits (University and Subsidiaries) and anti-money-laundering (AML) controls around fee payments by online/distance-learning students. The Committee welcomed confirmation from the H&S Director that the additional staffing was already proving effective in combination with roll-out of the Business Partner model with Departments and enhancement of Faculty H&S Committees. The Director and DVC also provided assurance on the internal processes for accommodating future H&S investment within relevant University, Faculty and Department budgets. As regards AML controls for online students, it was noted that the Interim Academic Registrar was developing the online student identity verification process as one aspect of a recommendation to be brought to the Professional Services Executive Board (PSEB) in May 2024 that the University no longer accept students from particular nations on the sanctioned countries list (to be endorsed by UEB and reported back to the Committee in due course).
3. The Director of Strategic Planning & Performance presented an update on Risk Management (RM) setting out the corporate risks currently assigned to either the Treat (further action required) or Tolerate (managed to an acceptable level) categories. [**MATERIAL REDACTED**]. During discussion it was agreed that it would be useful to re-introduce target timeframes for risk reduction into the reporting format (possibly in the enhanced narrative sections) and that concrete evidence of effective mitigation having occurred was required before risk ratings could be lowered. As regards the changes to the Risk Management System (RMS) recently approved by UEB, the Committee endorsed the overarching intention of simplifying current processes in order to drive improved stakeholder engagement and to sharpen the focus on actions rather than detailed analysis. As regards the discontinuation of the Risk Review Group (RRG), which was in line with 'changing how we work' to single lines of accountability rather than groups/committees, the Committee asked the Director to report back on how the RRG's terms of reference would henceforth be fulfilled in the new oversight model agreed by UEB in order to ensure that risk assessments were adequately tested and not subject to the unconscious bias of individuals. The Committee expressed the view that, while individual accountability was certainly important, some form of cross-University risk group would continue to be required to consider risks on behalf of UEB, a role which the Committee itself could not play as it was a governance and assurance body (although lay members with specialist RM expertise might usefully be involved in the work of such a group in an advisory capacity).
4. The Committee considered a draft high-level assurance map which was designed to show more clearly the controls in place for each corporate risk together with an assessment of the level of assurance each control provided (on a scale from none to high). It noted the four lines of defence for each risk and the definitions of these different lines as well as the evidence underlying the assessments in the paper. In discussion it was suggested that further discussions on this matter might usefully be held with PwC as internal auditors and with Committee member Samantha Ng as a risk specialist to ensure a clear and shared sense of what constituted genuine controls. It was however agreed that other aspects of RM development should take precedence at the present time and that the Committee would therefore revisit the assurance mapping exercise during the following 2024/25 academic year once other aspects of the RMS had been enhanced.
5. The Chief Operating Officer (COO) presented a periodic assurance report on business continuity/critical incidents, noting that UEB had recently approved a new Incident Management Plan (IMP) which had been informed by a Business Resilience Gap Analysis undertaken by an external specialist (Justin Cuckow, *Incident Ready Consulting*). It was noted that previously the responsibility for business continuity had been held by the (now retired) H&S Director but had then passed to the COO when that role was created. The University's handling of the covid pandemic, student accommodation shortage and H&S incidents had demonstrated that its practices in this area were effective and robust but required greater formalisation, as had now been undertaken through the new IMP. As regards the current pause on recruitment of a Business Continuity and Resilience Manager in the H&S Office, the Chief Operating Officer clarified

that this pause was to allow time to consider the outcome from the VS scheme which might generate new organisational and staffing arrangements in this area. The Committee welcomed the assurance provided, including confirmation of the related training which was currently being rolled out to the Silver core team. As a point of detail the COO was asked to verify with DTEF that the secondary points of contact for raising the alarm were different to the primary contacts in order to ensure appropriate back-up arrangements.

6. The Committee considered a progress report against the current 2023/24 internal audit plan, noting that three reviews had been finalised since the last meeting: Sustainability [ESG] (*low risk* - 1 medium, 2 low and 1 advisory recommendation), Research Finances (*medium risk* - 2 medium and 1 low recommendation) and Faculty Purchasing/Inventory Management (*high risk* – 1 high, 3 medium and 2 low recommendations). The Committee **approved** replacement of the HR Transformation Programme in the plan with a review of Student Appeals, as requested by management in response to a current backlog of cases in that area [**MATERIAL REDACTED**] While acknowledging that some reviews might not have a high material impact from a University perspective but could still attract a high-risk rating in terms of likelihood/impact, the Committee encouraged the internal auditors and senior management where possible to consider the levels of materiality of individual audits when drawing up the annual IA plan to ensure that the University was achieving maximum value for money and assurance impact from its audit service[**MATERIAL REDACTED**] As regards the deadline extensions approved by UEB for previous IA recommendations, the Committee asked PwC to verify with Finance whether in the context of other priorities and pressures on staff the new deadline (31 July 2024) was realistic and achievable for rollout of the *Adaptive* system in place of *Agresso* (arising from an audit of Planning, Budgeting and Financial Management).
7. The Committee considered the draft external audit plan for the current financial year from *BDO* as the newly appointed external auditors. The new audit partner (Hamid Ghafoor) drew particular attention to the prior experience of the audit team, the timeline towards approval of the accounts by Council in November 2024, the agreed materiality level for reporting (2% of income) and the key risks impacting the financial statements. In response to queries about early assurance over covenant clearance, treatment of complex financial instruments and going concern assessment, the auditors confirmed that this would be a high early priority in order to head off [**MATERIAL REDACTED**].
8. The Committee received a report from the Interim Finance Director confirming that outcome from a Research England audit (undertaken by KPMG) of the University's 2020/21 research income which had informed its 2022/23 quality-related (QR) support funding. It was noted that the four recommendations set out in the report's action-plan had been implemented.
9. The Committee concluded the meeting by reviewing the action-schedule based on its minutes, agreeing a number of items which could be removed as either completed or obsolete.

April 2024

DAVID WATSON

Chair, Audit & Risk Committee

University of York
Audit and Risk Committee

Matters for note by the University Council at its meeting on 24 July 2024 arising from the meeting of the Committee held on 4 July 2024

1. The Deputy Vice-Chancellor presented the Vice-Chancellor's overview report, noting that the financial aspects had been considered in detail in recent briefings to Council and Finance Committee. Discussion therefore focused on the implications of a recent High Court judgement on a student suicide at the University of Bristol and the University's position in the QS World University Rankings. [**MATERIAL REDACTED**].
2. The Committee reviewed its updated action-schedule and draft annual business plan for 2024/25 linked to its terms of reference. [**MATERIAL REDACTED**]. Noting the periodic assurance reports already confirmed for its September and November 2024 meetings (in order to inform its required Annual Report to Council in November 2024), the Committee decided to revisit at its next meeting the schedule of possible topics for the remaining meetings in 2025. It was also reported that at the request of the Interim Finance Director, the annual joint meeting with the Finance Committee to review the financial statements for Council approval would be deferred from November to December 2024 (new date TBC).
3. As matters arising from previous meetings, the Committee received updates on recent UEB decisions [**MATERIAL REDACTED**].
4. The Finance Director presented the financial statements plan and associated accounting policies, drawing particular attention to the Going Concern basis of the accounts preparation and the change in the policy for recognising doubtful debts (non-material to the accounts). [**MATERIAL REDACTED**].
5. The BDO Audit Partner (Hamid Ghafoor) presented the external audit plan in respect of the year ending 31 July 2024, noting the key changes to the draft plan submitted to the previous meeting. It was noted that the first site visit would take place the following week after which the audit risk assessment would be finalised, with a progress report to be submitted to the Committee in September. [**MATERIAL REDACTED**].
6. The Pro-Vice-Chancellor (TLS) presented a periodic assurance report on student consumer protection, in particular the University's compliance with Office for Students (OfS) requirements in this area (section C of its conditions of registration). Details were provided in respect of the entire student journey including annual review of admissions processes, individual course webpages and the approval/modification/withdrawal of programmes. Attention was also drawn to the Student Protection Plan required by the OfS and the student complaints policy/process. Discussion focused on assessment of student competency to fulfil course requirements (e.g. through entry criteria), study support for international students transitioning to UK educational culture and proxy data for value for money for students (e.g. annual Graduate Outcomes Survey). There was also strong linkage to the International Strategy in the efforts to gain a fuller understanding of international students' prior academic/study experience in order to enhance support when they arrived in York. The Pro-Vice-Chancellor also emphasised the considerable efforts being made to drive employability overseen by the Employability Advisory Group (including alumni and lay member involvement). On the question of the student "contract", it was noted that this was a wide-ranging concept that included the T&Cs associated with individual programmes, separate accommodation contracts, consideration of contact hours and student compliance with University regulations and the York Charter. As regards formal complaints (academic and non-academic), it was noted that these were not significantly high and did not reveal any clear or common themes. Internal processes for appeal handling had also been recently streamlined by replacement of a central processing committee with appropriately trained/qualified staff decision-making. The Committee thanked the Pro-Vice-Chancellor for the useful report and welcomed the overarching assurance statement that adequate control arrangements were in place in this important area.
7. The Director of Strategic Planning & Performance presented an update on Risk Management (RM) setting out the corporate risks currently assigned to either the Treat (further action required) or Tolerate (managed to an acceptable level) categories. Particular attention was also drawn to the pro-active consultation process with risk/action-owners overseen by the Risk Manager in order to provide assurance that rigorous challenge was in place to mitigate against the unconscious bias of individuals in the risk assessment process. Noting the link here to the discontinuation of the Risk Review Group (RRG), the Committee advised that this needed to be captured in the updated overarching Risk Management Policy. It also asked the Director to bring back to the Committee a process and proposed schedule for

"shallow dives" into individual corporate risks at each meeting (based on the additional detail provided in Category 2 papers). [**MATERIAL REDACTED**]

8. The Committee considered a progress report against the current 2023/24 internal audit plan, noting that three reviews had been finalised since the last meeting: Data Management/Retention (*medium risk*: 4 medium recommendations), Data Futures (*medium risk*: 2 medium and 4 low recommendations) and Access and Participation Plan (*low risk*: 3 low recommendations). The Committee **approved** deferral of the Hull York Medical School review into the 2024/25 plan and also noted the inclusion in that plan of a review of the arrangements in place for the use of international student recruitment agents. [**MATERIAL REDACTED**].
9. The internal auditors presented their annual plan for 2024/25, noting the engagement of UEB in its preparation and the link to the University's corporate risks. The auditors described the main focus of each of the 10 reviews proposed, the number of days for each and the timing of fieldwork and final reports. In response to the Committee's previous request for an indication of the materiality levels of individual areas under review, the auditors observed that this could be difficult to quantify in certain areas but could be contextualised in the risk assessments with an indication of impact. Comments from the Risk Manager on the timing of the next risk management review were noted in the context of drawing up the 2025/26 audit plan, while the Deputy Vice-Chancellor confirmed that precise scoping of individual reviews would be undertaken to ensure maximum engagement and benefit for the areas under review which corresponded to priority areas for University change and development (e.g. international recruitment, budget monitoring and HR transformation). As regards the requirement and timing for an audit of TRAC (Transparent Approach to Costing) data, this would be discussed further between the Finance Department and PwC. The Committee **approved** the outline internal audit plan for 2024/25 and agreed that it would consider at its next meeting how best to assess the value and impact of the internal audit service.
10. The external auditor for subsidiary companies (Alan Sidebottom, *Azets*) presented the external audit plan in respect of the year ending 31 July 2024, noting the key audit risks and clarifying the change in approach as regards undertaking and concluding each company audit separately (to improve version control, re-introduce more F2F working and generally reduce the impact on the Finance team). It was noted that the final audit report would be submitted to the Committee in February 2025, in accordance with its annual schedule.
11. [**MATERIAL REDACTED**].

July 2024

DAVID WATSON

Chair, Audit & Risk Committee