



# HARTPURY

## AUDIT AND RISK MANAGEMENT COMMITTEES HARTPURY UNIVERSITY AND HARTPURY COLLEGE

### Minutes 10.00am Wednesday 9<sup>th</sup> April 2020 Via Videoconferencing

#### Members

Ms Lisa Oliver  
Professor Ian Robinson  
Dr John Selby  
Ms Katrine Napthine  
Mr Patrick Brooke  
Mrs Barbara Buck  
Ms Mary Heslop

#### In Attendance

Mr Russell Marchant  
Ms Lynn Forrester-Walker  
Ms G Steels  
Mr Iain Williams  
Mr Efe Ayeni  
Mr Kevin Williams  
Ms Vicky Davies  
Ms Helen Cargill  
Mr Richard Bott  
Ms Carol Davey

#### University Audit Committee

Present (Chair)  
Present  
Present  
Apologies  
-  
-  
-  
Apologies (Vice-Chancellor)  
Present (Chief Operating Officer)  
Present (Clerk to the Board)  
Present (Head of Finance)  
Apologies (PWC)  
Present (PWC)  
Present for item 13 (TIAA)  
Present for item 13 (TIAA)  
Present for item 14 (Mazars)  
Present for item 14 (Mazars)

#### College Audit Committee

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-  
-  
Apologies  
Present (Chair)  
Present  
Present  
Apologies (Principal)  
Present (Chief Operating Officer)  
Present (Clerk to the Board)  
Present (Head of Finance)  
Apologies (PWC)  
Present (PWC)  
Present for item 13 (TIAA)  
Present for item 13 (TIAA)  
Present for item 14 (Mazars)  
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		<b>ACTION &amp; DATE</b>
<b>AR01/04/20</b>	<p><b>Apologies &amp; Confirmation of Quoracy</b> Apologies were received 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>	
<b>AR02/04/20</b>	<p><b>Declaration of Interest.</b> 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>	

		<b>ACTION &amp; DATE</b>
<b>AR03/04/20</b>	<p><b>Minutes of the Meetings – 6<sup>th</sup> November 2019</b></p> <p>The minutes of the University Audit and Risk Management Committee and the College Audit and Risk Management Committee 6<sup>th</sup> November 2019 meetings were <b>APPROVED</b> as true records.</p>	
<b>AR04/04/20</b>	<p><b>Matters Arising</b></p> <p>It was noted that prior to the meeting, to facilitate the process of videoconferencing Governors had been given the opportunity to ask written questions in advance. These had been responded to and would form part of the record of the meeting.</p> <p><b>Anti-Bribery Training</b> – this update had been provided: Information on Anti-bribery requirements incorporated within Financial Regulations. Proposed additionally to incorporate within induction package (online induction available). When the Anti-Bribery legislation was introduced individuals with most potential to be subject to potential bribery were identified and appropriate guidance provided. This will be reinforced recognising the passage of time.</p>	
<b>AR05/04/20</b>	<p><b>Risk Management</b></p> <p><b>5.1 Review Risk Management Register</b></p> <p>The Committees considered the Register, which the Chief Operating Officer had been through with the Risk Management Group and the Executive and was changing every day to reflect the evolving risks associated with Covid-19.</p> <p>The risk relating to the Financial Impact of Covid-19 was set out within the Register, reflecting the fact that cash flow was always at its lowest point in April, prior to receipt of the next tranche of HE funding from the Student Loans Company. It was confirmed that there were a range of risks on the full register which related to Covid-19, and that the Executive were also reflecting the impact of Covid-19 on other risks within the full risk register which was on the Governance site.</p> <p>The Chief Operating Officer, in response to questions from the Committees provided an update on Hartpury’s response to Covid-19. She advised that the Disaster Recovery Plan had been evoked, and the position was being kept under ongoing review. The Hartpury site had been closed, a list of essential workers had been identified, some were travelling each day and 40 staff (some with family) were living on site. There were now 25 students left on site, 4 of whom were FE students who were under 18. It was noted</p>	<b>Dec 2019</b>

	ACTION & DATE
<p>numbers were gradually reducing as international students were able to get flights home. She advised a Senior Member of the Management Team was going in once a week to open post and scan to the relevant area. The switchboard was being manned 9-4.30pm. Currently there had been no fall in numbers of applicants for HE or FE against the usual pattern. FE interviews had moved on line and there had been the same level of attendance as usual. A potential risk that A 'level students who had not been able to engage with Hartpurly might decide they felt more comfortable staying at school had been identified and marketing and engagement was being targeted to try to offset this. Virtual Open Days were being developed.</p> <p>On-line Teaching had been put in place and was going well. HE staff had been less digitally enabled than the FE staff but had responded well to the development and had been provided with training. FE staff on-line working had gone well and a process had been put in place to monitor engagement with Moodle. Students who were not engaging sufficiently would be contacted by tutors and their parents updated.</p> <p>It had been agreed to refund accommodation fees, livery and transport from 13<sup>th</sup> April where these were not being used. The financial impact of this was being evaluated. The majority of horses had been taken home by students, in a small number of cases students or on site staff were looking after horses. It was confirmed the Student Loan Company was continuing to pay tuition fees as agreed, and that the Office for Students had not suggested that fees would be refunded as students were still being taught, although electronically. If students were not satisfied they would need to take any issues forward through the complaints procedure. At this stage it was not considered necessary to put funds aside in case of potential complaints. It was noted that the Office for Students had recognised the work HEIs were doing to respond to the situation and to continue to deliver. Some apprentices were still in learning, for example agricultural students. The Adult Education Budget work (£100k) had ceased to be delivered. The ESFA had confirmed it would pay in line with existing agreements.</p> <p>Governors queried the longer term impact on issues such as proposed developments, planned refurbishment and the Blackfriars project. The Chief Operating Officer advised that the three planning applications which had previously been discussed with governors had been submitted to the Forest of Dean District Council the previous week (their April meeting had been cancelled), she confirmed these did not commit the University. It was confirmed that onsite refurbishments continued to be considered. She</p>	

	ACTION & DATE
<p>advised that Barnwood was reviewing whether it could complete the accommodation issues which were classed as Health and Safety issues whilst maintaining the required social distancing. Other refurbishment might need to be held back.</p> <p>The biggest issue at this point was maintaining cash flow, it was still expected that a surplus would be generated, although it would be reduced from forecast reflecting reduced catering income and accommodation income. It was confirmed Hartpury had a £1m overdraft facility with Lloyds – feedback was awaited following discussions with Lloyds. The Chief Operating Officer advised that Lloyds were being supportive in discussions. A governor queried whether Hartpury was likely to breach its bank covenants. The Chief Operating Officer advised that this was not likely – the key one was returning deficits for two years and this was not likely. It was confirmed a range of enrolment timing scenarios for the 20/21 year were being considered.</p> <p>A governor queried if some staff were being furloughed and it was confirmed Hartpury was reviewing this. Guidance was that it only applied to staff who were covered by commercial income and the Vice-Principal Resources and HR were identifying staff who fell within this. The need to ensure staff were not unsettled and that the staff base was not damaged was recognised. A governor asked if Hartpury had many zero hours contracts. The Chief Operating Officer advised there were relatively few and these were being looked at on a case by case basis.</p> <p>It was confirmed the farm was still operating</p> <p>It was noted that the Agri-tech risk had been updated to reflect its successful opening on budget.</p> <p>It was confirmed that the arrows reflected change in either the original risk score or the mitigated score since the last Committee meeting.</p> <p>The Risk Registers and the Covid-19 update were <b>NOTED</b>.</p> <p><b>5.2 Review Top Risks</b></p> <p>The governors noted the addition of the Covid-19 Risk. It was noted there were individual risk registers for capital developments which went to the Strategy, Finance and Resources Committee.</p> <p>It was agreed that NVF5 should be reviewed to reflect there was only one</p>	<p>COO</p>

		<b>ACTION &amp; DATE</b>
	<p>potential funder. The Committees reviewed and <b>NOTED</b> the top risks.</p> <p><b>5.3 Risk Management Group Minutes</b> It was confirmed the Business Continuity Plan had worked well It was noted it operated through a Gold Team – SMT and a silver Team – Executive and others including wellbeing. Governors commented positively on the work being done at Hartpury in these challenging circumstances. The Chief Operating Officer commented that the business continuity plan had benefitted from a new approach which had been implemented over the last year which had moved the document into a living document with each individual area developing their own segment.</p> <p>The Risk Management Group Minutes were <b>NOTED</b>.</p>	
<b>AR06/04/20</b>	<p><b>Audit Recommendations Follow Up Update</b></p> <p>The Committee considered the update. It was noted that the report monitored recommendations classified medium or above. The Committee was pleased at the progress being made in closing off recommendations, noting that most actions were complete.</p> <p>The Audit Recommendations Update Report was <b>NOTED</b>.</p>	
<b>AR07/04/20</b>	<p><b>Internal Audit Reports</b> The Internal Audit Partner from PWC took the Committee through the Audit Reports highlighting key points, noting that there were not a significant number of recommendations from the audits.</p> <p><b>Risk Management</b> Report Classification – Medium Recommendations – 1 medium, 2 low</p> <p>The Internal Audit Partner from PWC commented that discussions had confirmed a good understanding of Risk Management within the Team and that this could be strengthened within the wider staff population. The Chief Operating Officer advised that training had been planned but this would need to be reviewed to see if it could be undertaken remotely given current guidance.</p> <p>A governor queried whether the Risk Management had included Covid-19. The Chief Operating Officer advised it had included infectious diseases. The need for Risk Management to be sufficiently flexible was recognised. The Internal Audit Partner from PWC commented positively on the effectiveness of the Business Continuity Plan.</p>	COO

		<b>ACTION &amp; DATE</b>
	<p><b>General Ledger</b> Report Classification – Low Recommendations – 1 medium, 1 low</p> <p>The Internal Audit Partner from PWC commented positively on the good practice in place.</p> <p><b>Hartpury Rugby</b> Report Classification – Low Recommendations – 1 medium</p> <p>The Internal Audit reports were <b>NOTED</b> and it was confirmed the recommendations would be followed up as detailed and then reported to the Committees.</p>	
AR08/04/20	<p><b>Procurement Compliance</b></p> <p>The Head of Finance 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 or there was a need to align to current services. He advised the report had been extended to include purchase orders.</p> <p>It was noted that some events had been cancelled and either refunds were being requested or discussions of moving sponsorship forward. Insurance for trips that had been cancelled were also being processed on an ongoing basis.</p> <p>The Procurement Compliance Report was <b>NOTED</b>.</p>	
AR09/04/20	<p><b>KPMG Report on TRAC Process and Submission</b></p> <p>The Committees were reminded that the University had submitted its first TRAC return in line with the required deadlines earlier this year. This followed an approval process which included:</p> <ul style="list-style-type: none"> <li>Development Session on the purpose and process for the Trac return at the October 2019 Board,</li> <li>review by the Strategy and Finance Committee in November,</li> <li>update to the Board in November,</li> <li>review by KPMG,</li> <li>approval by written resolution of the Board in January.</li> </ul> <p>As agreed the KPMG review had been provided to the Committees for completeness. It was confirmed that no issues of concern were highlighted.</p>	

		<b>ACTION &amp; DATE</b>
	<p>It was confirmed that the recommendation relating to the estate costs was being reviewed.</p> <p>The KPMG Report on the TRAC Process and Submission was <b>NOTED</b>.</p>	
	11.08am The Internal Audit Partner, Kevin Williams, PWC left the meeting.	
<b>AR10/04/20</b>	<p><b>Any Other Business</b></p> <p><b>Hartpury Charity</b></p> <p>Following a request from a governor the Chief Operating Officer updated on the Hartpury Charity. She advised it had been set up a number of years ago and contained a legacy of £5k from a former college governor. The Trustees were the Principal, the Chief Operating Officer, the Chair and the Vice-Chair who met annually. 12 months ago the Charity had received £1m to fund PHDs in agriculture. The funds had been invested using independent advice. It was an unregistered charity with little activity currently. It was recognised the position would need to be reviewed now that it held more funds. This would be undertaken in the next few months.</p> <p><b>Covid – 19</b></p> <p>Governors commented positively on Hartpury’s approach and the work of the SMT, Executive and Staff. The Chief Operating Officer agreed to update the Team. She commented that consideration of staff wellbeing was a key issue.</p> <p>The meeting moved into confidential session</p>	<b>COO July</b>
<b>AR15/04/20</b>	<p><b>Dates of future meetings all at 10.00am unless stated</b></p> <p><b>Wednesday 17<sup>th</sup> June 2020</b></p> <p><b>Wednesday 4<sup>th</sup> November 2020</b></p>	

Approved November 2020