



# HARTPURY

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

### Minutes 10am Tuesday 25<sup>th</sup> June 2024 Gordon Canning Room

Members	University Audit Committee	College Audit Committee
Lucie Hammond	Present (Chair)	Co-opted Member - Present
Ian Robinson (Professor)	Present	Present - Co-opted Member)
Patrick Brooke	Co-opted Member - Present	Present (Chair)
Barbara Buck	Co-opted Member - Present	Present
Mary Heslop	Co-opted Member - Apologies	Apologies
Matthew Williams	Co-opted Member - Apologies	Co-opted Member - Apologies
In Attendance		
Mick Axtell	Present (Chief Operating Officer)	Present (Chief Operating Officer)
Gillian Steels	Present (Clerk to the Board)	Present (Clerk to the Board)
Iain Williams	Present	Present
Mike Collier (Dr)	Present (TIAA)	Present (TIAA)
Jemimah McAlpine	Present (TIAA)	Present (TIAA)
Andy Collop (Professor)	Present (Vice-Chancellor)	Present (Principal)
Jon Marchant	Present (Forvis Mazars)	Present (Forvis Mazars)
Carol Davey	Present (Forvis Mazars)	Present (Forvis Mazars)

		ACTION & DATE
ARM01/06/24	<b>Welcome, Apologies &amp; Confirmation of Quoracy</b> New attendees were welcomed to the meeting.  Apologies noted as above. It was noted that Matthew Williams had provided comments which would be fed into the discussions.  It was confirmed that the University Audit and Risk Management Committee and the College Audit and Risk Management Committee meetings were quorate.	
ARM02/06/24	<b>Declaration of Interest.</b> The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests.	

ARM03/06/24	<p><b>Minutes of the Meetings – 12<sup>th</sup> March 2024</b></p> <p>The minutes of the University Audit and Risk Management Committee and the College Audit and Risk Management Committee 12<sup>th</sup> March 2024 meetings were clarified in relation to the Cyber Report to confirm an agreed list of approved countries was regularly reviewed, subject to this amendment the Minutes were <b>APPROVED</b> as true records.</p>	
ARM04/06/24	<p><b>Matters Arising</b></p> <p>The updated Action Log was noted.</p> <p><b>Stock Control</b> – Noted catering was to be outsourced from 1<sup>st</sup> August following a tender process.</p> <p><b>Tender Process</b> – to take place c November 24</p>	
ARM05/06/24	<p><b>Audit Recommendations Follow Up Update</b></p> <p>The Committee considered the update which detailed progress on the recommendations. It was confirmed all actions were complete or scheduled to be completed by 31<sup>st</sup> July.</p> <p><b>The College and University A&amp;RM Committees NOTED the Audit Recommendations Update Report.</b></p>	
ARM06/06/24	<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, time critical or there was a need to align to current services, or there was only a single supplier.</p> <p>It was confirmed that there had been one variation relating to the flooring for the SU which had been time critical due to the ULH delays.</p> <p>A governor commented on the level of IT expenditure. It was confirmed this was part of the Digital Strategy. Some related to licence fees but where purchasing was undertaken procurement processes were used. The Committees were advised that a Procurement &amp; Contract Manager role was currently being recruited to. This would put in place an internal specialist who would ensure a central consistency of processes and reduce the need to use external tendering support.</p> <p>It was confirmed that the Vitruvius fees were within the existing agreement.</p> <p>It was noted that the utility bills were now coming as a consolidated bill and being incorporated in the report. Governors commented that this highlighted the level of cost in this area. It was confirmed this was an area the Director of Sustainability was focusing on and that the movement to TEC, energy and procurement providers would support this. This would provide greater transparency on usage so it could be reviewed and challenged. It was recognised costs were subject to commodity prices.</p> <p><b>The College and University A&amp;RM Committees NOTED the Procurement Compliance Report.</b></p>	

ARM07/06/24	<b>Internal Audit</b>	
7.1	<b>Summary Internal Controls Assurance Report</b>	
	<p>The summary controls assurance report provided the Audit and Risk Management Committees with an update on the emerging Governance, Risk and Internal Control related issues and the progress of Internal Audit work at Hartpury University HEC as of 19<sup>th</sup> June 2024.</p> <p>The report confirmed that:</p> <ul style="list-style-type: none"> <li>• There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.</li> <li>• There were no changes to the plan for 2023/24.</li> <li>• There had been two Priority 1 recommendations (i.e., fundamental control issue on which action should be taken immediately) since the previous SICA within the Catering Report.</li> <li>• The Auditors had not been advised of any frauds or irregularities in the period since the last SICA report was issued.</li> <li>• The 2023/24 Audit Plan was ongoing.</li> </ul> <p>TIAA advised that unfortunately due to staff illness at TIAA the Cyber audit had not been completed and was now being taken forward by a new lead. The aim was to complete and issue the report by September. It was likely some field work would need to be repeated. TIAA apologised for this delay and additional work for those involved in the audit at Hartpury.</p> <p>It was confirmed the Data Futures report was in draft and would be issued shortly.</p> <p>It was confirmed all the other reports were complete and incorporated in the pack.</p> <p>The Committees considered the briefings included as Appendix C. They requested that the briefings be issued on a monthly basis rather than only provided as a batch with the papers. TIAA agreed to action this.</p> <p>TIAA updated on the actions TIAA were taking to be more sustainable. They confirmed on site visits would continue, and that they now had an electric fleet. They were also considering how the impact of data centres could be reduced.</p> <p><b>Anti-Terrorism Action</b> -assurance was provided on the actions being taken by Hartpury as part of the Prevent Duty to prevent radicalisation and to protect against the threat of terrorist action at an event were outlined.</p> <p><b>Whistleblowing</b> - governors noted this suggested testing the policy. It was noted it had been used relatively recently and no issues in its use identified. It was confirmed it was communicated to staff at induction.</p> <p><b>The College and University A&amp;RM Committees NOTED the Report.</b></p>	M Collier, TIAA ongoing
7.2	<b>Internal Audit Reports</b>	
7.2.1	<b>Catering Internal Audit – Limited Assurance – 2 High Priority recommendations, 1 important recommendation and 2 routine recommendations</b>	
	<p>The review considered the arrangements in place over purchasing, income collection, stock control, pricing, recording /booking hospitality and budgetary control. The review did not consider health and safety, staffing or hygiene arrangements which were covered under separate specialist processes.</p>	

	<p>It was recognised that the decision had now been made to outsource the catering provision. It was confirmed the issues raised had been considered as part of the tender process and checks undertaken to ensure that the incoming contractor would have systems which would resolve the issues highlighted. It was confirmed the new provider would have robust stock control and effective management information – this had been seen during site visits to institutions who were already using the new provider. Governors queried how Hartpury could be assured that they were happy the outsourcing was working effectively and meeting expectations. It was confirmed KPIs would be put in place and that the Procurement and Contracts Manager would meet with the new provider on a monthly basis, and there would be a quarterly review of KPI performance. It was confirmed staff would be TUPE'd to the new provider.</p> <p>Confidential Item – 3 Years</p> <p><b>The Catering Internal Audit was NOTED.</b></p>	
<b>7.2.2</b>	<p><b>Follow Up Internal Audit</b></p> <p>The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The review confirmed 11 recommendations had been implemented, two had been agreed as not being implemented as alternative measures in place and two were in progress and would be completed in July. It was agreed the report provided assurance that recommendations were being actioned. It was confirmed that the ones which had not been taken forward had been priority 3 recommendations and did not present risks.</p> <p><b>The Follow Up Audit was NOTED.</b></p>	
<b>7.2.3</b>	<p><b>Financial Controls Payroll and Capital Management – Reasonable Assurance Level – 5 routine recommendations</b></p> <p><b>The Internal Audit scope had been:</b></p> <p>Payroll: the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. It was noted the scope of the review did not include the determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.</p> <p>Capital Programme: the arrangements for accounting for the general capital programme. It was noted the scope of the review did not include consideration of the funding arrangements or the specification of the projects.</p>	
	<p>The following findings were noted:</p> <p><b>Hartpury University and its subsidiaries have arrangements in place to monitor and control the payroll process and Capital Programme.</b></p> <p><b>Payroll runs are done monthly by the Payroll and Pensions Supervisor and reviewed by the Head of Finance or COO (Chief Operating Officer).</b></p> <p><b>No issues were identified during the payroll testing. Full testing could not be completed for the Capital Programme due to lack of documents provided during the review. - It was confirmed these had now been provided – there had been a delay due to project name changes.</b></p>	

	<b>A Capital Strategy needs to be produced to comply with the Chartered Institute of Public Finance and Accountancy Prudential Code.</b>	
	It was noted that Management Responses were in place for the recommendations, which would be progressed.  <b>The Financial Controls Payroll and Capital Management Internal Audit was NOTED.</b>	
<b>7.2.4</b>	<b>Risk Management &amp; Board Assurance Internal Audit – Reasonable Assurance – No Urgent recommendations, 1 important recommendation, 4 routine recommendations and 2 operational recommendations</b>	
	The review considered the risk management strategy, the approach to risk appetite, the arrangements in place to identify and align risks to the University's strategic objectives, the identification of controls and how assurance is provided that these are in place and at a tolerable level. It was noted that a number of the recommendations had already been implemented and that others were ongoing. Staff involved in risk management were to receive training from Hettle Andrews to review practice and to ensure consistency. This would then be used to inform a review of the Risk Management Policy, which would then come to the Committees in November.	<b>COO Nov 24</b>
<b>7.2.5</b>	<b>Annual Report Update</b>	
	TIAA advised this would be brought to the November meeting once all the audits were complete.	
<b>7.2.6</b>	<b>Draft Annual Plan</b>	
	This had been circulated late to the Committees as it had been in ongoing discussion. It was agreed members would review and feedback to the Clerk by 5 <sup>th</sup> July and the plan then reviewed with the COO and TIAA.	<b>All Committee Members 5 July 2024</b>
<b>ARM08/06/24</b>	<b>Internal Audit Guidance Notes - Hartpury Responses</b>	
	Updates had been provided against the Internal Audit Guidance notes. It was noted queries on these had been raised within the Internal Audit Update.	
	<b>The Report was NOTED.</b>	
<b>ARM9/06/24</b>	<b>External Audit Strategy Memorandum for end of this academic year</b>	
	Jon Marchant, Forvis Mazars, as new audit partner confirmed he had worked alongside Richard Bott for a number of years and would be operating in the same way. It was confirmed the change of name to Forvis Mazars reflected more on their US provision and that Hartpury's service would not change. He noted that the HE environment was a challenging one.	
	The Committees considered the Audit Strategy Memorandum for Hartpury University and its subsidiary undertakings for the year ending 31 July 2024. It was noted this summarised Forvis Mazar's audit approach, highlighted significant audit risks and areas of key judgements and provided details of the audit team. It was confirmed that Forvis Mazar's were independent of Hartpury and did not conduct other work for them. Carol Davey, advised that they would consider holiday pay, inter group transfers, and confirmed that recognition of any pension asset would be reflected in the same way as the	

	<p>previous year, noting this approach had now been clarified. She advised that risks would be considered separately for the college, the university and the subsidiaries. They would consider in particular areas where management judgement was used, for example in debt write off. It was confirmed there had been no changes to the levels of materiality to be reported. It was confirmed that unless there has been significant changes in the ILR or ILR management that this was not expected to be an area of focus.</p>	
	<p>A governor queried the fee increase, noting it used the inflation rate at 1<sup>st</sup> August 2023. It was confirmed that this was the agreed period used.</p>	
	<p><b>The External Audit Strategy Memorandum for end of this academic year was APPROVED by the University and College Audit and Risk Management Committee.</b></p>	
<b>ARM10/06/24</b>	<p><b>Regularity Audit Self-Assessment</b></p>	
	<p>The Regularity Audit Self-Assessment was reviewed. It was noted it had been updated by the ESFA to reflect colleges' reclassification within the public sector and the requirements to demonstrate how Managing Public Money Requirements were being met the previous year, and that no significant changes had been made for this version.</p>	
	<p><b>The College Audit and Risk Management Committee APPROVED the Regularity Audit Self-Assessment to be taken to the Board and signed off by the Accounting Officer and the Chair.</b></p>	
<b>ARM11/06/24</b>	<p><b>Risk Management Update</b></p>	
<b>11.1</b>	<p><b>Review Risk Register</b></p> <p>The full Risk Register and a covering Report of Key changes had been issued to the Committees. The report provided the ARMCs with a summary of the changes to the Risk Register since the last meeting.</p> <p>It provided ARMCs the opportunity to review both the outcome of the Risk Management Process and the robustness and breadth of coverage of Risk Management.</p> <p>It was confirmed the Risk Register has been reviewed and updated following the latest Risk Management Group meeting and continual reviews by each operational area of their local risk registers.</p> <p>The latest version (available on the Governors website) had been reviewed by the SMT.</p> <p>The changes to the Risk Register were highlighted in red in the main risk register. Changes to <b>strategic risks</b> were summarised. The Residential Ofsted Inspection risk had been removed following the recent Ofsted inspection and the meeting of all actions. The Risk relating to the bank covenants had been increased. It was confirmed this had been discussed in detail at SFR and actions were being taken to mitigate this risk.</p> <p>Governors reflected on the risk register and the fact that some of the actions related to monitoring. The Chief Operating Officer advised this was one of the aspects which would be reflected on once the Risk Management Training had</p>	

	been undertaken, with consideration given to whether the actions planned would reduce the risk to target level.	
	Confidential Item – Commercial sensitivity – 3 years.	
	<b>The College and University A&amp;RM Committees NOTED the Report and endorsed the revisions to the Risk Register.</b>	
<b>11.2</b>	<b>Minutes from Risk Management Group (RMG)</b> <b>These were NOTED.</b>	
	11.40am The Health & Safety Manager joined the meeting	
<b>ARM12/06/24</b>	<b>Health &amp; Safety Annual Report</b>	
	<p>The Health &amp; Safety Annual Report provided Governors with a comprehensive overview of Health and Safety Management and activities over the academic year 2022/2023, as well as an understanding of the health and safety priorities and activities undertaken in the first half of 2023/24.</p> <p>It was noted the report had been presented to:</p> <ul style="list-style-type: none"> <li>• Health and Safety Forum on 8<sup>th</sup> March 2024</li> <li>• SMT on Tuesday 16<sup>th</sup> April 2024 and 14<sup>th</sup> May 2024</li> </ul>	
	<p>It was noted that Hartpury's strategy was to manage risk in a proactive and risk-proportionate way, to avoid unintended negative outcomes or conversely becoming risk averse and failing to capitalise on opportunity for the business and our students.</p> <p>Hartpury had developed a structured 'safety management system' (SMS) – the totality of formalised safety policies, procedures and practices – in order to ensure Hartpury can operate effectively, seize opportunities and provide a rich and flourishing learning environment, and meet our strategic priorities whilst, at the same time complying with all relevant health and safety legislation. This was achieved through effective management practices that integrated health and safety, ensuring that Hartpury reviewed its operations, learned from unintended outcomes and not only maintained, but deepened, Hartpury's positive health and safety culture.</p> <p>It was noted that the Health and Safety Manager, was a chartered professional and had been in post since September 2021. He had reported directly to the Vice-Principal Resources, at an appropriate level in the organisation giving health and safety sufficient profile, and was now reporting to the Chief Operating Officer, again at an appropriate level. It was confirmed the line shown to the Health &amp; Safety link governor was a dotted line. It was confirmed that the Vice-Chancellor and Principal was the named governor for Health and Safety. The Board's overall responsibility for Health &amp; Safety was noted.</p> <p>Governors queried if the fire alarm testing was in place and this was confirmed. Governors noted that organisations were seeing increased expenditure on fire safety and queried the position at Hartpury. The Health and Safety Manager advised that risk assessments, including fire, were in place for all buildings including residential buildings and any work identified as required through these processes was now in place.</p>	

Governors queried when the revised emergency cascade notification would be in place. It was confirmed alternative processes could be used currently and that a new app was being trialled for the future.

Governors considered work related stress, noting that this was incorporated in the report. It was confirmed it was part of the people strategy. It was noted that occupational health was one element to the response, but that Hartpury would be looking at a holistic approach going forward with some joint work between HR and the Health & Safety Manager. A governor commented that this was an important area for consideration, and highlighted that in the past HSE had undertaken a Health & Safety Review into the levels of stress absence at a university. The Chief Operating Officer provided some contextual data from the recent staff survey and the professional services staff survey which would be incorporated in the reflection on this work. It was noted that the surveys indicated there were some pockets of staff which would benefit from further review.

Governors noted that the Health & Safety Act was 50 years old and queried if a new one was to be expected. The Health & Safety Manager advised that one was not expected and that it covered the required areas.

Governors considered the risk assessments KPIs and how they were scored. The Health & Safety Manager advised that this was a judgement he undertook based on the ongoing review of risk assessments. He advised that Hartpury was just at the end of a two-year cycle and that given that the risk assessments had been reviewed and staff all received training that he would expect the scoring to improve. He advised that he used a high bar for the scoring.

The Health & Safety Manager advised that Martin's Law which aimed to provide greater protection against terrorism in public places had been delayed due to the announcement of the general election. It was still expected to be taken forward in the future, and Hartpury was working to ensure the spirit of the requirements was already in place and would operate in line with the legal requirements once these were confirmed.

Governors questioned the actions required due to the changes to the radon map. The Health & Safety Manager advised Hartpury would take the required measures and then take any actions required.

Governors asked if there were any asbestos issues. The Health & Safety Manager advised that the asbestos survey had indicated there was only a small amount of asbestos, and that it was in discrete places which were not exposed therefore it was not currently an issue.

Governors reviewed the accident data. It was confirmed that the highest number of accidents were sporting injuries. Governors considered the vehicle/pedestrian interface issues highlighted. It was confirmed this was an ongoing issue. Improved signage to encourage careful driving was now in place and review of car use on the campus was ongoing. It was noted this also linked to sustainability. The Chief Operating Officer advised this had been discussed by the SMT that morning in relation to Veterinary Nursing. The need to consider timetabling and culture were recognised as part of this ongoing review.

Governors considered the near miss reporting and the Health & Safety Manager was advised of processes in place to encourage reporting. The Health & Safety Manager agreed to reflect on these.



	<p><b>The Annual Health &amp; Safety Report was NOTED.</b></p> <p><b>12.10pm the Health &amp; Safety Manager left the meeting.</b></p>	
<b>ARM13/06/24</b>	<p><b>Audit Code of Practice Update</b></p> <p>The report updated on the changes to the Audit Code of Practice in March 2024. It was noted there were relatively few changes against last year when the Code had been revised to reflect colleges reclassification within the public sector.</p> <p>The guidance also noted that a new College Financial Handbook (the “handbook”) was published in Spring 2024. This consolidated practice but did not require any significant changes. The possibility that a year-end change might be imposed was not taken forward.</p>	
	<p><b>The College and University A&amp;RM Committees NOTED the Report.</b></p>	
<b>ARM14/06/24</b>	<p><b>A&amp;RM Committee Review</b>  <b>Agenda Cycle</b>  <b>Terms of Reference</b>  <b>Committee Self-Assessment</b></p> <p>The report enabled the Committees to self-assess their performance, consider whether Terms of Reference had been met and consider any changes required to the Terms of Reference or the agenda cycle.</p> <p>No changes were proposed to the Terms of Reference or agenda cycle. This was confirmed by the Committees</p> <p>The Committees considered the <b>self-assessment</b> which reflects feedback from the appraisal process and feedback from prior years and confirmed there were no changes.</p>	
	<p><b>The Committees:</b></p> <p>(i) <b>APPROVED the Self-Assessment.</b></p> <p>(ii) <b>Agreed the Terms of Reference and Agenda Cycle should be maintained unchanged.</b></p>	
<b>ARM15/06/24</b>	<p><b>Any Other Business</b></p> <p><b>None</b></p>	

**The meeting closed at 12.15pm**

**Management left the meeting and a confidential session with Auditors followed.**

Approved