

## APPROVED MINUTES

### THE UNIVERSITY OF MANCHESTER

#### AUDIT AND RISK COMMITTEE

29 January 2025

*Present:* Deirdre Evans (Chair)  
Ann Barnes  
Robin Phillips  
Tony Raven  
Natasha Traynor

*Apologies:* Trevor Rees  
Alex Creswell (Advisor to the Committee)

*In attendance:* Professor Duncan Ivison, President and Vice-Chancellor  
Patrick Hackett, Registrar, Secretary and Chief Operating Officer (RSCOO)  
Carol Prokopyszyn, Chief Financial Officer  
Louise Bissell, Deputy Director of Finance  
Dr David Barker, Director of Compliance and Risk  
Richard Young, Uniac  
Sinead Hesp, General Counsel (item 8 a) i) only)

*Secretary:* Mark Rollinson, Deputy Secretary

#### 1. Declarations of interest

**Noted:** there were no new declarations of interest.

#### 2. Minutes

**Resolved:** that the minutes of the meeting held on 6 November 2024 be approved.

#### 3. Matters arising and action tracker

**Received:** the action tracker setting out progress against matters arising from earlier meetings.

**Noted:**

(1) In relation to the Strategic Change Portfolio, discussions between the Chair of the Committee and the Chair of Finance Committee to ensure clarity over the respective roles of the two committees were still pending. The most recent report would be circulated to the Committee for information.

**Action: Deputy Secretary**

(2) Work continued to ensure that the University was well positioned in relation to artificial intelligence and digital disruption and to mitigate the risk of not keeping pace with developments and change.

(3) Further detail was provided in relation to purchase orders raised after invoice date: confirmation was provided that setting up and authorising suppliers was a separate and necessary first step before raising purchase orders.

(4) In relation to the Admissions Verification issues, it was confirmed that agents would be advised of any confirmed, fraudulent activity. A further update would be provided to the next meeting.

**Action: Deputy Secretary to coordinate**

#### **4. Subsidiaries and Satellite Entities Assurance Report**

**Received:**

(1) A report providing a summary of active subsidiary results, risk assessments and impact of results on the consolidated accounts (with further detail available in the Diligent Reading Room).

(2) Results of the two associates, Manchester Science Partnership and Sister (formerly known as ID Manchester) which were shown separately.

**Noted:**

(1) The Board of the University of Manchester Innovation Forum (UMIF) scrutinised performance and there was discussion about the potential for improvement (and members referenced the need to consider any possible reputational impact as part of overall assessment). Detail on overall contribution from UMIF was available (via the HEBCIS report) and this could be provided to members.

**Action: Director of Financial Services**

(2) Along with all other University subsidiaries, UMIF was 100% owned by the University which mitigated the risk of unaligned activity (noting that this was a greater potential risk for spinouts).

(3) Further clarification of reporting lines to Finance and Audit and Risk Committee would be helpful, avoiding duplication and minimising reporting burden. In this context, there was support for streamlining future reports, provided that the Committee was able to provide sufficient, robust assurance to the Board.

**Action: Director of Financial Services**

#### **5. Anti-Money Laundering Policy**

**Received:** an updated Anti-Money Laundering Policy, with proposed changes highlighted.

**Noted:**

(1) The University had recently launched a suite of mandatory training programmes, and there was scope to add both Anti-Money Laundering and Anti-Corruption and Bribery content to future training (with appropriate mechanisms to test understanding and awareness).

(2) At members' request, there would be reflection on the extent to which lay Board members should be exposed to either current or tailored versions of mandatory training.

**Action: Deputy Secretary to coordinate**

(3) Some suggested minor textual changes for consideration before publication

**Agreed:** subject to reflection on the minor textual changes raised in the meeting, the report be approved.

**Action: Director of Financial Services**

## **6. Anti-Corruption and Bribery Policy**

**Received:** a revised and reformatted Anti-Corruption and Bribery Policy.

**Noted:**

- (1) In addition to training (as noted in 5 above) the importance of effective induction in establishing a culture of robust legal and regulatory compliance.
- (2) The Register of Interests system was about to be relaunched and there was scope to revive the annual compliance exercise for senior managers
- (3) Some suggested minor textual changes for consideration before publication.

**Agreed:** subject to reflection on the minor textual changes raised in the meeting, that the Policy be approved.

**Action: Executive Director of Compliance and Risk**

## **7. Health, Safety and Wellbeing Quarterly Report (Q1, August-October 2024)**

**Received:** the latest quarterly report from the Health, Safety and Wellbeing Committee.

**Reported:**

- (1) An update on the serious injury to a workshop employee referenced in the report (the employee had returned to work and relevant actions and improvement measures had been taken). The Health and Safety Executive had been advised and a Fee for Intervention was anticipated.
- (2) An update on the Greater Manchester Fire and Rescue Service inspection visit to student residences in October 2024. The report of the visit was positive, with some recommendations and learning points around risk assessment and training.

**Noted:**

- (1) The University's Public Liability Insurance policy provided protection in the event of claims against the University, noting also the potential for intervention by HSE and other regulators.
- (2) The graph showing number of accidents per year from 2016 to 2024 showed a consistent spike in February (excluding the period of lockdown and restricted movement during Covid) which was worthy of further investigation.

**Action: RSCOO**

- (3) "Near miss" numbers reported were relatively low given the size of the institution and (despite efforts to promote the importance of reporting) a level of under-reporting was likely, particularly amongst academic colleagues.
- (4) Whilst data reports in the paper were useful, there was scope for more effective analysis and narrative to enable the Committee greater insight into relevant trends. An example cited was the recent increase in stress related sickness absence for those in the manual and craft occupancy group, and further analysis of absence on mental health and stress related grounds would also be helpful.

**Action: RSCOO**

## 8. Internal Audit and Internal Control

### (i) Uniac Progress Report

**Received:** the latest Uniac internal audit progress report, which included a summary of progress since the previous meeting (and the annual risk register briefing notes covering the HE sector and beyond).

#### (a) Review of Procurement-Larger Contract Management

**Reported:**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

The imminent arrival of the new Chief Property Officer and the impending appointment of a new Director of Procurement within Finance provided the opportunity to develop an improved control framework.

(5) Critical findings within the report included:

[Redacted]

[Redacted]

***Redacted – restricted information***

**Noted:**

(1) Whilst the review had revealed failure to comply with agreed policy and process, evident cultural deficiencies were equally concerning

(2) The Value for Money report considered by the Committee at its previous meeting had not highlighted procurement and contract management failings highlighted in the review.

(3) There was already anecdotal evidence of a change in approach within Estates and Facilities, with staff being reminded of obligations, responsibilities and expectations.

(4) The University Executive was taking the findings of the report extremely seriously: whilst the imminent change in Estates and Facilities and Procurement leadership would be expected to get a firm grip on control deficiencies (working with relevant colleagues, including those in Legal Services) all members of the Executive had a role in driving the necessary culture change.



***Redacted – restricted information***

(6) The Committee welcomed the honest and transparent approach demonstrated by senior managers in bringing this matter to the Committee's attention.

**Agreed:**

(1) That an update on progress be circulated to the Committee before the next meeting, and an update report included on the agenda for the next meeting in April.

**Action: RSCOO**

(2) That relevant colleagues revisit the previously circulated Value for Money report in the light of findings from this review and represent it to the Committee.

**Action: Chief Financial Officer**

(3) That the already scheduled review of IR35 compliance should reflect and take cognisance of relevant issues highlighted the review.

**Action: Uniac**

**(b) School Review: School of Medical Sciences**

**Reported:**

(1) The review was carried out as part of the agreed annual internal audit visits to schools each year (rotating across the three faculties). The audit sought to provide independent assurance on compliance by the School with the University's Financial Regulations and Procedures in relation to income and expenditure activities. Data analytics were used to support this review in relation to the testing of invoices and purchase orders and the register of interests.

(2) The review provided reasonable assurance in relation to effectiveness of design, effectiveness of implementation and economy and efficiency.

(3) The review contained five medium risk findings.

**(c) New staff appointments: Jobtrain System**

**Reported:**

(1) The review assessed the effective use of Jobtrain, the University's Applicant Tracking System, across the University: this was in the context of scheduled decommissioning and replacement by an Enterprise Resource Planning (ERP) system by 2027 (ie the review covered learning points for a new system, and recommended actions on the existing system, without committing excessive resource).

(2) The review provided reasonable assurance in relation to effectiveness of design, effectiveness of implementation and economy and efficiency.

(3) The review contained two medium risk findings and several low risk findings.

**Noted:** as referenced in the report, the practice of storing information outside Jobtrain presented an information governance risk and emphasised the need to reinforce existing guidance.

#### **(d) Environmental Sustainability Governance (Carbon Reduction)**

##### **Reported:**

(1) The review assessed the governance and processes surrounding decarbonisation (including funding and logistical practicalities), projects sitting underneath the zero-carbon masterplan and / or how low carbon is embedded as part of the wider University agenda. Observations were split into three sub sections, focusing on findings relating to governance, findings relating primarily to scope 1 and 2 emissions, and findings relating primarily to scope 3.

(2) The review provided reasonable assurance in relation to effectiveness of design, effectiveness of implementation and economy and efficiency.

(3) The review contained four medium risk findings and several low risk findings.

##### **Noted:**

(1) Whilst the review did not consider the affordability of the University's carbon reduction plan, there would be an update to the next Board meeting in February. This would confirm progress, for example not just the use of the Corporate Power Purchase Agreement, but planned medium to longer term improvements to heating infrastructure, making effective use of affordable developments in technology

(2) There would be dynamic updates of the Strategic Risk Register to reflect the position in relation to carbon reduction.

#### **(e) Health and Safety: full follow-up**

##### **Reported:**

(1) In October 2023, the Uniac audit of University health and safety management arrangements produced a limited assurance rating on the overall management of health and safety related risks with six findings (two high risk, three moderate risk and one low risk). This review focused on following up to provide assurance on progress with completion of the audit actions.

(2) The report provided reasonable assurance for action progress between October 2023 and December 2024. Of 32 institutional actions identified, 15 were complete and 17 were deemed to be overdue (53%) (some of these required cross-institutional activity). After challenge, it had been confirmed that most actions would be completed by the end of May 2025, and the RSCOO confirmed that further extension of deadlines would not be permitted.

#### **(f) Tracker/Audit Action-Follow Up**

##### **Reported:**

(1) The report provided substantial assurance for action progress between August 2024 and January 2025 reflecting the action completion rate. This was an improvement since the last report (August 2024) which provided a reasonable assurance grading as a consequence of a higher number of outstanding actions.

(2) Of 173 actions captured on the trackers, 12 were deemed overdue (6.9%), none of the observations (and related agreed actions) were categorised as 'high' (nine were 'moderate', one 'low' and one 'advisory').

**Noted:** confirmation from Uniac that there was a separate follow-up report for any review where there were limited assurance findings (eg, the separate Health and Safety Follow Up report).

## **(ii) Progress against the 2024-25 Plan**

**Noted:**

(1) An update on progress against the agreed internal audit plan. This included the addition of the procurement related investigation input, and further follow up was now required on the Procurement (Larger Contracts) actions and remaining outstanding Health and Safety audit actions.

(2) There would be assessment (by the University) of the potential impact of any future suspension of US federal loans.

## **(iii) Annual Risk Register Briefing Notes**

**Noted:** the latest annual risk register briefing notes (covering the HE sector and the wider environment) which would be helpful in constructing the updated version of the Risk Register.

## **(iii) Internal Investigatory Work**

**Noted:** a brief verbal update on misuse of a University Project Code by a Postgraduate Research student, for personal gain. The anomaly had been detected and remedial, preventative action was being taken, with the student now subject to disciplinary action.

## **9. External Audit**

**Received:** the final audit findings from PKF, including management responses

## **10. Strategic Risk Register**

**Reported:** that the next iteration of the Strategic Risk Register will be presented to the April meeting, following review by University Executive. This was a precursor to a more fundamental reshaping of the Risk Register to reflect the revised University Strategy. The Chair and the Executive Director of Compliance and Risk would discuss content and review timeline before the next meeting.

**Action: Executive Director of Compliance and Risk**

## **11. Public Interest Disclosures**

**Noted:** an update on Public Interest Disclosure/Whistleblowing cases. These Whistleblowing updates were related to, and had been considered under, the review of Procurement covered in item 8 a) i) above.

## **12. Committee Forward Agenda 2024-25**

**Received:** the updated Committee forward agenda for 2024-25

**13. Dates of remaining meeting in 2024-25**

**Noted:** the following dates for remaining meetings in 2024-25: (all 11am-1pm):

- Wednesday 16 April 2025 - Online
- Wednesday 11 June 2025 - In person