

THE UNIVERSITY OF MANCHESTER

AUDIT AND RISK COMMITTEE

17 September 2025

- Present:* Deirdre Evans (Chair)
Ann Barnes
Tony Raven
Natasha Traynor
- Apologies:* Alex Creswell (Advisor to the Committee)
- In attendance:* Patrick Hackett, Registrar, Secretary and Chief Operating Officer (RSCOO)
Carol Prokopyszyn, Chief Financial Officer (CFO)
Louise Bissell, Deputy Director of Finance
Gemma Lyons, Director of Finance, Faculty of Science and Engineering
Dr David Barker, Director of Compliance and Risk
Richard Young, Uniac (items 1-9)
Sue Suchoparek, Uniac (items 1-9)
Alastair Duke, PKF (items 1-9)
- Secretary:* Mark Rollinson, Deputy Secretary

1. Declarations of interest

Noted: there were no new declarations of interest.

2. Terms of Reference and Membership

Received: current terms of reference and membership for the Committee.

Noted: current vacancies for a co-opted lay member and a Board lay member of the Committee. In both cases, processes were underway to fill the vacancies.

Agreed: to approve the terms of reference in principle for 2025-26, subject to further review by members to ensure comprehensiveness and currency and to ensure cohesion and synergy with the terms of reference for Finance Committee.

Action: Chair/Deputy Secretary

3. Minutes

Agreed: the minutes of the meeting held on 11 June 2025.

4. Matters arising and action tracker

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

i) Strategic Risk Register

Received: an update on the evolution of the Strategic Risk Register (SRR), including the adoption of a new technology enhanced platform to host the Register, the process to identify and capture emerging risks in the interim period before the approval of the revised Strategic Risk Register and the continued development of the Risk Appetite Framework and Statement following in principle approval in June 2025.

Noted:

(1) In the interim period before approval of the Manchester 2035 Strategy and the development of the updated Risk Register, there were continued active discussions around existing and emerging risks linked to development of the emerging Strategy. The Committee asked that it be updated on likely timescale for finalisation of the revised SRR and, noting the volatility of the current external environment, for assurance on the process to assess existing and emerging risk.

Action: Executive Director of Compliance and Risk

(2) The new SRR platform was automated, workflow-driven and dynamic, and straightforward to populate. Changes to the register could be scheduled or made as significant changes occur, with reporting adjusting accordingly, enabling the SRR to become a live document.

(3) Whilst risk owners were able to delegate operational activity to risk managers, they remained fully accountable to the Committee. Once Level 1 risks were finalised, the platform will be shared with University Executive, Risk Owners, Managers, and the Committee, and the Committee confirmed that it would welcome a demonstration.

Action: Executive Director of Compliance and Risk

(4) The Committee recognised that local risk registers at the level below the Strategic Risk Register were at different levels of maturity and asked for assurance on the process to escalate local risk to the SRR as and when appropriate.

Action: Executive Director of Compliance and Risk

ii) Response to Procurement Review

Received: written updates from the Director of Procurement and the Chief Property Officer.

Noted:

(1) The Committee welcomed the updates and was advised that Uniac would be carrying out a full follow up review as part of their 2025-26 programme and this would also cover IT Services and the People Directorate. In response to queries from members, Uniac confirmed that the follow-up would cover both quantitative and qualitative measures.

(2) The Committee reiterated its request for focus on areas of highest spend and risk and asked that this be included in future updates.

(3) The Committee welcomed assurance in the report about culture change, noting that this would need continued focus (including measures to assess impact and progress)

(4) The Committee noted that Uniac following up to test the efficacy of management actions was an exemplar of good practice. It asked that the Director of Procurement and the Chief Property Officer attend for future updates.

Action: Director of Procurement and Chief Property Officer

iii) Update related to 2023 Cyber Security Incident

Received: an update on the ongoing investigation by the Information Commissioner's Office (ICO) into the cyber incident at the University in 2023.

Reported:

- (1) The ICO had not yet determined its position in relation to any enforcement action (including any potential monetary penalty)
- (2) The University continued to engage fully and transparently with the ICO, responding to all requests for information.
- (3) For the managed estate, IT Services had implemented strengthened governance, enhanced technical controls and revised policies and processes to reduce the likelihood and impact of future incidents: this included greater rigour around retention of obsolete or redundant data. Reducing the extent of the unmanaged estate remained an Executive priority.

Noted:

- (1) As reported at the previous meeting and as exemplified by recent high-profile incidents, the general cyber threat level was high, with increasingly sophisticated actors.
- (2) The report gave examples of recent ICO investigation outcomes, and whilst these were indicative, they were not a predictor of outcome of the current investigation. A communications plan for potential different outcomes had been developed.
- (3) The University held six-monthly emergency incident simulations and response to a cyber incident was considered on an annual basis.
- (4) In response to a question, PKF Littlejohn advised that a contingent liability would not be necessary.
- (5) Further detail would be provided of assurance obtained through the most recent IT penetration testing. **Action: RSCOO/Chief Information Officer**
- (6) A further update would be provided once the ICO concludes its investigation or where material developments occur in the interim.

iv) Admissions Verification Issues

Noted: the latest update on Admissions Verification issues, following queries raised at the previous meeting.

v) Other matters

Noted:

- (1) Confirmation that in addition to being addressed in Uniac follow-up work, outstanding actions in relation to the Royce@Manchester would also be addressed by relevant University colleagues (including the Faculty of Science and Engineering).

Action: Deputy Secretary to follow up

- (2) In a response to a question, there had been limited impact from the decision of some postal services to suspend deliveries to the USA because of uncertainty about tariffs. On a related matter, HMRC had recently carried out an import/export audit: the outcomes of this were still awaited, but the audit had revealed HMRC's relative inexperience of how this operated in a higher education setting.

5. Delegation Schedule-update on progress

Received: a report setting out progress and planned action to review the current [Scheme of Delegation](#), which (with the exception of some adjustment to financial

thresholds) has been largely unchanged since initial approval by the Board in July 2022 (it had been adopted annually by the Board at the start of each academic year since then). Work to date had focused on initial review of financial thresholds for the new Infrastructure Committee.

Reported:

(1) The establishment of the Infrastructure Committee provided an opportunity to review financial thresholds at University Executive (UE), Board Committee and Board level to reflect current operating context and necessary scale of investment.

(2) Currently any expenditure in the range of £10-20 million required Finance Committee approval, whilst any expenditure over £20 million required Board approval (under the current scheme expenditure below these levels can be approved by UE or, at lower levels, designated office holders). There was potential to extend these limits noting the continued need for robust and proportionate approval processes.

Agreed: there was no objection to the principle of extending delegation, subject to further discussion about potential quantum of increase in delegated authority with the Chair of the Board and Chairs of Finance and Audit and Risk Committee, and the practical implications for decision making at Board and Board committee level.

Action: Deputy Secretary to initiate

6. 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. The report also included briefing notes on International Agents and the Economic Crime and Corporate Transparency Act (Failure to Prevent Fraud).

Noted: Advisory reviews (which had the same standards of independence and objectivity as assurance reviews) were normally deployed where, for example, the institution had recently introduced a new system or process, and the purpose of the engagement was to assess and assist with maximising the benefits, or a new strategy, approach or process was being considered. In this context, such reviews aimed to aid developments.

(a) Procure to Pay (P2P)

Reported:

(1) This audit formed part of Uniac's cyclical review of financial systems, and with the ongoing financial sustainability challenges in the sector, supported the University in identifying further opportunities to achieve value for money and tighter cost control.

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

(3) The review contained three main findings and identified significant inefficiencies in the current process mainly driven mainly by current system capabilities and configurations as well as the volume of requisitioners across the University. The review did not identify any specific indications of fraud or error through substantive testing and data analytics work.

(4) The review acknowledged the need to balance investment in interim improvements with planned longer-term wholesale financial system transformation (Future Foundations) but concluded with a behind norm benchmark assessment when compared to other institutions where P2P had been audited.

Noted:

(1) The Committee recognised the need to balance interim improvements against longer term transformation, and in this context also recognised the importance of cultural and behavioural change and ensuring that there was a compelling narrative about the potential financial and reputational consequences of late payment.

(2) At an operational level, there were too many named requisitioners and insufficient clarity around delegation when requisitioners left the university or were absent, and both factors contributed to delays.

(3) There was an extensive training programme for requisitioners and this provided a ready-made opportunity to focus on necessary improvements.

(4) The Finance Directorate did monitor payment of suppliers within agreed terms and performance was between 85% and 90%.

Agreed: that the Committee receive a progress report at the January 2026 meeting.

Action: Chief Financial Officer

(b) School Review: Arts, Languages and Cultures

Reported:

(1) As part of the agreed annual internal audit programme, schools were visited each year (rotating across the three faculties). The review 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.

(2) The review provided reasonable assurance in relation to effectiveness of design, effectiveness of implementation and economy and efficiency, and there were three medium risk findings, which were being addressed by the faculty leadership team.

(c) Biobanks

Reported:

(1) In relation to Biobanks (physical repositories and / or libraries that contain human tissue samples, biological fluids, gametes and embryos, or genetic material) the review considered the processes and controls in relation to information governance, including security of patient data.

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

(d) Register of Interests-Compliance

Reported: the review examined the University's new Register of Interests (ROI) system. This was an interim report, delivered on an advisory basis pending further communications targeting non-compliant employees, and the implementation of further roadmap features during the next 6-12 months. A full report would be delivered in 2026.

(e) Scholarships and Bursaries

Reported: the advisory review considered the framework for scholarships and bursaries across the University, their strategic alignment, roles and responsibilities, governance and management mechanisms, evaluation of impact (benefits realisation) and cost of acquisition. The report findings had been shared with the previous Vice-President for Teaching, Learning and Students and a meeting was booked with the new Vice-President to agree the next steps.

(f) Strategic Change: Follow-Up

Reported: the review concluded that substantial assurance could be provided in relation to the University's progress in implementing audit recommendations from the August 2024 review.

(g) Health and Safety Follow-Up

Reported: the review concluded that reasonable assurance could be provided in relation to the University's progress in implementing audit recommendations from the October 2023 review and earlier January 2025 follow-up. The review had resulted in two further medium risk recommendations relating to training needs analysis and opportunities for improvement in the self-assessment process.

(g) General Action Tracker-Follow up Exercise

Reported: the review provided substantial assurance for action progress between January 2025 and July 2025 reflecting the action completion rate. There were five overdue actions, three of which were moderate risk and the Committee encouraged action to resolve the small number of outstanding issues.

(iii) Internal audit plan for 2025-26

Received: the internal audit plan for 2025-26, following review of the draft plan at the June meeting.

Reported:

(1) Reflecting on the outcome of the recent procurement and contract management review and the continued significant spend within the Estates and Facilities Directorate, further deep dives within the Directorate had been included with days had been allocated within the programme.

(2) Given recent staff changes and the embedding of updated procedures, identification of specific audits would be discussed with the Chief Property Officer for approval at the January 2026 meeting.

(3) Confirmation that the plan included other key financial systems e.g., student finance, student debt, staff expenses, school and centre audits with increased focus (and allocation of time) on financial processes across the central directorates and faculties.

Agreed: to approve the 2025-26 plan.

(iii) Draft internal audit report for 2024-25

Received: the draft Uniac internal audit report for 2024-25.

Reported:

(1) The report summarised Uniac's work over the year and provided assurance on the adequacy and effectiveness of the University's arrangements for:

- Risk management, control and governance
- Sustainability, economy, efficiency and effectiveness (Value for Money)
- Management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company (SLC), the Office for Students (OfS), Research England and other bodies
- Regulatory requirements, including but not limited to: OfS conditions of registration, SLC, Information Commissioners Office and the Home Office.

(2) The report concluded that frameworks for risk management, governance and/or internal control were adequate and generally operating efficiently and effectively. Further enhancements were required to maintain or enhance adequacy and effectiveness or to improve efficiency.

(3) The findings from two reviews highlighted significant improvement opportunities (larger contract management and Royce@Manchester): however, they also demonstrated an open and mature approach to the deployment of internal audit resource i.e., steering the work to aid the institution in key areas of control and governance.

(4) Notwithstanding the above, following discussion with both the Committee and senior management, Uniac had reflected on the programme and audit focus for 2025-26, including:

- a focus on large items of expenditure and compliance with regulations and procedures (a further continuation of approach in 2024-25)
- ensuring there was sufficient coverage of financial and administrative systems
- the process for initiation of reviews where the University has highlighted, in advance, concerns. This will include an initial assessment of current first and second line mitigations as part of the development of terms of reference for reviews which can be shared with the Committee.

(5) The report was no longer an OfS regulatory requirement and was addressed to the University's Board of Governors and to the President and Vice-Chancellor. The report would inform the Committee's own annual report to the Board.

Noted:

(1) For any reviews resulting in inadequate or limited assurance, the Committee would want to meet with the relevant risk owner(s).

(2) The Committee would welcome the opportunity to meet the recently appointed Chief Executive Officer, Jane Forbes, at a future meeting.

Action: Deputy Secretary to organise

(iii) Internal Investigatory Work

Noted: there was no recent internal investigatory work to report.

7. External Audit

(i) Update from PKF Littlejohn on the audit of the 2024-25 Financial Statements.

Received: a verbal report from PKF Littlejohn advising that they were on course for timely delivery of the audit, ensuring consideration by the Committee and Board at scheduled meetings in November.

Agreed: to confirm the Committee's earlier decisions to approve the request for PKF Littlejohn to undertake the Turing Scheme audit for the year ended 31 July 2025.

Action: PKF

(ii) Annual Reporting: draft content for inclusion in the 2024 Financial Statements

Received: for comment by the Committee, draft narrative content for the Financial Statements (Corporate Governance Statement and Public Benefit Content)

Agreed: to approve the narrative content, subject to review of any specific comments from members.

Action: Deputy Secretary

8. Health, Safety and Wellbeing Quarter 3 report

Received: the Health, Safety and Wellbeing (HSW) Quarter 3 report, covering the period February-April 2025, following review by University Executive.

Reported: the report included the draft work plan for 2025-26 (approved by University Executive in July 2025), the updated Occupational Health and Safety Strategy for 2025-26 and confirmation of no changes to the Staff and Student Mental Health and Wellbeing Strategy. Minor updates to the Health and Safety Policy Statement and the Health and Safety Organisation Document required Board approval.

Noted:

(1) The summary of significant events included lessons learned from organisational failings of a recent international field trip.

(2) In relation to the ceiling collapse in a basement room at Christie Building, the Committee asked for clarification on the timeline for the placing of the relevant warning sign

(3) In relation to power outages (noting the recent incident at Nancy Rothwell Building) each instance was assessed on its merits (especially regarding urgency of need for restoration of power, other safety factors etc). Recent emergency planning exercises had covered scenarios relating to loss of power.

(4) In relation to questions about Health and Safety Executive required RIDDOR reporting, numbers in Q3 were comparable to Q2. Whilst there was always more that could be done to encourage timely reporting, there was good awareness of the need to report (especially amongst colleagues engaged in laboratory-based disciplines). The need to guard against any potential complacency was recognised and the newly appointed Director of Safety Services, Attia Ramzan, would be engaging in awareness raising.

(5) Absence on grounds of mental ill-health continued to trend upwards. The Committee suggested further analysis by age group, noting that the efficacy of potential interventions may differ by age.

(6) Slides describing the number of accidents per quarter and the number of safety incidents not causing injury per quarter continued to trend upwards (although the number of accidents continued to be below the pre-pandemic mean).

(7) The results from the Colleague Engagement Survey indicated relatively low scores for management of change and addressing this would be a key element in implementation of the new *Manchester 2035* strategy

(8) The importance of keeping data relating to attempted suicides under regular review.

Action for all above: RSCOO, Executive Director of Compliance and Risk

Agreed: to note the report and include a summary in the report from the Committee to the Board, noting the need for formal Board approval of Minor updates to the Health and Safety Policy Statement and the Health and Safety Organisation Document
Action: Deputy Secretary

9. Public Interest Disclosures

Noted: an update on Public Interest Disclosure/Whistleblowing cases.

Alistair Duke from PKF Littlejohn and Richard Young and Sue Suchoparek from Uniac left the meeting at this point.

10. External Audit Tender Process

Received: a report setting out the process and timescale for the University to re-tender for external audit services (with effect from 1 August 2026).

Reported:

(1) The University's current contract with its external auditors, PKF Littlejohn runs until the year ending 31 July 2026, and therefore there was a requirement to go out to tender for external auditors for the year ending 31 July 2027 and thereafter.

(2) As the University is a Public Interest Entity, it must ensure that it takes at least two bids to the Board who will be responsible for making the final selection. There were also very strict criteria in place that require that the external auditors had not undertaken any other work for the University during the year that they are auditing. In view of this requirement, the intention was to go out to tender this Autumn to ensure that whoever is appointed has ceased any other work they are undertaking for the University well before 1st August 2026.

Redacted – restricted information)

(4) 12 pre-qualified suppliers had been identified and informally invited to participate in the tender process.

Agreed: the external audit tender process (including relative weightings for cost and quality indicators) and timeline as outlined in the report, noting that finalised versions of tender documentation would be agreed with the Chief Financial Officer. The above included a meeting between the Committee and shortlisted firms n week commencing 12 January 2026 (date to be confirmed)

Action: Chief Financial Officer

11. Committee Forward Agenda 2025-26

Noted: the forward agenda for 2025-26 (any feedback from members would be incorporated into the next iteration).

Action: Deputy Secretary

12. Dates of remaining scheduled meeting in 2025-26

Noted: as below: (11am-1pm, unless stated):

- Wednesday 5 November 2025 (2-4pm): preceded by joint meeting with Finance Committee (1-1.30pm) Online
- Wednesday 28 January 2026 - In person
- Wednesday 22 April 2026 - Online
- Wednesday 10 June 2026- In person

13. Vote of thanks

Agreed: to extend a vote of thanks to Louise Bissell for support provided to the Committee. As a result of reallocation of duties before retirement in 2026, Louise was attending her final Committee meeting.