

Mr C Tweed
Mr R Hambleton

In attendance: Dr D Llewellyn
Dr C E Baxter
Mrs L Furey
Mr M Dawson
Miss L Tweedie

Apologies: Ms S Khanam
Members were reminded to update

17/01 Minutes

Approved: the minutes of the meeting of the Audit and Risk Management Committee held on 29th June 2017 (16/44)

External Audit Engagement Letter during August 2017. The changes reflected the updated HEFCE Memorandum of Assurance and Accountability and the new auditing standards applicable to year ended 31 July 2017. The changes related to updates to language and structure of the letter but not material changes;

- ii) that the University continued to proactively manage collaborative risks. Members noted the briefing paper provided by the Vice-Chancellor and the range of management actions taken with regard to academic collaborative partnerships, collaborations with industry, and collaboration with other bodies which could include other universities, industry partners, or a combination;
- iii) members noted that wherever possible the University makes use of standard templates that have been developed within the higher education sector including those developed for research contracts by Lambert. It was also noted that the University seeks legal advice as necessary where collaborative arrangements are particularly complex. In this regard, members noted the detailed work that was undertaken including a range of working parties and other legal and professional advisers in setting up collaborative arrangements such as those established with Dairy Crest, the Agri-Epi company, and the current discussions with Keele University about a potential joint vet school. It

engagement with a working group established by the Board during the negotiation and decision-making phases;

Agreed: to **ENDORSE** the Chair's decision to approve minor amendments to the External Audit Engagement Letter.

17/03 **Terms of Reference**

Received: updated Terms of Reference of the Committee;

Noted: that as previously agreed the Committee Chair had reviewed the Terms of Reference over the summer with a view to ensuring they were sufficiently clear. The changes related mainly to reordering the responsibilities of the Committee and did not represent significant changes to the actual substance of the document;

Agreed: to **RECOMMEND** the updated Terms of Reference of the Board of Governors. **PC**

17/04 **Follow-up on Internal Audit Reports**

Received: a report by the University Secretary.

Noted:

- iii) that the auditors had given slightly more amber opinions and overall medium rated audit reports than in the previous year. However they confirmed that the University's performance was in line with their other clients, and that a full benchmark report for their 18 HE clients would be provided at the next meeting in February 2018. They further confirmed that there was no cause for concern at Harper Adams with respect to the outcome of Audit Reports. It was also confirmed that the report reflected the Internal Auditor's opinion up to the current date and that they had a duty to keep us informed if this was not the case at the point when the accounts were signed by the Board of Governors. They confirmed that if anything changed in the interim then their report would be revised as necessary;
RSM
- iv) that the Internal Audit Plan for 2017/18 was progressing as planned. A helpful meeting had been arranged by RSM with key staff involved in the Internal Audit P
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- iii) that the External Auditors report presented an overall positive opinion with no major issues to highlight. The Auditors also confirmed that they expected to be able to give a positive overall opinion subject to the final Annual Report and Financial Statements being approved and signed at the Board meeting on 28 November 2017. A small number of outstanding issues have been highlighted in the External Audit report which was confirmed had all now been addressed with only those matters that could not be confirmed until the Accounts were signed remaining to be completed. Members also noted that where the External Audit Report refers to the University continuing with work to complete the purchase of agricultural land, depending on timing, it may be necessary to amend the final wording in relation to this matter to reflect that the land purchase had been completed; **KPMG/LF**
- iv) that overall the Auditors have confirmed that the University was in a good financial position, the going concern basis was clearly justified and there were no issues with bank covenants
- v) that during the audit

Students (OfS) may streamline some of the reporting processes although further information was awaited. Members also noted the discussion

proposed to the policy following this review. A number of changes had however been proposed to the Risk Analysis and Action Plan;

- ii) that following a detailed review of the Risk Analysis and Action Plan by those staff responsible for leading and assisting the management of risks, the rating of the risk relating to UK Tier 4 had been increased to-medium/high; that risks related to legal compliance had been increased to medium from low/medium; that a new rate risk related to the recruitment and retention of farm staff as proposed by the Farm Strategy Committee, had been added to the register and had replaced the previous risk related to the availability of appropriate agricultural land; and that the risk related to network security had been increased from low medium to medium. Members also noted that the Academic Board has suggested that the risk related to UK Tier 4 should be included in its monitoring portfolio as it had introduced a new system for receiving

service provided the University with important support in relation to IT

Agreed: that the Auditors had no issues to raise in relation to the conduct of the

17/16 **External Audit Engagement Letter 2017/18**

Received: the External Audit Engagement Letter for the period to 31 July 2018

Agreed: that subject to the Board's approval of the committee's recommendation that KPMG be reappointed to the role of External Auditors, the Engagement Letter for year end 31 July 2018 be accepted.

Date of next meeting 15 February 2018 at 10 AM