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

## Minutes
## 10am Tuesday 24th June 2025
## Gordon Canning Room & Teams



| **Members** | **University Audit Committee** | **College Audit Committee** |
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| Lucie Hammond | Present (Chair) | Co-opted Member - Present |
| Ian Robinson (Professor) | Apologies | Apologies – (Co-opted Member) |
| Robert Brooks | 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 - Present | Present |
| Clive Stainton | Co-opted Member - Present | Co-opted Member - Present |
| **In Attendance** | | |
| Mick Axtell | Present (Chief Operating Officer) | Present (Chief Operating Officer) |
| Gillian Steels | Present (Clerk to the Board) | Present (Clerk to the Board) |
| Mike Collier (Doctor) | Present (TIAA) | Present (TIAA) |
| Jon Marchant | Present (Forvis-Mazars) | Present (Forvis-Mazars) |
| Carol Davey | Present (Forvis-Mazars) | Present (Forvis-Mazars) |
| Mark Lumsden | Present (MHA) (From 10.05am) | Present (MHA) (from 10.05am |
| Chris Rising | Present (MHA) | Present (MHA) |
| Andy Collop (Professor) | Present (Vice-Chancellor) | Present (Principal) |

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| **ARM01/06/25** | **Welcome, Apologies & Confirmation of Quoracy**<br>Attendees were welcomed to the meeting. Clive Stainton and MHA were welcomed to their first meeting.<br><br>Apologies noted as above.<br><br>It was confirmed that the University Audit and Risk Management Committee and the College Audit and Risk Management Committee meetings were quorate. | |

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| **ARM02/06/25** | **Declaration of Interest.**<br>The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests. | |
| **ARM03/06/25** | **Minutes of the Meetings – 11th March 2025**<br>The minutes of the University Audit and Risk Management Committee and the College Audit and Risk Management Committee 11th March 2025 meetings were **APPROVED** as true records. | |
| **ARM04/06/25** | **Matters Arising**<br>The updated Action Log was noted.<br><br>It was confirmed that the Strategic Review internal Audit would take place in July – as confirmed within the Summary Internal Controls Assurance Report (SICA). | |
| **ARM05/06/25** | **Audit Recommendations Follow Up Report** | |
| | The Director of Finance had provided a Report which detailed progress on the recommendations. The Committees queried the background to the references within the update on the **Capital Plan** recommendation. They were advised that Hartpury was now working towards finalising this report in December so that it could be submitted to the Forest of Dean District Council in January 2026. Governors queried if the process was likely to lead to any additional funding. The Vice-Chancellor and Principal advised this was unlikely at this time. It was noted that the Forest of Dean Council would be subsumed within the new unitary authority structure, at this stage the format of this was still to be agreed nationally. Governors queried how this report linked to the CIPFA requirements on Capital Plans. It was confirmed that Hartpury did already have a Masterplan but this was an updated version, which was targeted for adoption by the Forest of Dean District Council, which was an additional step which had not been progressed with the previous version. | |
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| | The Committee members commented on the ongoing work to complete the local **Business Continuity Plans (BCPs) and** challenged as to whether this work was being progressed with sufficient urgency. The Chief Operating Officer confirmed that progress was being made, with the Health & Safety Manager providing training and supporting and monitoring the progress. The Chief Operating Officer advised that it was now a standard item at the Risk Management Committee to ensure it received sufficient focus and attention. It had been mandated that the plans should be in place by 31st July 2025. Governors stressed the importance of embedding the plans once produced. The Chief Operating Officer advised that Hettle Andrews were to undertake some training for staff and review policies to ensure they were appropriate.<br><br>Confidential section | |

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| | The Committees considered the feedback relating to BCP metrics for measuring, and agreed that at this stage the key metric was that 100% of plans were in place. The Chair advised that she was currently the Link Governor for Health & Safety and had discussed the BCP plans with the Health and Safety Advisor who was supporting the development of the BCPs and he had detailed the ongoing work to take them forward.<br><br>Governors queried when the action would be complete relating to the Communication Plan in the event of the BCPs being required. It was confirmed this work was ongoing. The Chief Operating Officer advised that high-level communication actions were in place, such as a whatsapp group for key staff only for this purpose and a short summary of actions.<br><br>Unit 4- a governor questioned what this meant and was advised it was an element of the aggresso accounting software. | |
| | **The Audit Recommendations Update was NOTED.** | |
| **ARM06/06/25** | **Procurement Report** | |
| | The Contracts & Procurement Manager had provided the Procurement Compliance Report. He had updated the format as requested at the previous meeting. Governors agreed this provided a more helpful document and asked that their thanks be relayed to the Procurement and Compliance Manager. It was noted that the items listed as to be confirmed had now been identified as relating to the Veterinary Nursing Centre which had been specialist technical equipment which could only be sourced from one supplier. | Clerk June 25 (Complete) |
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| | **The College and University A&RM Committees NOTED the Procurement Compliance Report.** | |
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| **ARM07/06/25** | **Internal Audit** | |
| **7.1** | **Summary Internal Controls Assurance Report (SICA)** | |
| | The update on Audits completed since the last meeting was noted. Three audits had been completed since the last meeting. | |
| | It was highlighted that TIAA had made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA and that TIAA had not been advised of any frauds or irregularities in the period since the last SICA report was issued. The briefing notes provided were NOTED. | |
| | **The SICA Report was NOTED.** | |
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| **7.2** | **FE Records – confirmed no significant issues – Substantial Assurance with one routine recommendation**.<br>It was confirmed that this was a very good audit, providing assurance in a key area. | |

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| | **The College and University A&RM Committees NOTED the FE Records Internal Audit, and it was confirmed the Recommendation would be added to the Audit Recommendations log.** | |
| **7.3** | **Financial Controls – General Ledger and Bank & Treasury Management – Reasonable Assurance**<br>There were 2 important, 1 routine and 1 operational recommendations. Of the important recommendation one would be actioned by August 2025 and the other recommendation, relating to the Financial Regulations Review, was in progress, following discussions at SFR. The Committee was advised that this would be taken forward by the Director of Finance, but that his current focus was the External Audit. It was confirmed the Financial Regulations would be updated in this calendar year. | |
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| | **The Financial Controls – General Ledger and Bank & Treasury Management Internal Audit was NOTED. It was confirmed the actions would be added to the Audit Recommendations Report.** | |
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| **7.4** | **Audit Recommendations Follow Up Report** | |
| | The Internal Auditors advised that this indicated good progress with 17 actions completed, one to be completed and a number which had been superseded due to the outsourcing of catering. The Committees were pleased with the assurance provided.<br><br>**The College and University A&RM Committees NOTED the Audit Recommendations Follow Up Report.** | |
| **7.5** | **Internal Annual Report –** to be issued to next meeting once all audits complete. At this stage no issues expected**.** | |
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| **7.6** | **Fraud Stop Update and other TIAA Briefings – Noted.** | |
| **ARM08/06/25** | **External Audit Strategy Memorandum for end of this Academic Year** | |
| | The Committees had been provided with the External Audit Strategy Memorandum. This covered:<br>• Engagement & Responsibilities Summary<br>• The Team<br>• Audit Scope, Approach & timeline<br>• Materiality and misstatements<br>• Significant Risks and key judgement areas<br>• Fees<br>• Confirmation of Independence | |
| | The new audit standards, ISA 600, were outlined, highlighting that terminology had evolved, rather than that there were significant changes. Governors questioned whether the handover to the new Director of Finance had taken place smoothly, recognising that having a new Hartpury key lead at Audit had proved challenging the previous | |

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| | year. The Chief Operating Officer advised that there were some additional roles, one which had started in January and one would start in July which in the longer term would give more resilience, particularly as all these individuals were qualified accountants. It was noted that the Director of Finance had education experience in HE which would be helpful. Governors were pleased that resilience would be improved long-term but queried if it had added significantly to costs. The Chief Operating Officer advised that previously Hartpury had brought in some financial and analysis experience on an ad hoc basis, therefore in the long term it was considered there would not be significant additional cost. | |
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| | Forvis-Mazars confirmed that materiality would be considered against its context, with a higher level for the University than for the other entities. The risks were considered in relation to tuition fees, funding bodies requirements and learner numbers. It was confirmed that the Internal Audit FE Learner Numbers Audit would be used to help confirm the level of sampling required. The Pension information for LGPS would be reviewed and the asset recognition in respect of the pension considered. A governor had queried why the LGPS received particular scrutiny. It was noted this was because the Teachers' Pension Scheme (TPS) in England and Wales is an unfunded, defined benefit pension scheme. This means that instead of contributions being held in a separate pension fund, they are paid to the Treasury, which then pays out the pensions. The government also covers any shortfall between contributions and pension payments. The LGPS scheme required judgements relating to the share of the asset belonging to Hartpury and consideration on whether the asset should be recognised. It was confirmed that it was general practice, which reflected Hartpury's approach, for only LGPS pension deficits to be recognised within the financial statements. There would be new aspects of review relating to the accruals for the catering contract now that it had been outsourced. Compliance with covenants would also be assessed. It was confirmed that Forvis-Mazars were independent and only undertook assurance work for Hartpury. | |
| | The Vice-Chancellor and Principal flagged that Hartpury was in the process of changing its bankers and queried which covenants the External Auditors would assess against. Forvis-Mazars advised that it would make this assessment at the point of signing, and it would reflect the covenants in place going forward at that point.<br><br>The Committees discussed the fees, while noting that a procurement exercise had been undertaken to appoint Internal and External Auditors. The reasons behind the increased External Audit fee were requested. The Committees were advised this reflected the changes required to meet the audit standards. A governor queried whether the ISA 600 Framework would significantly affect Hartpury given our scale. Forvis- Mazars advised that it changed the audit thought processes, rather than specific elements. There would be changes to materiality assessments which would reflect the whole group rather than some parts being determined to be under scope which would have been | |

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| | considered previously. MHA commented that there were also higher standards on who could audit, and a requirement for risk to be considered in more detail. | |
| | Forvis-Mazars noted that some colleges had asked if they would be changing their audit approach relating to Senior postholder remuneration following the FE Commissioner Report on shortcomings at Weston College. He advised that it was not planned to change the approach, but to challenge the team, maintain professional scepticism and ensure follow up was undertaken. Governors asked for an audit perspective on how the Weston College issues had gone undetected. Forvis-Mazars highlighted that the full Board had not given approval for the remuneration transactions and there had been a lack of clarity in reporting. Clear governance procedures had been overridden. The importance of challenge and the closing of mechanisms had been highlighted. | |
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| | MHA commented that another key issue at Weston had been length of service of the principal and the relationship between the Chair and the Principal. The role of Internal Audit and External Audit was also a potential issue relating to the identification of costs. The importance of good governance and committees with effective Terms of Reference and clear schemes of delegation was highlighted. The need to look at issues with an external lens was also stressed.<br><br>Governors also highlighted the regular use of sessions without management for the Audit and Risk Management Committee and auditors to meet regularly. It was confirmed that Hartpury undertook this annually as a minimum.<br><br>**The College and University A&RM Committees APPROVED the proposed External Audit Strategy Memorandum.** | |
| **ARM08/06/25** | **Regularity Audit Self-Assessment** | |
| | It was noted that the DfE publishes a regularity self-assessment questionnaire (RSAQ) to provide clarity of the accountability framework, key considerations and the type of evidence corporations may need to provide to their reporting accountant. It was noted this was prepared annually by the Board to support college accounting officers in drafting their statement of regularity, propriety and compliance. Colleges must provide a copy of their completed RSAQ to the reporting accountant, signed by the accounting officer and counter-signed by the chair of governors. The RSAQ provides for the accounting officer to be able to properly consider the measures that have been put in place to ensure compliance with the College Financial Handbook.<br>**Key Changes to Regularity Audit Format for 2024/25 were highlighted:**<br>• ESFA references now also refer to DfE following the abolition of the ESFA in March 2025 and its responsibilities now sitting directly with DfE. | |

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| | • Reference to ESFA requirements relating to Managing Public Money replaced by reference to College Financial Handbook.<br>• Additional number of minor changes of format/wording – for example authorities to authority etc.<br>Specific changes within the wording had also been detailed within the report. | |
| | **The College Audit and Risk Management Committee APPROVED the Regularity Audit Self-Assessment for recommending to the College Board for signing.** | |
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| **ARM10/03/25** | **Risk Management Update** | |
| **10.1** | **Review Risk Register**<br>The report provided ARMC with a summary of the changes to the Risk Register since the last meeting. It provided ARMC the opportunity to review both the outcome of the Risk Management Process and the robustness and breadth of coverage of Risk Management. It was noted that the Risk Appetite work undertaken by the Board had been fed into the discussions of the Risk Management Group, and its assessments of risks. Work on this continued to be progressed by the Risk Management Group. The Committees assessed the best way for governors to consider and test and challenge the risk register. It was agreed that where the score was above the risk appetite level following actions that these were helpful areas of focus for the Committees. A member of the Committees commented on the need to recognise the interrelationship of some risks, so that their overall impact was recognised. The importance of the Risk Managers working actively to manage risks was stressed. It was agreed that the Notes of the Risk Management Group enabled the Committees to evaluate the level of challenge. MHA offered to provide input on the Risk Register if helpful. A governor had queried the position in relation to strategic risk 1.1.3. The Committees were advised that this had contained a typo, that the risk had not changed since the last review. The Chief Operating Officer commented on the need to ensure risks were being appropriately managed, highlighting that being too risk averse could make an organisation slow to seize opportunities, which could produce other risks. It was agreed that Risk Management risks and opportunities needed to be carefully balanced.<br><br>Confidential minute<br><br>Changes to borrowing and banking, which were currently being discussed at SFR were outlined, recognising covenants might change. It was confirmed the Board would be formally updated in July.<br><br>The Risk Register had been reviewed and updated following the latest Risk Management Group meeting and continual reviews by each operational area of their local risk registers. | MHA Sept 2025 |

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| | The latest version (available on the Governors website) had been discussed at the Exec meeting.<br><br>It was confirmed that the Key Risks for Governors to consider were the Strategic Risks, but that they were provided with the full register for completeness.<br><br>**The Risk Update was NOTED and ENDORSED**. | |
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| **10.2** | **Notes of Risk Management Group Meeting – these were noted.** Governors were pleased at the improved attendance levels. The Chief Operating Officer advised that deputies had been identified for all members to ensure improved attendance. | |
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| **10.3** | **Risk Management Policy** | |
| | It was noted that further changes were still planned, but that to maintain the regular review cycle that the Policy was to be formally AGREED at this meeting. The membership of the Executive was confirmed.<br><br>**The College and University A&RM Committees APPROVED the updated Risk Management Policy.** | |
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| **ARM11/06/25** | **Proposed Annual Internal Audit Plan & Strategy** | |
| | MHA updated on the proposed Internal Audit Annual Plan for 2025/26 and Strategy for 2025 – 30. It was confirmed that the plan had been developed in accordance with Global Internal Audit Standards and takes account of Hartpury's risk environment and assurance needs. As part of the engagement MHA had met with the Vice Chancellor, Principal & CEO and the Chief Operating Officer to discuss key risks, impacts and opportunities for the group.<br><br>The proposed plan for 2025/26 identified five priority areas for coverage as part of the coverage for the year 2025/26<br>• Strategic Planning<br>• Learner Numbers and Funding [Including International Fees] – this would include assessment of whether Hartpury was maximising its funding<br>• Student Experience – a key element of the organisation<br>• Digitisation & Digital Systems – this reflected the ongoing significant risks relating to cyber and would be undertaken by specialists.<br>• Key Financial Controls – a key audit, an element of which would be undertaken each year of the strategy<br><br>The number of audits had been reduced so that they could be undertaken in greater depth. The Committees confirmed that in principle they were happy with is approach. It was noted that sustainability would be an important area for a future year. A governor flagged the need for there to be some discussion prior to any audit to confirm the terminology "sustainability" to ensure what was audited matched to Hartpury expectations. The Committees suggesting outsourcing was an area it would be helpful to include in the plan. It was suggested by MHA that there could be two elements for this, one potentially to be undertaken at the end of term 1/January 26 on mitigation and minimisation of risk in | |

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| | the catering contract outsourcing which would support lessons learnt for future outsourcing and later an audit on the service to the end user to consider effectiveness. This approach was supported by the Committees, with MHA to discuss further with management. | |
| | The legal status and structure of MHA was confirmed.<br><br>It was confirmed that the plan was a transitional one as MHA developed their understanding of Hartpury. It was a draft Strategy and plan which could evolve to meet Hartpury's needs and updated risk profile. It was confirmed that a key aim was to provide value added for Hartpury.<br><br>A governor queried why the risk profile reflected in the Audit Strategy was different from that in the current Risk Register. It was confirmed that this reflected a timing issue and that there was not a difference of assessment approach.<br><br>**The College and University A&RM Committees APPROVED the Internal Audit Plan and Strategy.** | |
| **ARM12/06/25** | **Accounts Direction Update (previous years Audit Code of Practice Update)** | |
| | It was noted that at this time of year the College Audit & Risk Management Committee was normally updated on the changes to the Audit Code of Practice since last year. With the introduction of the College Financial handbook the Audit Code of Practice had been subsumed within it and therefore withdrawn.<br><br>To provide the Committee with oversight of requirements relating specifically to this Committee a summary of the requirements of the Accounts Direction for this year were provided. | |
| | **The Update was NOTED by the University and College Audit and Risk Management Committees.** | |
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| **ARM13/06/25** | **A&RM Committee Review**<br>• **Agenda Cycle**<br>• **Terms of Reference**<br>• **Committee Self-Assessment** | |
| | The Committee reviewed the self-assessment on its performance, considered whether it had met its terms of reference and considered any changes required to the Terms of reference or the agenda cycle.<br>**Terms of reference**<br>**College** – minor changes noted:<br>Reflects 4 Co-opted members.<br>Updated to refer to DfE rather than ESFA and to reference the College Financial Handbook.<br>Change to staff titles where necessary.<br>**University** – minor changes noted: | |

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| | Reflects 4 Co-opted members<br>Changes to staff titles where necessary.<br><br>It was agreed additionally that the rotation of governors be reviewed by the Search & Governance Committee – recognising the need to balance the skills required on the Committee against the need to consider refreshing members.<br><br>**Agenda Cycle -** The agenda cycle was considered.<br>**Changes/Points for consideration were**:<br>References to ESFA replaced by DfE.<br>Reference to briefings by OfS and DfE added.<br><br>It was noted that Deep Dives processes were not in place for 2024/5. During last year the focus had been on reviewing Risk Register format, updating Policy and reviewing the risk appetite statement. It was planned these would be in place for 2025/26.<br><br>The Committees considered the Self-assessments and had no further issues to raise. | |
| | **The Committees:**<br>**(i) APPROVED the Self-Assessment;**<br>**(ii) AGREED the proposed revisions to the Agenda Cycle;**<br>**(iii) AGREED the proposed changes to their respective Terms of Reference.** | |
| **ARM14/06/25** | **Any Other Business** | |
| | TIAA were thanked for their contribution to the Committees. (It was noted they would also attend in November for their Annual Report and final audits.) | |

**The meeting closed at 12.40pm**