



### Matters Arising

<b>Outcome requested:</b>	Audit and Risk Committee is asked to <b>note</b> the matters arising from the minutes of the meeting held on 29 October 2020.
<b>Executive Summary:</b>	N/A
<b>QMUL Strategy: strategic aim reference and sub-strategies</b>	The effective management of the Queen Mary's governance arrangements underpins the ability to achieve the strategic aims.
<b>Internal/External regulatory/statutory reference points:</b>	N/A
<b>Strategic Risks:</b>	N/A
<b>Equality Impact Assessment:</b>	Not required
<b>Subject to prior and onward consideration by:</b>	Considered by the Committee only.
<b>Confidential paper under FOIA/DPA</b>	No
<b>Timing:</b>	N/A
<b>Author:</b>	Nadine Lewycky, Assistant Registrar (Governance)
<b>Date:</b>	02 November 2020
<b>Senior Management/External Sponsor:</b>	David Willis, Chair of Audit and Risk Committee

**Actions from meeting of: 29 October 2020**

<b>Minute no.</b>	<b>Action</b>	<b>Person responsible</b>	<b>Progress</b>
2020.021[a]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b>                      The figures in the financial statements still needed to be finalised but were not expected to change. The position was positive considering the global situation. A final review would be undertaken of the annual report. The Committee asked that future drafts clearly highlight any changes.</p>	Interim Finance Director	A summary of the changes to the narrative has been included with the financial statements.
2020.021[c]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b>                      The Committee asked whether last year's issue in relation to the inter group debt between the Maltese subsidiary and the university had been resolved. Last year, the university had made a judgment not to make a provision for the £5m loan. The auditors had considered the evidence from management and were comfortable with this judgment. The Committee asked that this be included in the papers for the next meeting so that the Committee could endorse the judgment.</p>	Interim Finance Director	A paper on judgments and estimates has been included as Appendix A with the financial statements.
2020.021[d]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b>                      The Committee asked about the status of the new building for the School of Business and Management. The university was moving the project forward in collaboration with Tower Hamlets as part of a masterplan for the Mile End campus. A paper would be prepared for the next Committee meeting setting out progress. This would enable the Committee to endorse accounting judgments made in relation to spending decisions.</p>	Interim Finance Director	A paper on judgments and estimates has been included as Appendix A with the financial statements.
2020.021[e]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b></p>	Interim Finance Director	A paper on going concern has been included as Appendix 3 in the financial statements.

	<p>The Committee asked for an update on going concern. The financial position had been revisited in mid-October after enrolment was completed and was more positive than had been expected. Finance and Investment Committee would consider the 2020–21 revised budget and the 2021–22 revised forecast at its meeting next week. This would cover the 12-month period from the signing of the accounts. Finance and Investment Committee would also consider the budget assumptions which would form the basis of a paper on going concern for the next Committee meeting. The Head of External Audit said that he had no immediate concerns about going concern with the caveat that the work was ongoing.</p>		
2020.021[f]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b>  The decrease of c.£41m in the university's pension provision was the result of the different outcomes from the 2017 and 2018 valuations. The Committee asked for the wording of the note to be clarified to reflect that this was an accounting adjustment. It was expected that the outcomes of the SAUL and USS 2020 valuations would result in a worse position, because the markets were suppressed at this time. The narrative on pensions needed to enable Council to determine to what extent the pension funding obligations would impact on future investment decisions.</p>	Interim Finance Director	The wording of the note has been amended.
2020.021[g]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b>  The Committee asked how some of the KPIs and other metrics provided in the front of the accounts compared with the position of the sector and the university's strategic objectives. The narrative would be developed to put the information into context and articulate more clearly why these objectives and metrics had been chosen.</p>	Chief Governance Officer and University Secretary	The narrative has been updated to provide context for the KPIs and metrics.
2020.021[h]	<p><b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b></p>	Interim Finance Director	The wording has been amended to more accurately reflect the university's ability to navigate the current financial climate.

	The Committee said that the final sentence of the section on financial outlook should be expanded to reflect in more detail the university's ability to navigate the current financial climate.		
2020.021[i]	<b>Draft Financial Statements and update on progress of external audit [ARC2020/15]</b> The Committee asked for clarification about the lead indicators in the section on internal control and risk management. Lead indicators were in place for some KPIs, but had yet to be developed for student experience. The Committee asked for the wording to be revised as it appeared currently that there were lead indicators across all KPIs.	Director of Planning	The wording has been amended.
2020.022[c]	<b>Valuation of the private placement [ARC2020/20]</b> The Committee asked for an updated cover sheet showing the reconciliation at the next meeting. The Committee needed to be able to provide assurance to Council that this was a technical accounting decision and would not impact on the day-to-day financial planning of the institution.	Interim Finance Director	A paper with a revised cover sheet has been provided under item 6.