



Matters Arising

Outcome requested:	Audit and Risk Committee is asked to note the matters arising from the minutes of the meeting held on 23 June 2022.
Executive Summary:	N/A
QMUL Strategy: strategic aim reference and sub-strategies	The effective management of the Queen Mary's governance arrangements underpins the ability to achieve the strategic aims.
Internal/External regulatory/statutory reference points:	N/A
Strategic Risks:	N/A
Equality Impact Assessment:	Not required
Subject to prior and onward consideration by:	Considered by the Committee only.
Confidential paper under FOIA/DPA	No
Timing:	N/A
Author:	Nadine Lewycky, Assistant Registrar (Governance)
Date:	18 September 2022
Senior Management/External Sponsor:	Peter Thompson, Chair of Audit and Risk Committee

Actions from the meeting of 23 June 2022

Minute no.	Action	Person responsible	Progress
2021.053[d]	<p>Risk register update and external risks [ARC2021/46] The Head of Internal Audit said he was aware that some universities conducted a review of external risks on an annual basis. Other universities included a review of opportunities as well as risks and threats but this was addressed in the strategy. The Head of Internal Audit would share some macro publications that the Committee may find useful.</p>	Head of Internal Audit	Several papers have been included in the additional reading. A table of further publications is provided below.
2021.058[b]	<p>External audit plan 2021–22 and fees [ARC2021/51] Audit standard ISA 315 would be mandatory next year and would impact on the time required to complete the audit by 15–30% with a corresponding uplift in fees. The Committee said that this had not been raised during the tender process, and that it would be a significant and unexpected increase in fees following the initial year of audit. They asked the Chief Financial Officer to seek greater clarification on fees from BDO.</p>	Chief Financial Officer	In discussing the external audit programme for the coming year the committee was made aware of the likely impact of the new accounting rules that will be brought in following ISA 315. It is likely that the new standard will result in a significant increase in fees, somewhere in the region of 15-30%. Such an increase was not clear in the bids we recently received during the external audit tender process. Since the ARC met Karen has discussed the matter further with BDO and some other universities and it is clear this is an issue that all universities will face. We will have more detail following the audit on where there may be opportunities for efficiencies in the audit, and BDO should also have a better idea of the impact of the ISA changes on resource requirements later by this stage. We will be discussing further with BDO towards the end of the calendar year, and bring a paper to ARC in early 2023.
2021.062[c]	<p>Annual schedule of business 2022–23 [ARC2021/54] It was important to ensure that the various deep dives on cross cutting themes were undertaken by the right committee. A schedule of deep dive presentations for Council, Finance and Investment Committee and Audit and Risk Committee would be drafted and circulated by email for comments.</p>	Chief Governance Officer and University Secretary	A schedule of deep dives for 2022–23 will be presented for consideration at the next Council meeting.

Publisher	Title	Summary
World Economic Forum	Global Risks Report 2021 16th Edition	<p>The report details the following as key risks to consider:</p> <ul style="list-style-type: none"> • Economic fragility and societal divisions are set to increase • Growing digital divides and technology adoption pose concerns • A doubly disrupted generation of lost youth is emerging in an age of lost opportunity • Climate continues to be a looming risk as global cooperation weakens • A polarised industrial landscape may emerge in the post-pandemic economy • Better pathways are available to manage risks and enhance resilience
PWC	Risk in Higher Education Report	This report details trends in risks in Universities taking part in the survey
KPMG	Risk benchmarking	Our tailored risk benchmarking, comparing the University against our HE internal audit client base.
KPMG	Autumn Budget 2021: Implications for the Education sector	<p>Insight into the risks and opportunities raised by the Autumn budget - this is repeated annually: https://home.kpmg/uk/en/home/insights/2021/03/budget-2021-implications-for-the-education-sector.html</p>
Zurich	Multiple	<p>They provide a variety of publications on risk and thought leadership: https://www.zurich.co.uk/news-and-insight/education-insurance?page=2</p>