

Audit and Risk Committee Meeting

Tuesday, 13 February 2024 at 9:30 am to be held online and in person at the Royal College of Nursing

Agenda Item	Classification	Rationale
1. Apologies for Absence	Oral report Unclassified	n/a
2. Declarations of Interest	Oral report Unclassified	n/a
3. Minutes of the last meeting held on 16 November 2023		
3a. Unclassified Minutes	Unclassified	n/a
3b. Confidential Appendix	Confidential	1,2,3,4
Matters to note		
4. CEO Update	Oral report	
5. Major Projects Update	Oral report Confidential	3
5a. Refurbishment of Hardwick Street		
5b. Redevelopment of RCVS Website		
5c. CRM Project		
Matters for decision/discussion		
6. ENQA Update		
6a. Thematic review of the Veterinary School and Veterinary Nursing programme accreditation visits in 2023	Confidential	2
6b. RCVS accreditation visitation work plan for Veterinary Schools and Veterinary Nursing qualifications	Confidential	2
6c. Internal quality assurance checks of accreditation events	Confidential	2
7. Registration Department Risk Register	Confidential	3,4

8. Corporate Risk Register Update	Confidential	1,2,3,4
9. Any Other Business (AOB)	Oral report	
9a. Reflective Session		
10. Date of the next meeting - Tuesday 14 May 2024 (including joint meeting with FRC)	Oral report Unclassified	n/a

Audit and Risk Committee – Terms of Reference

1. The Audit and Risk Committee shall support the Council by reviewing the comprehensiveness and reliability of assurances and internal controls in meeting the Council's oversight responsibilities. The Committee is a non-executive committee and has no executive powers except as set out below.
2. The Committee has delegated authority to:
 - a. Monitor the Council's risk management arrangements;
 - b. Approve the internal audit programme; and,
 - c. Advise the Council on the comprehensiveness and reliability of assurances and internal controls, including internal and external audit arrangements, and on the implications of assurances provided in respect of risk and control.
3. The Committee may request the attendance of any employee or member, as set out in paragraph 17 below, and may incur expenditure for the purpose of obtaining advice in terms of paragraph 21 below.
4. The Committee is accountable to the Council. The minutes of each Committee meeting shall be circulated to the Council. The Committee shall report to the Council annually on its work. It may also submit separately to the Council its advice on issues where it considers that the Council should take action. Where the Committee considers there is evidence of *ultra vires* transactions or evidence of improper acts, the Chair of the Committee shall raise the matter at a formal Council meeting.
5. The Committee shall have five members, but may operate with fewer while a vacancy exists, provided the quorum is maintained. The members shall include two Council members, of whom one shall be a lay member and one a registrant member. Neither the President, Vice-Presidents, nor the Treasurer shall be members of the Committee. The members of the Committee who are not Council members (the "external members") shall have appropriate audit and risk management experience.
6. The Council will elect one of the external members serving on the Committee as Chair, based on relevant background and skills. The Committee will elect a Vice-Chair and in the absence of the Chair, the Vice-Chair will chair the meeting.
7. The Committee shall support the Council by reviewing and advising the Council on the operation and effectiveness of the arrangements which are in place across the whole of the Council's activities that support the achievement of the Council's objectives. In particular, the Committee shall review the adequacy of:

- a. All risk and control related disclosure statements, together with any accompanying internal audit statement, where appropriate, external audit opinion or other appropriate independent assurances, prior to endorsement by the Council;
 - b. The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
 - c. The policies for ensuring compliance with relevant regulatory, legal, governance and code of conduct requirements; and
 - d. The policies and procedures for all work related to fraud and corruption.
8. In carrying out this work the Committee will primarily utilise the work of internal audit, where appropriate, external audit and other assurance functions. It will also seek reports and assurances from Department Managers as appropriate, concentrating on the over-arching systems of governance, risk management and internal control together with indicators of their effectiveness.
9. In reviewing risk management arrangements, the Committee shall draw attention to areas where:
- a. Risk is being appropriately managed and controls are adequate (no action needed);
 - b. Risk is inadequately controlled (action needed to improve control);
 - c. Risk is over-controlled (resource being wasted which could be diverted to another use); and,
 - d. There is a lack of evidence to support a conclusion (if this concerns areas which are material to the organisation's functions, more audit and/or assurance work will be required).
10. In relation to internal audit, where appropriate, the Committee shall:
- a. Ensure that there is effective internal audit activity that complies with any applicable standards and provides appropriate independent assurance to the Council, Audit and Risk Committee, Secretary and Registrar;
 - b. The internal audit activity will include reviews into RCVS internal processes, policies and procedures. These reviews will be based on identified high risk areas from the Corporate Risk Register and assurance map;
 - c. Ensure that the College makes adequate resource available to internal audit activity, where required;
 - d. Review the need for an internal audit strategy, operational plan and work programme;
 - e. Consider the major findings of the internal audit/review work, where carried out, and management's response; and,

f. Annually review the effectiveness of internal audit.

11. In relation to external audit, the Committee shall:

a. Consider the appointment and performance of the external auditor, the audit fee and any questions of resignation or dismissal and make appropriate recommendations to the Council;

b. Discuss and agree with the external auditor, before the audit commences, the nature and scope of the audit as set out in the external audit plan and their local evaluation of audit risks;

c. Review the work and findings of the external auditor, consider the implications and management's responses to their work; and,

d. Review all external audit reports, including agreement of the annual audit letter before submission to the Council and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

12. The Committee shall review the annual financial statements, focusing particularly on:

a. Disclosures relevant to the terms of reference of the Committee;

b. Changes in, and compliance with, accounting policies and practices;

c. Unadjusted mis-statements in the financial statements;

d. Major judgmental areas; and,

e. Significant adjustments resulting from the audit.

13. The Committee shall ensure that the systems for financial reporting to the Council, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Council.

14. The Committee shall meet not less than three times a year. The external auditors may request a meeting if they consider that one is necessary.

15. Only Committee members shall be entitled to attend meetings of the Committee. The Treasurer, CEO, Secretary and/or Registrar, and Director of Operations shall normally attend meetings. Representatives from the external auditors shall attend meetings as required for relevant items. The President and other Council members may attend meetings at the invitation of, or with the agreement of, the Chair of the Committee.

16. The Committee may request any employee or member to attend a meeting to assist with its discussions on any particular matter or to provide any information it may reasonably require in

order to fulfil its remit. All employees and members shall co-operate with any reasonable request made by the Committee.

17. The Committee may ask any or all non-members to withdraw for all or part of a meeting if it so decides. In such an instance, the Chair shall ensure that a proper record is made of the meeting.
18. The senior representatives of external audit shall have free and confidential access to the Chair of the Committee. At least once a year, the Committee shall provide an opportunity to meet privately with the external auditors. College staff will not be present during these confidential meetings.
19. The Committee may investigate any activity within its terms of reference. It may seek any information it requires from any employee and all employees shall co-operate with any request made by the Committee.
20. The Committee may obtain legal or other independent professional advice and secure the attendance of external advisers with relevant experience and expertise if it considers this necessary, within the budget approved by the Council. The CEO and/or Registrar shall ensure that appropriate secretariat support is provided to the Chair and Committee.

Remit relating to accreditation functions of the College

21. The Committee will receive assurances that the quality assurance work undertaken by the College in relation to the accreditation of veterinary degree programmes and veterinary nursing educational institutions is operating in accordance with its published procedures. This process of assurance is also designed to contribute to compliance with the requirements for membership with the European Association for Quality Assurance in Higher Education (ENQA) that 'Agencies should have in place processes for internal quality assurance related to defining, assuring and enhancing the quality and integrity of their activities'. This will be achieved by:
 - a. At the beginning of each calendar year, the Committee will be provided with a work plan, detailing the accreditation visitations that are scheduled for the forthcoming year;
 - b. Brief progress reports against this work plan will be provided as a standing item at each meeting of the Committee. These reports will also highlight any major concerns or issues that had arisen as a result of quality assurance activities conducted in the period covered by the report;
 - c. An annual report will be produced at the end of each calendar year. This will be presented to the Committee together with the work plan for the next calendar year. The annual report would be expected to include:
 - o Confirmation that quality assurance activities have been completed in line with the work plan, or reasons for any variation;
 - o Actions that have been taken or that are planned as a result of discussion by committees;
 - o Actions that have been taken or that are planned as a result of feedback from stakeholders (visitors/universities); and,

- o Trends and themes identified in information presented year on year.
22. Findings of the Committee arising from assurances received on the quality assurance activities of the College in relation to veterinary degree programmes and veterinary nursing educational institutions shall also be circulated to the Primary Qualifications Subcommittee (PQSC), Education Committee and the Veterinary Nurses Education Committee.
 23. The Committee may choose to invite attendance from representatives of Education Committee and VN Education Committee for the purpose of receiving assurances on quality assurance activities undertaken by those Committees.
 24. Where an appointed member of the Audit and Risk Committee is also involved with the education quality assurance activities of the RCVS, they shall not be permitted voting rights on any issues discussed however they may remain present at the meeting for points of clarification.

Summary	
Meeting	Audit and Risk Committee (ARC)
Date	13 February 2024
Title	Audit and Risk Committee Meeting Minutes – 16 November 2023
Summary	Minutes of the ARC meeting held online via Microsoft Teams on Thursday, 16 November 2023.
Decisions required	The Committee is asked to approve the unclassified minutes and the confidential appendix.
Attachments	Confidential Appendix
Author	Huda Haid Governance Officer h.haid@rcvs.org.uk

Classifications		
Document	Classification ¹	Rationales ²
Paper	Unclassified	n/a
Appendix	Confidential	1,2,3,4

¹ Classifications explained	
Unclassified	Papers will be published on the internet and recipients may share them and discuss them freely with anyone. This may include papers marked 'Draft'.
Confidential	Temporarily available only to Council Members, non-Council members of the relevant committee, sub-committee, working party or Board and not for dissemination outside that group unless and until the relevant committee or Council has given approval for public discussion, consultation, or publication.
Private	The paper includes personal data which should not be disclosed at any time or for any reason, unless the data subject has agreed otherwise. The Chair may, however, indicate after discussion that there are

	general issues which can be disclosed, for example in reports to committees and Council.
²Classification rationales	
Confidential	<ol style="list-style-type: none"> 1. To allow the Committee or Council to come to a view itself, before presenting to and/or consulting with others 2. To maintain the confidence of another organisation. 3. To protect commercially sensitive information 4. To maintain public confidence in and/or uphold the reputation of the veterinary professions and/or the RCVS
Private	<ol style="list-style-type: none"> 5. To protect information which may contain personal data, special category data, and/or criminal offence data, as listed under the General Data Protection Regulation

Minutes of the Audit and Risk Committee (ARC) meeting held online via Microsoft Teams on 16 November 2023

Members:

Mr K Grewal*	External Lay Member
Mr V Olowe	External Lay Member
Ms J Shardlow	External Lay Member & Chair
Mr W A S Wilkinson	RCVS Council Member
Ms J S M Worthington	RCVS Council Member

In attendance:

Ms G Crossley	Head of Professional Conduct
Dr M M S Gardiner	Treasurer (Observer)
Ms H Haid	Governance Officer
Ms L Lockett	CEO
Ms C McCann*	Director of Operations
Mr A Quinn-Byrne*	Governance Manager (Secretary)
Ms S Tetsola	Head of Finance
Mr D Tysoe	Chief Digital Officer
Ms D Wiggins	PA to Director of Legal Services/Registrar

Guests:

Mr D Chhatralia	Audit Director (Crowe UK LLP)
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* Denotes absence

Apologies for Absence

1. Apologies were received from Mr K Grewal, the Director of Operations, and the Governance Manager (Secretary).
2. The Audit Director from Crowe UK LLP was present for the 'RCVS Audit Planning Report' agenda item only.
3. The Chief Digital Officer joined the meeting for the agenda topic regarding the CRM Project under the 'Major Projects Update'.
4. The Head of Professional Conduct joined the meeting for the 'Professional Conduct Risk Register' agenda item.
5. The Treasurer left the meeting early to attend another commitment.

Declarations of Interest

6. Mr V Olowe declared his recent appointment to the Gambling Commission's National Lottery Committee as a non-executive independent member, as well as his appointment to the Architects Registration Board's Accreditation Committee as a non-executive lay member. This information had been passed on to the Committee Secretariat for inclusion into his register of Declarations of Interests on the RCVS website.

Minutes of the Last Meeting

7. The Committee approved the minutes of the last meeting held on 14 September 2023.
8. In relation to the actions that arose from the unclassified topics at that meeting, it was noted that all were completed apart from one relating to the arrangement of a meeting between the Chair and new members of the Committee, due to availability issues. It was agreed that this would be arranged at the earliest opportunity following this meeting, subject to availability.
9. Regarding actions that arose from the confidential topics at that meeting, it was noted that all were completed apart from the one relating to the circulation of the Assurance Map. The Committee was informed that further work needed to be undertaken on this document following outcomes from the Risk Workshop with Council on 9 November 2023. The updated version would go to the Committee in February 2024.

Actions:

Committee Secretary to arrange induction meeting between Chair and new Committee members at the earliest opportunity.

Updated Assurance Map to go to Committee in February 2024.

RCVS Audit Planning Report

10. Confidential information is contained in paragraphs 1-4 of the classified appendix.

Appointment of Vice-Chair

11. With support from all members present at this meeting, Mr V Olowe was reappointed as Vice-Chair of the Committee for the 2023/24 presidential year.

CEO Update

12. The CEO provided an oral report on the following College activities to the Committee:

- Competition and Market Authority's (CMA) review of veterinary sector: The College had provided requested information/data required to support the review. It was understood that the online questionnaires had closed, and a report would be available by January 2024. The British Veterinary Association (BVA) had issued a statement. The RCVS could not do the same as it needed to maintain its neutrality over areas outside of its jurisdiction. However, a response might become appropriate when the draft report from the CMA became available. Overall, the review had given the College an opportunity to continue its lobbying for mandatory practice regulation.
- Under Care Guidance: This had mainly come into effect on 1 September 2023 and some reputational issues had arisen following its launch. More specifically, there had been some criticism around the timing of the implementation of the part of the new guidance that concerned the prescription of anti-parasitic prescription-only veterinary medicines (POM-Vs). There had been a call for a delay from the BVA and others, but when this delay had been made, this had also attracted criticism. The RCVS had tried to ensure that appropriate animal welfare safeguards were in place in throughout, but as a regulator, it was expected that not all decisions made would be popular with the profession. Lots of work was being done from a communications perspective to counteract any negativity or misunderstanding; and to support its implementation in practice.
- New Legislation: Discussions with the Department for Environment, Food and Rural Affairs (Defra) around getting a statutory instrument for the increase of RCVS fees were moving in a positive direction. In terms of pushing for wider legislative change, a new Defra Minister had been announced, which meant that the College had to exert further influence in its pressure for future reform. In preparation for legislative change, a paper was to go to the Finance and Resources Committee on 20 November 2023 to approve the setting up of a Mandatory Practice Regulation Working Group since, out of all the RCVS's recommendations for future legislation, the development of mandatory practice regulation was a potentially complex area, interlinking with our professional standards structure, the Register of Veterinary Practice Premises, the Veterinary Medicines Directorate's inspection scheme and the Practice Standards Scheme.
- Statutory Membership Exam (SME): There were risks attached to the increasing number of candidates sitting the SME. The risks specifically related to the in-person practical Objective Structured Clinical Examination (OSCE), which needed to be done in suitable settings with animal handlers present, at a time with limited student presence at relevant vet schools. The high number of exam candidates, along with an identified need to allow those who had failed the exam to re-sit it within a 12-month period, had prompted calls for more sessions of the OSCE. A change to the statutory instrument was required to do this.

- On 9 November 2023, Council had approved a piece of work to bolster the role and career pathway of the veterinary General Practitioner, as this was an area from which the profession was losing members. The aim was to formulate an action plan with three workstreams to consider the issues. Relevant risks related to timing and resourcing.
- Ban of XL Bullies: The Government had recently added this breed to the list of dogs banned under the Dangerous Dogs Act 1991, which meant that owners of XL Bully dogs in England and Wales would be required to either apply for a Certificate of Exemption (which involved the dog being neutered and muzzled), or to arrange for their dog to be euthanised by an RCVS-registered veterinary surgeon. The RCVS had put out some guidance and support for vets. It was expected that some issues may appear around the euthanasiation of healthy dogs.
- A session on sustainability had been held at the Advancement of the Professions Committee meeting of 14 November 2023, with external speakers present. Discussions had helped with moving things along on the formulation of a response on climate change, which was a top corporate risk for the RCVS.
- Finally, there were plans to hold a meeting to discuss the potential impact of artificial intelligence and other new technologies (now also a top corporate risk) on the College.

13. There were no comments or questions about the above from the Committee.

Major Projects Update

14. The CEO along with the Chief Digital Officer (CDO) provided an oral report on three major ongoing College projects: refurbishment of Hardwick Street, redevelopment of RCVS website and the CRM project.
15. Confidential information is contained in paragraphs 5-11 of the classified appendix.

ENQA Update

16. The Education Quality Improvement Manager - who was not able to attend the meeting on this occasion - had shared the final ENQA Agency Review report with the Committee. The report had been received by the College on 6 October 2023 and was based on findings from the Self-Assessment Report submitted to ENQA in November 2022 and the visit to the RCVS, which had taken place in June 2023. The report was used as evidence for the ENQA Board to consider the continued membership of the RCVS at a meeting held on 25 October 2023 and subsequent to this, the RCVS had received confirmation that the Board had decided to approve the RCVS' membership for another five years.

17. The CEO highlighted that there had been a lot more commendations in the report compared to the last review, which was positive, and thanked the RCVS team who had worked hard to achieve this result.
18. It was noted that key recommendations related to thematic analysis and the removal of Council and Committee members from expert panels due to perceived conflicts of interest. In relation to the former, the CEO explained that this had been raised with the Education Committee who had the view that ENQA's understanding of thematic analysis varied somewhat from that of the RCVS. The Committee noted that topic was still under discussion and was curious to see what actions would be taken moving forward.
19. The next ENQA review would be in 2028 and a mid-term report would be submitted to ENQA in 2026.

Corporate Risk Register

20. Confidential information is contained in paragraphs 12-18 of the classified appendix.

Draft RCVS Governance Manual

21. The PA to the Registrar/Director of Legal Services introduced the draft RCVS Governance Manual and provided an update on the work on it to date. The Committee was asked for its thoughts on the format. Comments and questions included the following:
 - It had to be accessible, with the primary audience/readers in mind.
 - The introduction would make or break the Manual – it should clearly set out what the document was for. What did the brief history actually add? Patron information was not required.
 - It should contain bite-sized pieces of information, with accompanying links.
 - Having too many links was not user friendly. The Manual should focus on primary information and the relevant sources which aligned with the purpose of the document: who / how / why / what (i.e. the kind of decision-making, the processes/systems of making decisions and relevant links etc.) – the history was relevant as a key part to understanding how the organisation came to make its decisions.
 - Staff policies should not be part of it as these were for employees and contained in the Staff Handbook– rather, it should cover governance in a broad sense with a maximum of 100 pages.

- The time for big documents was obsolete, it should be a slim volume on the website – perhaps, a governance section could also be incorporated into the publication scheme on the website so that people could find documents directly from there, rather than having to search for information within the Manual exclusively.
 - The new website would obviate the need for a lot of the information as people should be able to search for specific things.
 - We should strongly encourage people not to print this off as it will change all the time.
 - The structure of section one should be flipped around to cover legislation first and then the role of the RCVS after.
 - It should group similar items together in sections for the contents, but also have an alphabetical list of items in a separate index for reference at the end.
 - Reference to EU in section one should be updated as the transition period was now complete.
22. The Committee was thanked for its thoughts. The draft Manual would remain confidential until it was published, and a further draft would return to the Committee at a later date for consideration.

Professional Conduct Risk Register

23. Confidential information is contained in paragraphs 19-21 of the classified appendix.

Any Other Business (AOB)

Reflective Session

24. The previously agreed process of a departmental risk register being circulated outside of, and in between formal meetings for comments, was no longer deemed functional as the Committee felt that risk registers were more effectively reviewed and discussed at meetings. As a result, the members agreed that this should no longer continue moving forward.
25. The Committee had confidence in the RCVS's risk management approach therefore, having one departmental risk register on the agenda for meetings was sufficient enough.
26. There was a suggestion to adopt a risk-based approach for risk registers coming to the Committee. The members supported this as the Committee had assurance that Senior Team reviewed departmental risk register on a regular basis, regardless.

27. The Committee also found that it was consistently running over time in meetings. The potential of permanently extending the timing of meetings to ensure that topics were given adequate time for consideration, was discussed. The members concluded that this was not feasible due to extra costs for the College. The maximum amount of extra time which could be allowed was two and a half hours. However, an exception would be made for the next meeting to be held in February 2024, due to the volume of work to be considered. This meeting would be scheduled to run for three hours accordingly.

Date of the Next Meeting

28. The next ARC meeting will be held on Tuesday 13 February 2023 at 9:30 am, in person and for a duration of three hours.

Actions	Date
Committee Secretary to arrange induction meeting between Chair and new Committee members at the earliest opportunity.	January 2024
Updated Assurance Map to go to Committee in February 2024.	13 February 2024