

Audit and Risk Committee Meeting

Tuesday, 14 May 2024 at 10:00 am to be held online via Microsoft Teams

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 13 February 2024		
3a. Unclassified Minutes	Unclassified	n/a
3b. Confidential Appendix	Confidential	1,2,3,4
4. Matters Arising	Oral report	
Matters to note		
5. CEO Update	Oral report	
6. Major Projects Update		
6a. Refurbishment of Hardwick Street	Oral report Confidential	3,4
6b. Redevelopment of RCVS Website	Oral report Confidential	
6c. CRM Project	Confidential paper	
Matters for discussion/decision		
7. Corporate Risk Register Update	Confidential	1,3,4
8. Review of Terms of Reference (ToR)		
8a. ENQA Provisions	Confidential	1
8b. General review of ToR	Oral report Confidential	1

9. Any Other Business (AOB)	Oral report	
9b. Reflective Session		
10. Date of the next meeting: Tuesday, 10 September 2024 at 10:00 am (in person)	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	14 May 2024
Title	Audit and Risk Committee Meeting Minutes – 13 February 2024
Summary	Minutes of the ARC meeting held in person at the Royal College of Nursing on Tuesday, 13 February 2024.
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	Classification¹	Rationales²
Paper	Unclassified	n/a
Appendix	Confidential	1,2,3,4

¹Classifications 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 in person at the Royal College of Nursing on 13 February 2024

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:

Dr M M S Gardiner	Treasurer (Observer)
Ms H Haid	Governance Officer
Ms L Lockett	CEO
Ms C McCann	Director of Operations
Ms L Prescott-Clements [^]	Director of Education
Mr A Quinn-Byrne	Governance Manager (Secretary)
Ms S Tetsola	Head of Finance
Ms K Williams*	Education Quality Improvement Manager

*Denotes absence

[^]Denotes remote attendance

Welcome and Introductions

1. The ARC members welcomed Mr K Grewal to the Committee and appropriate introductions were made.

Apologies for Absence

2. Apologies were received from Mr W A S Wilkinson and the Education Quality Improvement Manager.
3. The Director of Education joined the meeting for the 'ENQA Update' agenda items only.

Declarations of Interest

4. The Chair declared their recent appointment as Director of Governance at the Commonwealth Games Federation.

Minutes of the Last Meeting

5. The Committee approved the minutes of the last meeting held on 16 November 2023.
6. In relation to the actions that arose from the unclassified topics at that meeting, it was noted that the one relating to the arrangement of the induction meeting between the Chair and the new members was still outstanding due to availability issues. Several attempts had been to arrange the meeting, including one recently, for which the relevant members were reminded of the Doodle Poll that had been sent out with proposed new dates. If it became impossible to schedule a meeting based on responses to this poll, the Chair suggested having a meeting outside of working hours.
7. Regarding the action about the Assurance Map, the Committee was informed that this would be updated subject to discussions to be undertaken by the Committee later in the meeting, based on outcomes from the RCVS Council Risk Workshop in November 2023. It was agreed that it would be circulated to the Committee for approval before the next formal meeting in May.
8. In relation to the College risk escalation procedure, the Governance Manager informed the Committee that the process was outlined in the RCVS Risk Management Policy, which would be uploaded to RCVS Council's workroom library in BoardEffect, for information.

Action: Governance Team to circulate updated Assurance Map to ARC before its next formal meeting in May.

CEO Update

9. The CEO provided an oral report on the following College activities to the Committee:
 - WeWork accommodation: the RCVS had been asked to vacate The Cursitor building by the end of February due to an announcement from the workspace provider that it had terminated its lease of the building. The RCVS was offered alternative cheaper accommodation at 3 Waterhouse Square. It was intended that the College would be moving to the replacement offices in March, until September 2024, following transfer approval from the Finance and Resources Committee.
 - Competition and Market Authority's (CMA) review of veterinary sector: 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 particularly, there had been some criticism around the timing of the implementation of the part of the new guidance, which related to the prescription of anti-parasitic prescription-only veterinary medicines (POM-Vs). This final bit of the guidance had come into effect in January 2024.
- New Legislation: some negativity had been expressed around a part of the proposals for new legislation, concerning governance reform. On 18 January 2024, decisions had been made at Council about the direction of travel for change, which the College would now consult on. This included the potential of removing elected members from Council and replacing them with appointed members. The Vet Times had published an article announcing that the RCVS planned to “axe” Council elections, and this had caused some consternation from the profession because the point about it being subject to consultation first, and also to the parliamentary process, had not been included.
- New Strategic Plan: this was to be developed this year. The first quarter of the year would be dedicated to an information gathering phase. For example, the Survey of the Professions, which was carried out by the RCVS every four to five years, was currently being conducted. There was also a piece of policy work out around stakeholder engagement and perceptions of the College, which involved a series of twenty one-to-one interviews with an independent researcher. Furthermore, some work was also to be done with College staff around their aspirations for the future, as well as some work with members of the public through the Public Advisory Group (PAG). Initial findings were to be brought to RCVS Council in March for discussion, and during the May round of meetings, Committees would be encouraged to consider the findings and to think about what it would mean for them and their work. This would help to ensure that corporate, Council and Committee objectives were aligned. Finally, from there, the Officer Team would draft the plan over the summer, and it would then go to RCVS Council in September, to be ready for final sign-off in November.
- 2024 RCVS and Veterinary Nurses (VN) Council Elections: nominations had come in ahead of the spring elections. There were fourteen candidates for RCVS Council and three for VN Council.
- Ban of XL Bullies: since the implementation of the new legislation in December 2023, and the lapse of the January deadline for owners to apply for a Certificate of Exemption, approximately 22,000 dogs had been registered. There was currently no figure for the number of dogs that had been euthanised. As expected, some members of the public had expressed strong opposition to the euthanasia of healthy dogs, while equally, others supported it because they felt the dogs were dangerous. The RCVS had put out some guidance and support for vets during this difficult time, which had been well received.

10. Comments and questions from the Committee included the following:

- What were the drivers of the potential risk of misalignment between corporate and Committee objectives concerning the Strategic Plan? In answer to this, the Committee was informed that the main drivers of the risk related to budget, focus and clarity of communication. It was important to knit both points of view together in a way that did not impede innovation, creativity and enthusiasm from the Committees, and avoided fracturing within the organisation. It was the same with staff input, which needed to be woven into the views of many other groups of stakeholders in the future of the organisation.
- Did the Mind Matters Initiative (MMI) play a role in supporting vets and vet nurses with the management of physical safety risks arising from the XL Bully ban? MMI could certainly play a role with regards to mental health. The RCVS had issued a supportive written statement in response to the abuse of vet teams, which was generally well received. Additionally, guidance had been published to support vets and vet nurses with the implementation of the Government's legislation.

11. Further confidential information is contained in paragraphs 1-2 of the classified appendix.

Major Projects Update

12. This agenda item was intended to cover the three major ongoing College projects: the refurbishment of Hardwick Street, redevelopment of the RCVS website and the CRM project.
13. The Director of Operations provided an oral update on activities relating to the refurbishment of Hardwick Street since the last ARC meeting in November 2023. Confidential information is contained in paragraphs 3-4 of the classified appendix.
14. Due to time restrictions, the Committee was unable to consider oral updates regarding the RCVS website or the CRM project from the Chief Digital Officer because there was an item of business that needed to be prioritised. Further confidential information is contained in paragraphs 5-10 of the classified appendix.

ENQA Update

15. The Education Quality Improvement Manager - who was not able to attend the meeting on this occasion - had shared three papers relating to the following topics with the Committee:
- Thematic review of the Veterinary School and Veterinary Nursing programme accreditation visits in 2023
 - RCVS accreditation event work plan for Veterinary Schools and Veterinary Nursing qualifications

- Internal quality assurance (IQA) of accreditation events

16. The Director of Education joined the meeting to present these sub-agenda items on behalf of the Education Quality Improvement Manager. Confidential information is contained in paragraphs 11-21 of the classified appendix.

Corporate Risk Register

17. Confidential information is contained in paragraphs 22-37 of the classified appendix.

Registration Risk Register

18. Confidential information is contained in paragraphs 38-40 of the classified appendix.

Any Other Business (AOB)

Reflective Session

19. Confidential information is contained in paragraphs 41-43 of the classified appendix.

Date of the next meeting

20. The next ARC meeting will be held on Thursday, 14 May 2024 at 10:00 am, remotely. A further joint meeting with the Finance and Resources Committee is to take place at 12:30 pm on the same date, to discuss the draft annual report and accounts.

Actions	Date
Governance Team to circulate updated Assurance Map to ARC before its next formal meeting in May.	April 2024