

NERC Audit and Risk Assurance Committee Meeting

Summary of discussions – 6th June 2017 (Medical Research Council, London)

Members present:	Mr Nick Folland (Chair), Mr Richard Gledhill, Professor Paul Monks, Professor Ian Poll, Mr Steve Turner
Executive Attendees:	Mr Paul Fox (Chief Operating Officer), Miss Nicola Probert (Risk and Assurance Manager, Counter Fraud Officer), Mrs Claire Turner (Director, Finance), Professor Duncan Wingham (Chief Executive).
Auditors	Mr Andrew Hamer (NAO), Mr Rod Viggers (AASG)
Attending:	Mrs Bairbre Kelly (BEIS lead sponsor for NERC) Ms Alison Robinson (NERC Director, Corporate Affairs) – <i>Annual report and accounts item</i> Dr Neville Hime (Head of NERC Corporate Health and Safety, Security and Environment Group) – <i>Annual H&S report item</i> Mr David Hyett (NERC Head of Web and Information Services) – <i>Annual Security report item</i>
Secretary:	Mrs Sam Gooch

Key issues discussed

National Audit Office (NAO) update

Mr Hamer introduced the NAO annual completion report and recorded his thanks to Mrs Turner and the NERC Finance team for their assistance during the audit. ARAC reviewed the findings set out in the report, including the draft letter of representation and audit certificates, and asked a series of questions regarding the audit process.

ARAC noted that NERC was reviewing the central pack of RCUK assurance information regarding grant expenditure regularity and Mrs Turner took an action to email ARAC with the outcome. Subject to satisfactory assurance, members would then be asked to confirm that Professor Wingham should sign off the 2016/17 annual report.ⁱ

NERC Annual report, accounts and governance statement

Ms Robinson introduced the near-final draft of the 2016/17 NERC Annual report, accounts and governance statement and ARAC provided final comments. The Committee thanked Mr Gledhill for reviewing the pre-audit version of the accounts on ARAC's behalf in May.

ARAC thanked Ms Robinson and all in NERC who had been involved in compiling the report. The Committee commended the significant improvement from the early draft and Ms Robinson confirmed that she would continue to improve the drafting process.

NERC Annual Health and Safety (H&S) report

ARAC welcomed Dr Hime, noting that it was his last meeting before retiring and that his successor would attend the October ARAC meeting, along with STFC's Head of Safety, Health and Environment.

Dr Hime introduced the annual H&S report, setting out the performance data, comparative data and audit and inspection outcomes. ARAC noted that NERC's overall H&S figures compared favourably to national averages and welcomed the inclusion of comparative data in the report.

The committee discussed the report in more detail, including how the H&S audit plan is prioritised and how H&S culture is monitored. Mr Fox confirmed that an H&S return was included in the Centre Assurance Board (CAB) process and Dr Hime agreed to clarify the scope of the return.

ARAC agreed with the NERC Management Board's conclusion that H&S in NERC is being managed to meet legal and policy requirements. Mr Folland expressed ARAC's thanks to Dr Hime for attending, for his input to the committee over recent years and for the improvements to H&S reporting.

NERC Annual Security report

Mr Hyett introduced the annual security report, explaining that this was in the format of the Departmental Security Health Check (DSHC). ARAC noted the range of assurance work undertaken in respect of the Annual Security report in 2016/17, including thorough, independent challenge from GIAA and a useful peer review exercise with STFC.

ARAC noted that Mr Hyett was compiling practical guidance for employees regarding information security risks when travelling to 'hostile states'. ARAC emphasised the importance of employees adhering to this guidance and undertaking risk assessments - for both physical and cyber security – when travelling overseas.

UK Research and Innovation (UKRI) update

Professor Wingham provided an update on UKRI developments including the fact that the bill had been passed into law by Parliament, that a Chief Executive Officer had been appointed and that recruitment of UKRI board members had begun. Whilst discussing how audit and assurance activities would be managed in UKRI, Mr Folland confirmed ARAC's intention to continue as normal until the committee's responsibilities had been fully and clearly handed over to specific individuals.

Routine updates

ARAC received an update on NERC's top risks and business critical projects and a progress report regarding the internal audit plan. NERC's risk and assurance manager, Miss Probert, gave a presentation on the Government's new risk management framework and ARAC concluded that NERC's risk management strategy was already closely aligned to the new framework.

Next meeting

The date of the next meeting was confirmed as 11th October 2017 in London.

ⁱ Assurance regarding regularity of NERC grant expenditure was forwarded to ARAC on 15th June and the Annual Report and Accounts were signed off by Professor Wingham on 21st June 2017.