

Minutes of Audit and Risk Assurance Committee Meeting Held on 10 June 2020

Location	Present	In Attendance
Via Video Conference	John Beckerleg (Chair) Mark Bottomley Chris Wood	Marc Stoner Paul Rao Andrea Flores Tim Redwood (item 5 only) Kristen Hewett

Note	Action
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1 Apologies

No apologies were received.

2 Declarations/Conflicts of Interest

There were no conflicts relevant to the agenda items.

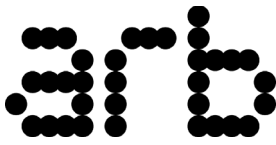
3 Minutes

The minutes of the Audit and Risk Assurance Meeting held on 22 April 2020 were approved.

4 Matters Arising

The Committee Chair introduced the Matters Arising report and highlighted the following:

- In respect of the first matter arising, for Board Chair to invite the RIBA President to address the Board on how the RIBA was preparing for the UK's departure from the EU, it was agreed that this was a matter for the Board to resolve.
- In respect of item two on the Matters Arising report (Audit and Risk Assurance Committee Annual Report) the Committee Chair confirmed that for good governance, an annual report on the work of the Committee should be presented to the Board at its 19 June meeting, alongside the ARB Annual Report and Accounts. It was confirmed that any draft report would be shared with Committee members by write around, with a view to finalising for the June Board meeting.



ACTION: The Executive to draft the Audit and Risk Assurance Committee annual report, with a view to presenting the final version at the 19 June Board meeting.

5 2019 Annual Report and Accounts

The agenda was taken out of order and this item was taken after agenda item 6 (the Scheme of Delegation). Mr Tim Redwood of Crowe LLP was in attendance for this item.

The Committee Chair introduced this item and expressed thanks for the level of work carried out following the Board's former Chair's requested amendments. The Committee Chair clarified that the information pertaining to the Financial Statements had not been changed in content.

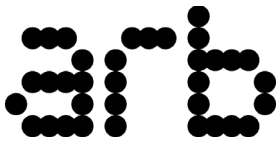
The Acting Chief Executive Officer highlighted that it had been a challenge to incorporate the requirements of the Government Financial Reporting Manual (FReM), as well producing an outward facing Annual Report document. This had resulted in some duplication of content, but this had been unavoidable in order to meet FReM requirements.

It was confirmed that some additional amendments were required around the Board Chair's statement given the Board Chair's recent resignation, and around the Registrar's report to reflect the current interim arrangements.

The Committee Chair invited comments from Mr Redwood of Crowe LLP. Mr Redwood highlighted the following:

- The majority of the Annual Report's content was similar to what had been considered at the Committee's April meeting, albeit in an expanded form.
- The Report looked closer in design to the 'glossy' Annual Report as had historically produced by ARB annually in July.
- Mr Redwood had been provided with the draft document and had, prior to this meeting, suggested some amendments which had now been incorporated into the Annual Report.

Mr Redwood confirmed that there was nothing contained within the Annual Report and Accounts to take issue with, although commented that the Report's structure under FReM was quite unusual.



Mr Redwood confirmed that although Crowe had not reviewed the Report to check for every minor point of compliance, there was nothing contained within the report which was materially inconsistent with FReM.

The Committee Chair thanked Mr Redwood for his input, and highlighted that assuming we move in the direction of producing a combined Annual Report and Accounts going forward, the timeline for production should be adjusted and planned for accordingly.

A Committee member queried reference to the effective date of 1 April 2020 for IFRS 16, as contained at page 44 of the Annual Report and Accounts, as the Committee member understood that the effective date had been postponed. Mr Redwood confirmed that he would check this point, but that he believed IFRS was effective to accounting periods beginning 1 April 2020.

ACTION: Mr Redwood to confirm the effective date of IFRS 16, as referred to at page 44 of the draft Annual Report and Accounts.

A Committee member commended the revised Annual Report and Accounts, and expressed thanks to everyone who had provided input.

The Committee Chair highlighted that the Board would need to agree to the signing of the letter of representation, but recalled that the Letter of Representation referred to 'Company' which would likely need amending. Mr Redwood agreed on this point and would arrange for the necessary amendment to be actioned.

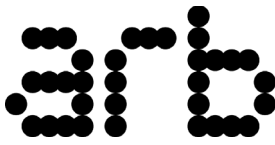
ACTION: Mr Redwood to review reference in Letter of Representation and re-issue to the office as necessary.

The Board Chair provided a recap on the point around ARB and the assessment on being a 'going concern'. It was agreed that the information produced for the 22 April 2020 Audit and Risk Assurance Committee on this point had not changed; therefore no changes to the going concern assessment were required.

The Acting Chief Executive confirmed that if any amendments to the Annual Report and Accounts were required following the 19 June Board meeting, there would be a very small window of opportunity to do so.

The Audit and Risk Assurance Committee agreed that, pending:

- a. confirmation of the effective date of IFRS 16;



- b. amendments to the forwards from the Registrar and Board Chair;
- c. amendment to reference to 'company' in the letter of representation.

The Annual Report and Accounts should be recommended to the Board for final sign off.

ACTION: The Annual Report and Accounts should be added to the 19 June 2020 Board agenda.

6 Scheme of Delegation

The agenda was taken out of order and this item was taken before item 5, the Annual Report and Accounts.

The Committee Chair thanked the Executive for the work carried out on the Scheme of Delegation and asked the Acting Chief Executive to present the paper.

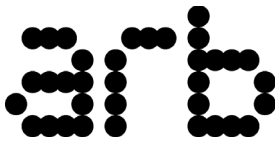
The following points were highlighted:

- The existing Scheme of Decision Making had become outdated following various governance changes, and subsequent amendments to Committee Terms of Reference.
- The document had been re-ordered for a better flow.
- The document included increased segregation of duties in respect of finance.

The following questions were asked and answered:

A Committee member queried the line item around tenders and contracts and authorisation limits, and whether any leases or contracts were actually being signed for over the listed values, or whether typically the majority falls into the category of Executive approval. The Acting Chief Executive confirmed that owing to the contract values, the majority of tender and contract authorisation resided with the Executive; and the last contract that required Board approval was the property lease for Weymouth Street.

The Committee Chair queried whether the Scheme as presented to the Committee was to serve as a base document, with any temporary variations to the Scheme of Delegation being considered separately. The Acting Chief Executive confirmed that this was the intention.



It was highlighted that a legal view on the existing Scheme of Delegation was being sought from the Board's solicitors, Bates Wells Braithwaite (BWB), but this had not been achievable in advance of this Audit and Risk Assurance Committee meeting. If any substantive amendments were suggested by the BWB, the Executive would report back to the Committee via write around.

ACTION: The Executive to report back to the Committee on any feedback received from BWB on the Scheme of Delegation.

The Committee Chair raised a query with Mr Rao around the merits of the Board Chair's expenses being signed off by the Chair of the Audit and Risk Assurance Committee. It was suggested that a proportionate way forward might be that if any issues with the Board Chair's expense and attendance claims were identified by the Head of Finance, the concern should be raised with the Chair of the Audit and Risk Assurance Committee.

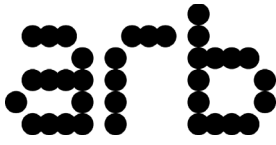
Mr Rao highlighted the importance of the person reviewing the Board Chair's expenses being of sufficient seniority, with the authority to discuss any discrepancies in a claim should they arise. This role would typically be fulfilled by another Board member or a Vice Chair where available, although a member of the Senior Leadership Group could take on that role.

It was agreed that going forward, the Board Chair's expenses would be checked by the Head of Finance and Resources and authorised by the Chief Executive, but if there were any concerns around claim items, they should be raised with the Chair of the Audit and Risk Assurance Committee.

ACTION: Item 11 on the Draft Scheme of Delegation (Authorisation of the Board Chair's travel and subsistence claims) to be amended to reflect a claim being checked by the Head of Finance and Resources, authorised by the Chief Executive, and any concerns to be raised with the Chair of the Audit and Risk Assurance Committee.

The Committee agreed that, subject to the amendment above, the amended Scheme of Delegation should be presented to the Board and recommended for approval.

ACTION: Scheme of Delegation to be added to the Board agenda for 19 June 2020.



Note

Action

7 Any Other Business

No other business was raised.

8 Dates of Future Meetings

31 July 2020

9 November 2020