

FestivalUK*2022

MINUTES AUDIT AND RISK ASSURANCE COMMITTEE (ARAC or Committee) OF FESTIVAL 2022 LTD (“Festival”)

10.30 – 12.30, Monday 2 August 2021

Held in person and via Microsoft Teams Meeting

Members:

Faraz Tasnim (FT) (Chair)	Board Director, Festival
Liam Hannaway (LH)	Board Director, Festival
Roger Lewis (RL)	Board Director, Festival
Amali de Alwis (AA)	Board Director, Festival

Observer:

Adam Richards (AR)	Price Waterhouse Coopers (PWC)
Alison Breadon (AB)	Price Waterhouse Coopers (PWC)
Daniel Coles (DC)	The Department for Digital, Culture, Media and Sport (DCMS)
Greg Wilson (GC)	National Audit Office (NAO)

In Attendance:

David Grady (DG)	Group Chief Financial Officer, OC & Festival
Phil Batty (PB)	Executive Director, Festival
Sarah Harrod (SHa)	Organising Committee for the Birmingham 2022 Commonwealth Games (OC), Head of Finance Management
John Darnbrook (JD)	Head of Business Integration, Festival
Richard Pomfret (RP)	Senior Finance Manager, Festival
Lucy Bailey (LB)	Senior Legal Counsel, Festival
Sarb Hair (SH)	Corporate Operations Coordinator, Festival (Secretariat)

Apologies:

Caroline McGrory (CMcg)	Company Secretary and Group Chief Legal Officer, OC & Festival
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ITEM NO	ITEM	ACTION OWNER
1	<p>Approval of Minutes & Matters Arising</p> <p>The ARAC approved the minutes of the last ARAC meeting held on 17 June 2021.</p> <p>FT raised matters arising as follows:</p> <p>Action 1 - Continued monitoring of Devolved Administrations (DAs)/ Strategic Delivery Bodies' funding to provide an assurance update on cross-programme financial monitoring. A four-nation finance working group to be establish from April 2021 onwards. In progress.</p> <p>Action 2 - 6.3 in the papers is amended to say “anticipate” for issuing the modified opinion. Action closed.</p> <p>Action 3 - ARAC members to meet with JD to go through the heat maps and the tool to capture the risks. Action closed.</p> <p>Action 4 - Risk 56 to be updated to red. Action closed.</p> <p>Action 5 - August ARAC to be arranged. Action closed.</p>	RP

<p>2</p>	<p>Executive Update</p> <p>PB provided the following update;</p> <ul style="list-style-type: none"> • The team are working through collective responses to the Commissioning Agreement for the 10 teams, and the aim is to have these terms agreed by the end of August 2021. • The Scottish team, Dandelion, has agreed its corporate governance model with EventScotland. • Festival is continuing to spend in line with the R&D Agreement, which has been varied on two occasions. The latest variation includes an agreed budget until the end of August 2021. • Festival to provide the Board with a RAG rating for each commission on the status of Commissioning Agreement negotiations. • Recruitment has improved over the last two months and the Festival team is continuing to grow. Festival has now appointed its final member of the Senior Leadership Team in the Head of Audiences role, with the appointment joining in September 2021. <p>FT voiced his concern about the rate of recruitment and its impact on delivery. PB confirmed that the OC were providing recommendations on this front, which will be shared with ARAC and this was noted as an action.</p>	<p>PB</p>
<p>3</p>	<p>Operational Programme Management</p> <p>JD & PB presented an oversight of the processes and procedures in place to deliver the Portfolio Management Office (PMO) to enable the management of risk, and to monitor project effectiveness. The presentation provided details on the approach, systems and tools in place to facilitate Operational Programme Management.</p> <p>The assurance model and the approach to second line of defence within the PMO was discussed.</p> <p>A table was requested explaining key roles and responsibilities including which platform and tools different stakeholders have access to. It was taken as an action to include this in the Board paper.</p> <p>Early review of the Operational Programme Management to be completed for the Board in August.</p> <p>It was agreed that Festival would provide an update on Cyber Security to ARAC.</p> <p>ARAC noted the contents of the paper and was requested to provide assurance to the Festival Board.</p>	<p>JD</p> <p>AR</p> <p>JD</p>
<p>4</p>	<p>Insurance Update</p> <p>RP updated the Committee on the insurance position for Festival and for each of the commissions, which was based on advice provided by Festival's insurance brokers, Marsh.</p> <p>A conversation was had around cyber security risk and protections.</p> <p>RP to ensure DAs have the appropriate insurances in place.</p> <p>ARAC noted the contents of the paper.</p>	<p>RP</p>