



CREATIVITY IN THE UK

**MINUTES OF THE AUDIT, RISK AND ASSURANCE COMMITTEE (ARAC) MEETING  
OF FESTIVAL 2022 LTD VIA VIDEO CONFERENCE ON FRIDAY 21 JANUARY**

**2022, 10:30 – 12:00**

(the "Company" and "Festival 2022 Ltd")  
(the "Programme" and "UNBOXED: Creativity in the UK")

**Present:**

Faraz Tasmin	ARAC Chair, Independent Non-Executive Director
Amali de Alwis MBE	Independent Non-Executive Director
Roger Lewis	Non-Executive Director, representing Wales
Liam Hannaway	Non-Executive Director, representing Northern Ireland

**Observers Present:**

Greg Wilson	National Audit Office
Sonia Coates	National Audit Office
Daniel Coles	DCMS
Alison Breadon	PWC
Adam Richards	PWC

**In attendance:**

Phil Batty	Executive Director
Ian Reid	Chief Executive & Accounting Officer (item 3)
David Grady	Chief Financial Officer
Caroline McGrory	Chief Legal Officer & Company Secretary
Laura O'Flynn	Governance Manager (Note-taker)
Sarah Tromans	Head of Financial Management
Gabriella Butler	Senior Finance Manager (items 4 – 7)
John Darnbrook	Head of Business Integration (items 4 – 7)
Lucy Bailey	Senior Legal Counsel (items 4 – 7)
Ruth Marshall	Strategic Planning Manager (items 4 – 7)
Matt McMahon	Senior Marketing Manager (item 2)
Andy Watson	Assistant Category Manager (item 2)

**01/22 Welcome and purpose of the meeting**

The Chair welcomed all present. In reviewing the agenda, the Chair reminded that the extraordinary meeting was informal with a risk management focus to facilitate more in-depth discussion on key areas of current, most timely, 'red-rated' risk to provide guidance to the Executive Team. The outcome of the discussions will generate a 'Briefing to the Board' at the 28 January meeting.

**02/22 Endorsement of Media Buying ARF prior to Board**

The Assistant Category Manager (ACM) joined the meeting and framed the paper (taken as read). The ACM informed of the procurement process to date, which led to the recommended organisation in the Award Recommendation Form. The proposed organisation would support the marketing communications objectives being met on engagement for both in person and offline activity. It was noted that the recommendation was in line with the lifetime annual budget with a call off commitment included via the Financial Scheme of Delegation and was supported by the Executive Management Team.

ARAC endorsed the recommended organisation, with a suggestion to include a supplementary narrative of the procurement process to aid understanding.

**IT WAS RESOLVED THAT THE ARAC**

**Endorsed the Media Buying Award Recommendation Form for approval at Board on 28 January.**

**ACTION: The ACM to include supplementary narrative of the procurement process within the ARF for the final Board paper.**

**03/22 Strategic Risk: Workforce Retention**

The Chief Executive & Accounting Officer (CE&AO) joined the ARAC to set out the integrated workforce retention approach across the Company Group. HM Treasury previously signed the remuneration strategy, and this had since been reviewed by the UNBOXED Workforce and HR Review Group.

A business case had been submitted to Cabinet Office for pay flexibility across the Company Group.

ARAC confirmed this risk remained and needs to be resolved.

**04/22 Programme Risks**

The Executive Director (ED) presented a slide to demonstrate the stage of the project cycle that each commission is at alongside the RAG rating. The ED took each red project in turn and opened for discussion as summarised in the Board Note for the 28 January extraordinary meeting.

**05/22 Operational Risks: GO LIVE**

The ED was pleased to report that Our Place in Space was on track and a deep dive due at Board. About Us go live in 5-weeks was also on track with the contingency costs required as they move locations and live delivery.

There are no major additional risks to report on supply chain. Fabrication contracts yet to be awarded, will be reviewed at a future meeting.

**06/22 Reputational Risk: Geographic Spread of Live Events**

All Committee members felt the conversation to debate new locations had passed and would now be a distraction from delivery. The Chair would inform the Board that the focus is now on reach of current activity.

**07/22 Financial Risks**

The Committee were made aware of the potential variable impact on contingency and financial risk and asked for it on the 02 February agenda. The National Audit Office noted the importance of continuing to evidence the value for money of the programme as part of ongoing discussions.

**08/22 AOB**

ARAC felt that evaluation and legacy should be considered on a future agenda.



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### **Reflections and closing marks**

The Chair addressed the recent number of meetings and timings and asked for these to be relooked at. The Committee requested all items are brought forward with a 1-page note to better prepare and set expectations.

**ACTION: The Governance Manager to reflect on the meetings.**

The Chair thanked all for their attendance and asked the ED to prepare documentation to reflect this meeting at Board on 28 January.

### **Close of meeting**

The meeting closed at 12:00. The date of the next formal meeting was confirmed as 02 February 2022, virtually.

Distribution by email unless stated otherwise:

ARAC Directors

ARAC Observers

Executive Management Team

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