

In the Chair: Mr Bruce Pritchard, Chair of Court

<p>Present:</p> <p>Mr Scott Anderson, Student Union President Professor Mark Biggs, Vice-Principal and Provost Mr Graeme Dickson, Lay Member Dr Brian Henderson, Alumni Member Dr Fadi Ghaith, Senate Member Mr Steve Heathcote, Lay Member Mr Gary Kildare, Lay Member Professor David Jenkins, Trade Union Member Mr Paul Lewis, Lay Member</p>	<p>Dr Bill MacPherson, Senate Member Ms Morag McNeill, Lay Member Mr Jürgen Munz, Trade Union Member Ms Marta Phillips, Lay Member Mr Bruce Roberts, Staff Member Mr Alan Robertson, Lay Member Mr Mike Tumilty, Deputy Chair of Court Professor Richard Williams, Principal Ms Dorothy Wright, Lay Member</p>
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In attendance:

Ms Ruth Moir, University Secretary
 Professor Malcolm Chrisp, Deputy Principal (Education and Student Life)
 Mr Richard Cloughton, Global Director of HR
 Ms Sue Collier, Global Director of Governance and Legal Services (GALS)
 Ms Lucy Everest, Global Chief Operating Officer (GCOO)
 Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability) (*until 10.30am*)
 Professor Dame Heather McGregor, Vice-Principal and Provost (Dubai)
 Professor Steve McLaughlin, Deputy Principal (Research and Impact)
 Professor Gill Murray, Deputy Principal (Enterprise and Business)
 Mr Martin Pringle, Global Finance Director (GFD)
 Ms Lisa Herlihy, Clerk to the Court

Apologies:

Professor Mushtak Al-Atabi, Vice-Principal and Provost (Malaysia)
 Dr Richard Armour, Lay Member
 Mr Connel Greenhorn, Student Union Vice-President (Education)
 Mr Chris Pirie, Staff Member
 Mr Ian Stevenson, Lay Member

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M24/01 WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed all present to the meeting and reported the apologies for absence, noting that Mr Ian Stevenson had indicated his approval of the papers by email. No declarations of interest were reported.

The Court noted its considerable sadness at the loss of Mr Cameron Millar, formerly Deputy Chair of Court, who had recently passed away. Cameron's enthusiasm for Heriot-Watt University, support for fellow Court members and passion for education would be much missed.

M24/02 REPORT FROM THE JOINT MEETING OF THE AUDIT AND RISK AND FINANCE COMMITTEES: MEETING HELD ON 6 FEBRUARY 2024 (Ct1/24/01)

The Court received and noted the report from the Joint Meeting held on 6 February 2024, presented by the Chairs of the Finance Committee and the Audit and Risk Committee (ARC).

The Court noted its thanks to all of those who had been involved in the production and audit of the Group Reports and Financial Statements, including senior Court members, the External Auditors, members of the Executive, and colleagues across the University. The Chair of the ARC observed that considerable work had been done to ensure a better process than in the previous year.

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The Chairs of the Finance Committee and the ARC reported that the Joint Meeting had carefully tested the Annual Accounts, including matters around going concern, prior to their presentation to the Court. The Committees had been content to endorse the Group Reports and Financial Statements, along with other supporting items, to the Court.

M24/03 HERIOT-WATT UNIVERSITY GROUP REPORTS AND FINANCIAL STATEMENTS (Ct1/23/02)

The Court received and approved the Group Reports and Financial Statements, presented by the GFD.

The GFD reported that the Group Reports and Financial Statements had been updated based on feedback received at the Joint Meeting. The changes had been agreed by the External Auditor and a typeset version of the document had been created. Whilst the audit had remained ongoing since papers were issued, no matters had arisen that would have a substantive impact.

Following consideration of the supplemental paperwork provided (see below), which included going concern, the Audit Results Report, and the Management Representation Letters, the Court approved the Group Reports and Financial Statements.

M24/04 GOING CONCERN (Ct1/24/03)

The Court received, considered and noted the report on going concern, presented by the GFD.

The GFD reported that the going concern paper demonstrated sufficient liquidity for the University to meet its liabilities as they fell due. Testing by the Finance team and the External Auditors had not identified any issues with the going concern position. The Court noted the intention that going concern information would, in future, be included in the quarterly management information provided to the Finance Committee.

The Court welcomed the going concern position and the plans to review this more regularly in future.

M24/05 SUBSIDIARY COMPANY REPORTS AND FINANCIAL STATEMENTS (Ct1/24/04)

- **HERIOT-WATT UNIVERSITY MALAYSIA (HWUM)**
- **HERIOT-WATT SERVICES LTD (ORIAM)**
- **HERIOT-WATT TRADING LTD**

The Court received and noted the Subsidiary Company Reports and Financial Statements, presented by the GFD, ahead of their presentation to their respective Boards for approval.

The GFD reported that the External Auditors had confirmed their contentment with the Reports and Financial Statements for HW Services and HWUM. HW Trading was under review and would be finalised by the end of the week. The Court noted the intention to introduce regular reporting from each of the subsidiary companies.

M24/06 DRAFT EY GROUP AUDIT RESULTS REPORT INCLUDING DRAFT MANAGEMENT RESPONSES (Ct1/24/05)

The Court received, considered and noted the draft Audit Results Report for the Group, including the management responses, presented by the GFD.

The GFD reported his appreciation for all the work that EY, the External Auditors, had completed on the audit and their support throughout the process of developing the Reports and Financial Statements. The open, collaborative

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relationship between the University and EY had been invaluable in reaching a positive position.

The Court noted that, at the Joint Meeting, EY had reported a considerable improvement in adjusted and unadjusted errors in comparison to 2021-22.

The Court queried whether the Audit Results Report remained in draft at this stage. The GFD clarified that the Report would be finalised following signature of the Group Reports and Financial Statements and would then be circulated to the May 2024 meeting of the ARC. Should any material matters arise, these would be reported to the Court by correspondence.

M24/07 MANAGEMENT REPRESENTATION LETTERS AND LETTER OF ASSURANCE (Ct1/24/06)

The Court received and approved the Management Representation Letters, presented by the GFD, for signature by the Chair of Court, the GFD and the Principal (as appropriate).

The Court noted that the Group letter of representation remained the same as in previous years, except for an additional section on Reinforced Autoclaved Aerated Concrete (RAAC). Appendix 4 of the report provided reassurance from the GFD that each section of the letter of representation had been completed. The Court agreed that the GFD would work with the ARC on the format of a shorter form of assurance for use in future years.

On this basis, the Court was content for the letters to be signed by the Chair of Court on its behalf. The Court noted that the final version of the Letters would be provided to the Court, by correspondence, for information.

M24/08 LETTERS OF SUPPORT (Ct1/24/07)

The Court received the Financial Letters of Support for HWUM, HW Trading and HW Services, presented by the GFD. The Court endorsed the Letters for signature by the Principal.

Following discussion, the Court agreed that the Letters would be signed on the basis that the University expected its operating subsidiaries to provide profit to the charity on an ongoing basis, and therefore assist the University in furthering its charitable objectives. It was noted that HW Services Ltd, which operated Oriam (the National Performance Centre for Sport), did not currently provide a profit but did provide a service that enhanced the life of the University and the student experience.

XXX Reserved Section – Ref. FOI(S)A, s.33**M24/09 ANNUAL REPORT FROM THE ARC (Ct1/24/08a)**

The Court received and noted the Annual Report from the ARC for 2022-23, presented by the Chair of the ARC.

The Chair of the ARC reported that an update would be made in the Report to confirm that an unqualified external audit opinion had been received. The University had also received a positive internal audit opinion, based on a variety of internal audits during the year. The Chair thanked members of the Committee for their positive engagement throughout 2022-23 and 2023-24.

The Court noted that future ARC meetings would consider potential timetables for the 2023-24 external audit, including sign off of the Accounts in December 2024 and sign off in early 2025.

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The Chair of the ARC observed that, while the ERP variation fee within the External Audit had reduced for 2022-23, this had been counteracted by work to comply with a new audit regulation around technology (ISA 315).

XXX Reserved Section – Ref. FOI(S)A, s.33**M24/10 UNIVERSITY STRATEGIC RISK REGISTER (Ct1/24/08b)**

The Court received and approved the University Strategic Risk Register, presented by the University Secretary.

The Court noted that the Register provided was an interim update to the November 2023 version, and reflected a point in time in January 2024. A number of the strategic risks were now being reviewed to take account of recent changes to the external risk landscape, and the ARC had considered an updated Register at its meeting earlier that day.

The Court recommended that future versions of the Register should be revised so that it was easier to link the controls in place to the specific part of the risk that they were designed to mitigate. Currently this was difficult due to the size of the document.

The Court noted that the recalibration of risks, mitigations and actions that was currently underway would address some blurring between required actions and controls.

The Court also observed that it would be useful to understand the relationship between the Risk Register and the University's Risk Management Policy, and to have a visual representation of the ideal trajectory for each risk. The Court noted that retaining talent and ensuring that staff capacity and capability was matched to Strategy 2035 would be vital.

M24/11 DUBAI CAMPUS BRANCH ACCOUNTS (Ct1/24/09)

The Court received and noted the Dubai Campus Branch Accounts, presented by the GFD.

The Court noted that the Vice-Principal and Provost (Dubai) had signed the Branch Accounts prior to lodging, on the basis of her Power of Attorney. The Accounts had been audited by EY Dubai before being incorporated into the Group Reports and Financial Statements. The Branch Accounts had also been presented to Ms Marta Phillips, as Lead Governor for the Dubai Campus, at the AGM in November 2023, prior to being lodged.

M24/12 DATE OF NEXT MEETING

21 March 2024, 8.30am (UK time), 12.30pm (Dubai time), 4.30pm (Malaysia time).