

AUDIT COMMITTEE

1 June 2026 in Room 209, Sutherland Building, City Campus West

CONFIRMED SUMMARY MINUTES

Contact Georgina Lawson georgina.Lawson@northumbria.ac.uk, Secretary to the Board of Governors, with any queries about these Summary Minutes.

The meeting was preceded by a closed meeting with Committee members and the representatives of internal and external audit.

Present: H Thorne (Chair), A Currie, A Fellows, J Hudson, P Turnbull, I Wilkin

Observer: P Judge

Apologies: R Earle, Prof A Long, A Sahota (PWC),

Secretary: G Lawson, B Lenney (Assistant Secretary)

In attendance: Prof L Bracken [AC25/78], T Bright (RSM), A Clemmet [AC25/82], Dr S Corbett [AC25/75, AC25/76], Prof J Entwistle [AC25/82], L Mayfield, J McKenna [AC25/77], S McNally (PwC) [absent AC25/73], Prof H Robson [AC25/80], L Robson (RSM), C Stogden, J Taylor.

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

1. Introduction

Chair's Opening Remarks

The Chair welcomed Alison Currie, new Independent Governor, to her first meeting as a Member of the Committee and new External Audit colleagues, Lucy Robson and Thomas Bright, to their first meeting of the Committee.

The Chair noted that this was Ian Wilkin's last meeting of the Committee and thanked him for his contribution during his term of office.

The Chair noted that this was her last meeting as Chair and a member of the Committee, which would be chaired by Alison Fellows from 1 July.

Vice-Chancellor's Horizon Scanning [Oral Report]

The Vice-Chancellor and Chief Executive provided an update on national, regional and local sector and policy developments and their implications for Northumbria. The Education Select Committee's report of 12 May 2026 had described the position facing UK universities as unprecedented, treating a major insolvency as a credible possibility, with redundancies, course closures, and asset sales already visible across the sector. The University was well-positioned relative to the sector, having moved early, the cost adjustment programme was delivering well, with 65% of staffing savings confirmed and the remaining gap concentrated in four schools and parts of professional services. A reduction in the TPS employer contribution rate from April 2027 had been indicated, likely in the range of 5–10%, which was welcome as short-term relief but did not address the scheme's fundamental unpredictability. UCU had taken 20 official strike days, with the mandate ending in June, student impact had been formally assessed and learning mitigated. UCU had also passed a motion of no confidence in the Board and issued a censure. The University had won two Educate North Awards, and the £25m UNEE Spinout Inspire Fund, created by five universities and the North East Mayoral Strategic Authority, was launching on 11 June at Northumbria. **The Committee noted the report and recognised the pressures on financial sustainability and the UKVI landscape particularly**

	demanding on leadership time and that these areas would be considered further later on the agenda under the Strategic Risk Report. <u>Strategic Risk Report</u> [AC25/69] The Committee requested a number of clarifications be added to the Strategic Risk Report and endorsed this for consideration by Board of Governors on 29 June, subject to review of SR9 (Regulatory Compliance).
2.	<u>External Audit</u> <u>External Audit – Feedback on 2025/26 Audit</u> [AC25/69] The Committee noted an update from RSM, the University’s External Auditors and welcomed the quality of the plan.
3.	<u>Internal Audit Plan</u> <u>Internal Audit Progress Report 2025/26</u> [AC25/70] The Committee noted progress on the implementation of the Internal Audit plan. <u>Audit Report: Debt Management</u> [AC25/71] The Committee noted the Debt Management Internal Audit Report which was rated Medium Risk overall, with one medium and four low findings, noting that Management considered the report to provide good assurances on the University’s debt management processes and had agreed all five recommendations, with target dates for completion between July and September 2026. <u>Draft Internal Audit Plan 2026/27</u> [AC25/72] The Committee considered the Draft Internal Audit Plan 2026/27, prepared by PwC. The plan had been developed in consultation with UE stakeholders, PwC and the Committee. Eight reviews were proposed with one further available review remaining unassigned until the November Audit Committee meeting as in previous years. Reviews covering new regulatory and OfS requirements had been included and five additional reviews had been identified as potential inclusion potential for the available review slot or in future plans. The Committee noted the draft plan, noting that the draft timings indicated potential for the plan to be heavily distributed towards the end of the year, and these would be refined with sponsors before the final plan was considered in September, PwC considered the plan to be robust and endorsed the draft Internal Audit Plan ahead of final approval at the September meeting of the Committee. <u>Appointment of Internal Auditor</u> [AC25/73] The Committee noted an update on the Appointment of the Internal Auditor from 1 August 2026 noting that the tender process had been robust with the continuity providing an opportunity to work with PwC to improve delivery of the plan. The Committee approved the appointment and approved the appointment of PwC as the University’s internal audit provider. <u>Outstanding Audit Actions</u> [AC25/74] The Committee noted that 20 out of 72 outstanding audit actions were fully implemented with 48 not yet due. <u>IT Vulnerabilities Update</u> [AC25/75] The Committee noted an update on the progress made against the Management Action Plan arising from the PwC Vulnerability and Patch Management internal audit noting that at the first formal checkpoint in May 2026, 11 actions were rated Met and progressing through the PwC assurance process. The Committee requested changes to the overall format to future iterations of the report in order to enhance clarity. The Committee approved the requested extension deadline, and agreed that the proposed action closures were not approved, requesting that an updated action plan, reflecting the changes agreed at the February meeting of the Committee, be presented at the the September meeting of the Committee.

4.

Policy, Risk and Assurance

Cyber Posture and Governance Update Q1 2026 [AC25/76]

The Committee noted a report on the current cyber security threat landscape facing the Higher Education sector, welcomed self-assessment against The Cyber Assessment Framework (CAF) and requested that the next iteration of the report included an expansion of the future trajectory.

OfS Student Returns 2023/24 Audit Outcome [AC25/77]

The Committee noted the outcome of the OfS audit of the University's 2023/24 student data return and the resulting action plan, noting that the final report offered moderate assurance, and that following a resubmission of the data no further quality issues had been found.

Institutional Position on Defence Sector Engagement [AC25/78]

The Committee noted the proposed institutional position statement on defence sector engagement, requesting some amendments, and endorsed the statement for consideration by Board of Governors on 29 June 2026.

Risk Appetite Statement Review [AC25/79]

The Committee considered proposed updates to the University's Risk Appetite Statement, noting that no changes to the structure of the statement or addition of new risk categories were proposed, the proposed changes were intended to signal intent for more decisive and innovative action, and there were minor updates to terminology in the opening paragraphs to reflect the University Strategy 2024–30. **The Committee noted the statement, noting that it was a starting point rather than an end point, intended to initiate conversations about what risks should be considered and mitigated, and that further discussions were required around how the statement should be used operationally. The Committee endorsed the Risk Appetite Statement for consideration by Board of Governors on 29 June 2026.**

Competition and Markets Authority Policy [AC25/80]

The Committee considered proposed changes to the Competition and Markets Authority (CMA). All changes were administrative in nature, with the exception of amendments to previous references to London Campus and Pathway to UK Educational Partnerships, which had been updated to clarify the scope of the policy. The Digital Markets, Competition and Consumers Act 2024 had strengthened the CMA's powers, enabling it to directly assess and enforce consumer protection breaches without relying on court decisions and to impose civil penalties of up to 10% of turnover and these legislative developments were reflected in the updated policy. **The Committee endorsed the CMA policy for consideration by Board of Governors on 29 June 2026.**

Regulatory Reportable Incidents Summary [AC25/81]

The Committee noted an update on Reportable incidents as at 19 May 2026.

Health and Safety Report Q3 2025/26 [AC25/82]

The Committee considered the Health and Safety Report covering Quarter 3 (January – April 2026). Mandatory training completion rates were broadly static with ten of 15 schools below the 95% target, though most showed an improving trend. Health and Safety and Stress Management for Managers required most attention. Planned preventative maintenance sat at 98% and above across all contractors, the VEGA asbestos management contract had been extended by 12 months and all water hygiene flushing documents had been reviewed. 19 area and 6 laboratory inspections took place, with building fabric defects and out-of-date PAT testing identified as consistent findings. Accompanied inspections with Sodexo were agreed for the next period. New Terms of Reference had been approved for all Faculty and Service Health and Safety Groups, aligned to the updated UHSC Terms of Reference, with all sub-groups meeting on a triannual cycle using a common agenda and reporting template. Tyne and Wear Fire and Rescue Service inspections of Glenmara House and New Bridge Street identified no deficiencies. Fire marshal provision stood at 156 trained marshals and fire marshal training was being developed as an e-learning module. **The Committee noted the report.**

5 **Constitutional and Administrative Items**

Annual Evaluation of Committee Effectiveness [AC25/83]

The Committee considered its effectiveness during 2025/26. Responses to the effectiveness survey were received from six of ten potential respondents (60%), comprising three Committee Members or Co-opted Members and three members of University Executive. Responses to most questions agreed or strongly agreed that the Committee demonstrated the attribute in question, with the exception of the question on whether agendas and papers enabled focus on relevant issues with all business given appropriate attention, which received two 'neither agree nor disagree' responses and two free text responses were received. **The Committee noted the report, noting that the Governance Effectiveness Review had recommended that the inclusion of more starred items on Board and Committee agendas could allow for more time to be spent on items requiring fuller discussion and scrutiny, consideration would be given as to where this approach may be appropriate for Audit Committee agendas. The Committee also noted that the assurance map, which was currently under development and would be considered at the September meeting of the Committee, would enable the Committee to assure itself that other Committees were fulfilling their responsibilities effectively.**

Georgina Lawson,
Secretary to Audit Committee,
June 2026