

AUDIT COMMITTEE

15 September 2025 via Microsoft Teams

CONFIRMED SUMMARY MINUTES

Contact Georgina Bailes georgina.bailes@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 Fellows, P Turnbull [from AC25/01], I Wilkin, S Haagensen
Observer: P Judge
Apologies: J Hudson
Secretary: G Bailes, B Lenney (Assistant Secretary)
In attendance: T Assadian [AC25/02, AC25/05, AC25/14 and AC25/24], J Blewitt (KPMG) [to AC25/24], Dr S Corbett [AC25/10], J Embley [AC25/06, AC25/11-AC25/13], Prof J Entwistle [AC25/11-AC25/13], Prof T Lawson, Prof A Long, Prof L Mayfield, J McKenna [AC25/07], S McNally (PwC) [to AC25/24], A Robinson [AC25/02, AC25/05], C Stogden, A Sahota (PWC) [to AC25/24], J Taylor, M Wilkie (KPMG) [to AC25/24], Jay Wilson [AC25/06]

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

1.	<p><u>Introduction</u> <u>Chair's Introduction</u> The Chair welcomed members and attendees to the first meeting of the 2025/26 academic year.</p> <p><u>Vice-Chancellor's Horizon Scanning</u> [Oral Report] The Vice-Chancellor and Chief Executive provided an update on sector wide matters and the implications of these for the University. Following the ministerial reshuffle, key ministers remained in place though with some changed reporting lines, Peter Kyle was no longer Secretary of State for Science, Innovation and Technology. The annual UUK conference in September included conversations with key ministers and a pause to the REF were announced, with universities seeking certainty on the rules. All three ministers emphasised specialisation in higher education, which raised concerns around diverse community needs and participation rates. Edward Peck, Chair of the OfS Committee had indicated that there would be TEF reforms and Gold institutions could face less frequent assessment, whilst bronze institutions could face number caps. The Vice-Chancellor and Chief Executive had been appointed to the UCEA board for a term of four years. Linda Lightly (Fashion Technician) was shortlisted for Outstanding Technician of the Year from the Times Higher Education Awards, Liz Griffiths (Law School) had received a National Teaching Fellowship from Advance HE, and seven researchers from various disciplines across the University had been selected for the REF2029 panel. Northumbria University Nursery has been named a finalist for the Individual Nursery of the Year award at the National NMT Nursery Awards 2025. The Committee noted the report, commended the awards received, and welcomed the work on confirmation and clearing, recognising that this was a challenging environment.</p>
2.	<p><u>External Audit 2024/25</u> <u>Indicative External Audit Plan 2024/25</u> [AC25/01] The Committee noted the external audit plan for 2024/25 from KPMG, the University's External Auditors.</p> <p><u>Key Accounting Judgements and Areas of Audit Focus</u> [AC25/02]</p>

The Committee noted the Key Accounting Judgements and Areas of Audit Focus for 2024/25 noting that all recommendations from KPMG's audit of 2023/24 had been addressed. The Committee approved the key accounting judgements for inclusion in the Annual Report and Financial Statements 2024/25 and approved the subsidiary audit exemption for Northumbria University International Ltd under Section 479A of the Companies Act 2006.

3. **Internal Audit Plan**

Annual Report and Follow-up 2024/25 [AC25/03]

The Committee considered the Internal Audit Annual Report and Follow-up for 2024/25. Nine reviews had been completed, with report gradings including one Low risk, five Medium risk, and one Advisory review; the Estates Planning and Cost Management review had been changed from risk-based to advisory. PwC had provided an overall opinion of reasonable/moderate assurance, which was considered positive given the complexity of the institution. No critical or high-risk issues had been identified, the recommendations raised were not of significant concern and the follow-up process was considered rigorous, with governance in place and reasonable justification provided where deadlines had slipped. Areas of good practice had been identified across multiple reviews, including AI policy development, agent management processes, and dashboard functionality enhancements. **The Committee noted the report and commended the Governance Team and PwC for their efforts in ensuring the completion of the programme within the agreed timeline. The Committee welcomed the examples of good practice highlighted in the report and noted that the report provided key inputs and offered a clear foundation for the Committee's annual report to the Board.**

Internal Audit Progress Report and Follow-up 2022/23 and 2023/24 [AC25/26]

The Committee noted progress on the implementation of the Internal Audit plan and approved the extensions for outstanding audit actions for ESFA, ERP NUPF Finance, and UKVI audits, requesting that sufficient time for governance processes was considered as part of preparing future management action plans.

Internal Audit Report: Estates Planning and Cost Management [AC25/04]

The Committee considered the Estates Planning and Cost Management Internal Audit report which had concluded with eight advisory recommendations on stronger governance, control maturity, financial control, and decision-making consistency. Good practice areas were identified in estate management approaches and process frameworks. **The Committee noted the report and that appropriate learnings would be built into the management of live projects, and that a risk based review in this area was included in the 2025/26 audit plan.**

Internal Audit Report: Financial Regulations [AC25/05]

The Committee considered the Financial Regulations Internal Audit report which was rated as low risk overall, with three low risk recommendations and one advisory recommendation. The review confirmed good compliance with the updated Financial Regulations, with only minor process enhancements required, and was considered helpful as it looked at areas of compliance not typically captured in standard annual reviews. **The Committee noted the report and welcomed the assurances it provided.**

Internal Audit Report: Legal Workflow [AC25/06]

The Committee considered the Legal Workflow Internal Audit report which was rated as medium risk overall, with two medium risk recommendations and one low risk recommendation. The recommendations focused on strengthening workflow management, tracking processes, and legal advice requirements. The issues identified were generally housekeeping and procedural, and the feedback had been welcomed, with several recommendations already implemented. There were several recommendations where an alternative approach to implementation was proposed. **The Committee noted the report and that the medium risk rating reflected the volume of expectations and inconsistency between documentation and actual practice. PwC were comfortable with the alternative methods being used to address the recommendations as no significant concerns had been identified.**

Internal Audit Report: Strategy Performance Monitoring [AC25/07]

The Committee considered the Strategy Performance Monitoring Internal Audit report which was rated as medium risk overall, with two medium risk recommendations, two low risk recommendations, and one advisory recommendation. The report presented useful findings at the one-year review point of the Strategy, some recommendations prompted reflection on the complexity of the Strategy's reporting and future

arrangements following completion of the current cycle of reporting. **The Committee noted the report, and that the medium risk recommendations related to a lack of evidence being available at the point of sign-off being tested. The Committee requested that the report be shared with Strategic Performance Committee for information and noting.**

Outstanding Audit Actions [AC25/08]

The Committee noted that 19 out of 42 outstanding audit actions were fully implemented with 23 not yet due.

Internal Audit Plan 2025/26 [AC25/09]

The Committee considered the Internal Audit Plan for 2025/26. The number of audit days had increased, reflecting scope expansion and a higher number of days per review due to the incorporation of new global internal audit standards, which placed stronger emphasis on governance and Board oversight. The programme applied a risk-based approach to audit selection and prioritisation, aligned with the University's strategic risks and the wider sector, and there would be an opportunity at the November meeting of the Committee meeting to discuss the focus of the 'spare' audit scheduled in the latter half of the year. The programme was considered to provide good coverage to support the formation of the annual opinion. **The Committee noted the report, noting that PwC were comfortable that the plan gave adequate coverage against SR16 - the University does not deliver change or large strategic projects effectively - and also addresses new regulatory and legislative changes. The Committee was assured by the scope of the work and PwC's view that the University has good "second lines of defence" via its internal governance, but requested that the University develops a wider assurance map. The Committee approved the annual plan for 2025/265 and requested that during the scoping of the Fire Safety audit, consideration was given to ensuring that the review was value added and not a duplication of other audit/inspection processes.**

4. **Policy, Risk and Assurance**

Cyber Security [AC25/10]

The Committee noted the Cyber security report, commending its clarity and presentation. Several follow up actions were requested, including that the University undertakes a self-assessment against a recognised cybersecurity framework and reviews the cybersecurity risk in the strategic risk register.

Health and Safety Report Q4 2024/25 [AC25/11]

The Committee considered the Health and Safety Q4 2024/25 report prior to submission to Board of Governors on 13 October. Mandatory training completion rates had improved since the previous quarter, with Display Screen Equipment at 98% exceeding the 95% target, Fire Safety at 94%, and Health, Safety and Stress Management for Managers at 91%, both remaining slightly below target. Planned preventative maintenance completion rates were at or above the 95% target for all providers, with approximately 1,500 monthly reports received and verified. Five inspections were conducted, including three Facilities-led building inspections and two Health and Safety Services-led building inspections, with all actions either complete or on track, and three HLS laboratory inspections with three overdue actions being followed up. There were no fire-related incidents during the period and no fire service inspections. Initial feedback from the external consultants that undertook Reviews of Risk Assessment and Hazardous Substances Management had been received which identified areas for improvement, the formal report would be brought to a future meeting of the Committee. A Letter of Deficiencies was received from Tyne and Wear Fire and Rescue Service following an inspection on 13 August of New Bridge Street Accommodation, the Health and Safety team were undertaking an investigation to determine the cause and review other properties managed by Sodexo. **The Committee noted the report.**

Health and Safety Annual Report 2024/25 [AC25/12]

The Committee considered the Health and Safety Annual Report for 2024/25 prior to submission to Board of Governors on 13 October. The Annual Plan delivery showed Standing Actions were either met or partially met, with the external audit programme paused due to concerns about the service provider's performance following the Students' Union audit. Key Performance Indicators showed planned preventative maintenance completion rates to all exceed the 95% target. The University's ISO 45001 certification was retained following the November 2024 audit with 100% compliance achieved and a three-yearly re-certification audit was due in October 2025. Risk profiling pilots were completed in three Schools, showing variable health and safety

management performance, with Health and Safety Services and the Schools developing improvement plans. External reviews by Hastam of risk assessment and hazardous substance management were completed, with final reports expected shortly. Incident reporting showed three RIDDOR-reportable incidents occurred in quick succession with no HSE follow-up, and a Task and Finish Group reviewed incident procedures, recommending system improvements and a refresh of the Code of Practice. **The Committee noted the report and requested that Health and Safety at the London Campus were specifically addressed in the report, and that reporting more generally was reviewed to ensure that there are no gaps in coverage in relation to the London Campus.**

Sports Incident Reporting [AC25/13]

The Committee considered the Sports Incident Reporting update. The total number of sports incident reports fell to 131 in 2024/25 compared to 156 in the previous year but remained significantly higher than the 67 reported in 2022/23. Team Northumbria continued to report the highest number of incidents with 69 incidents compared to 44 in the previous year, rugby had the highest number of incidents, with American football being replaced by badminton in the top six sports. The number of major injuries increased to 27 in 2024/25, from 15 and 16 in the two previous years, with rugby showing the most significant increase from 4 to 13 major injuries. The increase in rugby injuries was attributed to elite teams achieving promotion and playing in higher leagues against more physical opponents with increased training sessions, the improved reporting would be used to understand the nature of the injuries going forward. Concussion injuries in rugby increased from 2 to 5, with all concussion injuries in contact sports following the concussion protocol, the continuing higher level of reporting reflected ongoing improvements in coach training and focus on incident reporting. **The Committee noted the report, noting concern around the potential increase in incidents following promotion to a higher division, further data would be requested to fully understand the situation and enable mitigating actions, and requested that the Health and Safety Management Group review this further.**

Financial Regulations Levels and Limits – Proposed Changes [AC25/14]

The Committee considered the proposed changes to Financial Regulations levels and limits prior to submission to Finance and Resources Committee on 22 September 2025. The changes reflected a desire to increase the level of trust across the organisation in decision-making. **The Committee noted the proposed changes and asked for assurance on the management of conflicts of interest. It was noted that the onus was on approvers to declare and mitigate any potential conflicts of interest, segregated duties were already in place to ensure good controls and any issues found would continue to be managed.**

Insurance Coverage Report [AC25/15]

The Committee noted the Insurance Coverage report, noting that the University continued to receive value for money from UMAL's cover in a challenging financial market and the expected increased costs due to ongoing construction and the Estates Delivery Plan, and specialised construction brokers were being consulted to ensure appropriate protections were in place.

Regulatory Reportable Incidents Summary [AC25/16]

The Committee noted that there were no reportable or notifiable incidents or reportable events.

Strategic Risk Report [AC25/17]

The Committee endorsed the Strategic Risk Report for consideration by Board of Governors on 13 October.

Guild HE checklist for Governance and Leadership Learning following the Gillies Report in relation to Dundee University [AC25/25]

The Committee considered the Guild HE checklist for governance and leadership learning. The Gillies Report, published in June 2025, identified significant failures in financial management, governance, and institutional culture at the University of Dundee that led to a £35m financial crisis. Northumbria had considered the recommendations in the Guild HE checklist which covered governance, financial controls,

and cultural practices and the result of the self-assessment against this checklist demonstrated strong performance across all three key areas with a positive culture of transparency through open messaging between UE and Board, comprehensive induction and compliance reporting processes and well-understood financial reporting. While the assessment was broadly positive, suggested enhancements had been identified including the provision of more detail on cost-cutting reporting mechanisms, and the introduction of an annual governance refresher in the Governor bulletin. **The Committee noted the report.**

Draft Audit Committee Annual Report [AC25/18]

The Committee considered the draft Audit Committee Annual Report 2024/25. Internal and external audit elements reported to the committee in this meeting had not yet been updated in the report. As recommended by the CUC Code of Practice the report contained references outside of the financial year (1 August - 31 July) to cover the Committee's September and November meetings and the report would be circulated to the Committee for final comment prior to approval at its 18 November meeting. **The Committee noted the report.**

Georgina Bailes
Secretary to Audit Committee
September 2025