AUDIT COMMITTEE

Online via Microsoft Teams

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:	A Fellows (Chair), A Currie, R Earl, J Hudson, P Turnbull
Observer:	P Judge
Secretary:	G Lawson, B Lenney (Assistant Secretary)
In attendance:	T Assadian [AC26/03, AC26/15], T Bright (RSM), Dr G Brown [AC26/10, AC26/18], Dr S Corbett [AC26/06, AC26/13], V Hutton [AC26/10], Prof A Long, L Mayfield, S McNally (PwC), L Robson (RSM), A Sahota (PwC), C Stogden, J Taylor, C Thompson [AC26/15].

	MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING
1.	**Introduction** **Chair's Opening Remarks** The Chair welcomed members and attendees to the meeting. **Declaration of Interests** Peter Judge declared a new interest, he would be joining a consumer panel for a water company and confirmed that it did not affect items on the agenda. **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 University remained on track to reduce its cost base, achieved largely through voluntary severance rather than compulsory redundancy. A recent UCU ballot regarding cost savings would not result in industrial action at the start of term, though a further ballot remained possible. Despite one of the most competitive recruitment years the sector had seen, the University remained on track to meet its student recruitment budget target, though challenges remained in international recruitment. Following Andy Burnham's appointment as Prime Minister, the government had announced what was billed as the biggest education overhaul in 15 years, and Lucy Powell had been appointed Education Secretary. At the recent UUK conference, ministers had referenced a target for two-thirds of young people in higher-level learning and a shift in UKRI's funding approach, with a wider review of university funding also underway. Three academic colleagues had been named National Teaching Fellows by Advance HE, the University had been shortlisted for Outstanding Contribution to EDI at the THE Awards, and the NUSTEM team had won the Royal Society Athena Prize 2026. Northern Gritstone had made its first post-92 university investments, supporting two University spinouts. **The Committee noted the report.** **Strategic Risk Report** [AC25/01] **The Committee endorsed the Strategic Risk Report for consideration by Board of Governors on 12 October 2026.** **Strategic Assurance Map** [AC26/02] **The Committee approved the Strategic Assurance Map which was designed to centralise assurance activity across Board Committees, Sub-Committees and University Executive groups, enabling the**

	Board of Governors to determine whether sufficient, reliable assurance existed across key areas of the University which used the industry standard methodology.
2.	**<u>External Audit</u>** **<u>External Audit Plan 2025/26 Update</u>** [AC26/03] **The Committee noted the External Audit Plan for 2025/26 noting that there were no changes to the previously presented risk assessment and the final position would be reported to the November Committee meeting.** **<u>Key Accounting Judgements and Areas of Audit Focus</u>** [AC26/04] **The Committee noted the Key Accounting Judgements and Areas of Audit Focus, noting that there were no areas of concern and that RSM, in the first year of their contract, would carry out additional testing. The Committee approved the proposed key accounting judgements and estimates disclosure for inclusion in the Annual Report and Financial Statements, noting that the final disclosure would be considered by the Committee at its November meeting.**
3.	**<u>Internal Audit Plan</u>** **<u>Annual Report and Follow-up 2025/26</u>** [AC26/05] **The Committee noted the Annual Report and Follow-up report.** **<u>IT Vulnerabilities and Patch Management Update</u>** [AC26/06] **The Committee noted an update on the IT Vulnerabilities and Patch Management internal audit actions and approved the requested extensions.** **<u>Audit Report: Cost Management of Estates Projects</u>** [AC26/07] **The Committee noted the Cost Management of Estates Projects internal audit report which followed on from the advisory report completed during the 2024/25 audit plan and was rated as low risk, with one medium and one low risk recommendation.** **<u>Audit Report: Foreign Influence Registration Scheme (FIRS)</u>** [AC26/08] **The Committee noted the Foreign Influence Registration Scheme internal audit report which was rated as medium risk, with three medium risk recommendations and one advisory recommendation, with no registerable areas found to have been missed.** **<u>Audit Report: Accommodation Maintenance</u>** [AC26/09] **The Committee noted the Accommodation Maintenance internal audit report which was rated as low risk, with one low risk recommendation relating to control design which had been completed.** **<u>Audit Report: OfS Condition E6: Harassment and Sexual Misconduct</u>** [AC26/10] **The Committee noted that OfS Condition E6: Harassment and Sexual Misconduct internal audit report which was rated as medium risk, with two medium risk recommendations and one low risk. The Committee queried whether training could be made mandatory. Management confirmed that this was considered unfeasible given limited penalty options, and focus instead was placed on the benefits of the training, timetabling time for completion, and ensuring it was not onerous to complete.** **<u>Internal Audit Plan 2026/27 Final</u>** [AC26/11] **The Committee approved the Internal Audit Plan for 2026/27.** **<u>Internal Audit Progress Report</u>** [AC26/12] **The Committee noted progress against the Internal Audit Plan and approved the requested extensions to outstanding audit actions.**

4.	**Policy, Risk and Assurance** **NCSC Cyber Assessment Framework** [AC26/13] The Committee considered the presentation on the NCSC Cyber Assessment Framework (CAF) which was a structured, outcomes-based tool developed by the National Cyber Security Centre for assessing and improving the cyber security and resilience of organisations responsible for essential services. The CAF was built on four objectives, underpinned by 14 principles and 41 contributing outcomes, each assessed as achieved, partially achieved or not achieved and was not a pass/fail exam but produced a maturity snapshot, with organisations setting a target CAF profile reflecting the risk profile of their essential services. **The Committee noted the report and welcomed the additional assurance that the framework would provide, noting that the schedule for future reporting to the Committee was to be confirmed and would be included in the future agenda plan.** **Insurance Coverage Report** [AC26/14] **The Committee noted the Insurance Coverage Report.** **Financial Regulations** [AC26/15] The Committee considered the proposed amendments to the Financial Regulations prior to consideration by Finance and Resources Committee on 1 October 2026. The changes had been proposed ahead of the triennial review date of February 2027 and were largely designed to aid understanding and use of the Financial Regulations, minor amendments had been made throughout to job titles, committee titles, system names, named legislation, wording, links and formatting. Changes to approval bands had been proposed to increase efficiency and prevent the overloading of certain grade levels with approvals, informed by data on the volume and value of purchase orders processed. It was proposed to raise the SMG member approval limit to £250k to relieve the volume of approvals at CFO level, and to increase the upper level for grant funding from core funders to £1.0m at Associate FPVC level, clearer guidance had been provided on the distinction between approval and signature of contracts, with any contract able to be signed by Grade 7 or above provided it had been approved at the correct level, and central signature authority introduced for RIS. All transactions would still go through an approval process, and the changes would be reviewed after one year with enhanced monitoring of the lower-level changes during the first year of operation. **The Committee noted the proposed amendments to the Financial Regulations for consideration by Finance and Resources Committee on 1 October and by Board of Governors on 12 October 2026, requesting clarification be provided on the proposed changes related to power of attorney.** **Scheme of Delegated Authority** [AC26/16] The Committee considered the updated Scheme of Delegated Authority 2026/27 prior to consideration by Board of Governors on 12 October 2026. The review and approval of this year's Scheme had been delayed to allow full alignment with the implementation of the new CUC Higher Education Code 2026. The majority of changes related to job titles or portfolios, descriptors, and reporting cycles or relevant policies. Two standalone sections had been added for Research and Apprenticeships, with a new subsidiary section added to support compliance with Condition E10. The approval route for the establishment of new University Subsidiaries and Joint Ventures had been strengthened, with final approval moving from Finance and Resources Committee to Board of Governors. **The Committee endorsed the Scheme of Delegated Authority for consideration by Board of Governors on 12 October 2026.** **Safeguarding and Prevent Annual Report** [AC26/17] The Committee considered the Safeguarding and Prevent Annual Report 2025/26 prior to consideration by Board of Governors on 12 October 2026. The report covered the period 1 August 2025 to 31 July 2026 and was the key source of assurance to the Board of Governors that the University's Safeguarding and Prevent arrangements were robust. The OfS required an annual Prevent accountability statement, signed by the Chair of the Board, and an associated dataset to be submitted by 1 December 2026. The Safeguarding Steering Group and the Prevent Coordinating Group had merged into a single Safeguarding and Prevent Steering Group in 2025/26 and a significant programme of work had been undertaken to implement OfS Condition E6. The internal audit of compliance with Condition E6 had concluded with an overall medium risk opinion. Priorities for 2026/27 included an ongoing review of the Designated Safeguarding Officer role, review of safeguarding-related policies, improved monitoring of non-core staff safeguarding training, and completion of the E6 internal audit management action plan. **The Committee endorsed the Safeguarding and Prevent Report for consideration by Board of Governors on 12 October 2026, including the**

	statements that the University had complied with its statutory Safeguarding Duty and Duty of Care, and the declarations required for the University's annual submission to the Office for Students on compliance with the Prevent Duty. **<u>Regulatory Reportable Incidents Summary</u>** [AC26/18] **The Committee noted the report.** **<u>Draft Audit Committee Annual Report 2025/26 [</u>**AC26/19] **The Committee noted its draft annual report, noting that it would be updated to reflect items reported at this meeting. A final version of the report would be presented to the Committee for approval at its November 2026 meeting, prior to submission to Board of Governors on 14 December 2026.**

Georgina Lawson,
Secretary to Audit Committee,
September 2026