

**AUDIT COMMITTEE**

**22 May 2023 - via Microsoft Teams (including video link)**

**CONFIRMED SUMMARY MINUTES**

Contact Georgina Bailes, [georgina.bailes@northumbria.ac.uk](mailto:georgina.bailes@northumbria.ac.uk), Secretary to the Board of Governors, with any queries about these Summary Minutes.

Present: J Bromiley (Chair), J Hudson, P Judge, S Pelham, A Corfield, A Rice-Thomson,  
Apologies: P Charnock (PwC), H Thorne  
Secretary: G Bailes, R Elliott (Assistant Secretary)  
In attendance: S Corbett, Prof T Lawson, Prof A Long [to AC22/73], D Monnery, S Newitt, A Sahota (PwC), C Stogden, J Taylor, Prof G Wynn [AC22/64], J Blewett (KPMG), D Chamberlain (KPMG), C Partridge (KPMG), S McNair (PwC).

<p>1.</p>	<p><b><u>Introduction</u></b>  <b><u>Vice-Chancellor's Horizon Scanning</u></b> [Oral Report]  The Vice-Chancellor and Chief Executive presented on sector wide matters and the implications of these for the University. The withdrawal from the Amsterdam Campus had been announced and it was confirmed that no staff were at risk. International PGT recruitment was likely to be affected by the expected government announcement to remove dependent visas for students on one-year programmes which would take effect in 2023/24. The collaboration agreement with Newcastle University would be renewed this summer; Secretary of State for Education Gillian Keegan was expected to attend a round table discussion with North East Universities hosted by Northumbria. <b>The Committee noted the update, that the final intake of students to the Amsterdam campus was September 2023 and all students would continue to be taught and supported until graduation. The Committee commended the approach taken.</b></p>
<p>2.</p>	<p><b><u>Board and Committee Responsibilities</u></b>  <b><u>Committee Annual Evaluation 2022/23</u></b> [AC22/58]  The Committee considered the Evaluation of Committee Effectiveness for 2022/23. There had been a response rate of 92% and the majority of responses were positive. <b>The Committee noted the report and that all Committee Evaluations would be considered by Board of Governors.</b></p> <p><b><u>Committee Terms of Reference for 2023/24</u></b> [AC22/59]  The Committee considered its Terms of Reference, which benchmarking had shown to be similar to Audit Committee terms of reference across the sector, and assessed their suitability for 2023/24 . <b>The Committee suggested amendments and requested a review of point 2.6 alongside the Terms of Reference of other Committees.</b></p>
<p>3.</p>	<p><b><u>External Audit Plan 2022/23</u></b> [AC22/60]  The Committee considered an update from KPMG, the University's external auditors. The implications of the requirements to comply with US GAAP 2023/24 were being clarified and a new International Auditing Standard would come into effect in July 2023. <b>The Committee noted the update and that the requirement to comply with US GAAP was linked to increases in US student recruitment which had reached the reportable threshold.</b></p> <p><b><u>Proposal for Audit of Subsidiary Companies</u></b> [AC22/61]  The Committee considered the proposal to take the newly-available subsidiary audit exemption for Northumbria University Nursery Limited, Northumbria University Services Limited and Northumbria International Limited; a final recommendation would be made once legal advice had been received. <b>The Committee agreed that the exemption should not be taken for London Campus and noted that the exemption wording would need to be included in the year end accounts if taken.</b></p>

4. **Internal Audit 2022/23**

**Outstanding Audit Actions** [AC22/62]

The Committee considered progress in the implementation of previously agreed audit actions. Of the 10 actions, nine were not yet falling due for implementation and one extension was requested. **The Committee approved the extension request.**

**Update on progress on Information Security Action** [Oral Report]

**The Committee noted progress on the Information Security action and that a pilot of the technology had been successful but further testing was required, and requested that an implementation plan was provided.**

**Internal Audit Progress Report 2022/23** [AC22/63]

The Committee considered progress on the implementation of the 2022/23 Internal Audit plan since 13 February 2023: final reports for Access and Participations, Outsourced Contracts and Procurements Management and Cyber Governance. Terms of Reference had been issued for NMC Competence Test Centre and Research and Innovation. **The Committee noted the report and that some audits had been delayed to accommodate internal pressures and changes to personnel and welcomed PWC's assurance there were no systemic issues and there was good engagement with the University Executive.**

**Access and Participation Plan** [AC22/64]

The Committee considered the Access and Participation Plan internal audit report which was rated as medium overall with three medium risk recommendations and one low risk. The recommendations were mainly around governance developments to align with sector best practice. **The Committee noted the report.**

**Cyber Governance** [AC22/65]

The Committee considered the Cyber Governance internal audit report which was rated as high risk overall with one high risk recommendation, one medium and 3 low. The high risk recommendation related to IT asset management and the process and controls in relations to cyber governance were being reviewed. **The Committee noted the report and that an IT asset management audit was also scheduled and requested an update and timelines on the implementation of the asset management policy.**

**Outsourced Contracts and Procurement Management** [AC22/67]

The Committee considered the Outsourced Contracts and Procurement Management report which was rated as low risk overall with one medium risk recommendation and one low. Overall the University has well established processes and controls in place for the contract management of the three outsourced services contracts. **The Committee noted the report, that value was a consideration throughout the life of the contract not just at the point of procurement, that the contracts reviewed were medium term and that contract extensions and the approach to re-procurement had been reported to Employment and Finance Committee.**

**Draft Internal Audit plan for 2023/24** [AC22/68]

The Committee considered the draft internal audit plan for 2023/24 which had been discussed at University Executive. **The Committee noted the plan and requested that mapping of the plan to the strategic risks and the University strategy, and whether audits were suggested by PWC or the University was included in the final plan submitted at the September meeting.**

**International Tax Advice and Support Update** [AC22/69]

The Committee considered the update on International tax advice and support which related to the work undertaken to date aligned to the International Tax Advice contract with PWC; the update was provided according to the Committee's requirements when the contract was put in place. **The Committee noted the update that the work was operating within the approved contract rates, the number of queries to PWC was expected to reduce and that it was not feasible for this work to be done in house due to the individual requirements of each country's tax regimes. Committee requested confirmation of the point at which the value of work being undertaken by PWC would require further review by the Committee.**

5. **Policy, Risk and Assurance**  
**Health, Safety and Wellbeing Report Q3 2022/23**

The committee noted the report would be sent by circulation.

**Resilience Policy** [AC22/71]

The Committee considered the Resilience Policy which merged two existing policies, Business Continuity and Incident Management as they were closely related and included many duplicated elements. The content remained largely the same as the previous Business Continuity Policy approved by Board on 27 June 2022 with elements to conform with the new Development and Management of Policies guidance. The Business Continuity and Incident Management Plans remained separate and unchanged. **The Committee noted the Resilience policy and that the two existing policies would be replaced after Board approval and endorsed the Resilience policy for submission to Board of Governors.**

**Scheme of Delegated Authority – Annual Review** [AC22/72]

The Committee considered proposed updates to the Scheme of Delegated Authority. The majority of changes related to changes in job titles of some senior officers, a provision had been included to allow for in-year urgent changes and approval of some policies had been delegated from Board of Governors to Employment and Finance Committee with endorsement by Audit Committee. The revised SoDA would take effect from 1 August 2023. **The Committee noted the changes to the SoDA and that financial delegated authority was included in the Financial Regulations, and endorsed the updated Scheme of Delegated Authority for submission to Board of Governors on 26 June 2023.**

**Strategic Risk Register** [AC22/73]

The Committee considered changes to the Strategic Risk Register. There had been one change to a Strategic Risk RAG score, three changes to risk scores and two changes to Strategic Risk Owner (risks 7 and 15). Risk triggers had been added to risk 12 to reflect reduced capacity to manage the Estates Master plan. **The Committee noted the report, that there had been positive changes to the culture of risk management across the University with risk registers being created for all strategic projects and requested an update on this was included in the report for the September committee meeting.**

**Reportable Incidents Summary** [AC22/74] **CONFIDENTIAL AND LEGALLY PRIVILEGED**  
(NB: this item is Legally Privileged and included in Reserved Business Minutes)

Georgina Bailes, Secretary to Audit Committee,  
May 2023