



AUDIT COMMITTEE

7 February 2022 - via Microsoft Teams (including video link)

CONFIRMED SUMMARY MINUTES

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

Present: J Bromiley (Chair), A Corfield, J Hudson, P Judge
Observer: S Liu
Apologies: Dr S Corbett, Prof. T Lawson, C Partridge (KPMG), S Pelham, A Rice-Thomson.
Secretary: G Bailes, R Elliott (Assistant Secretary)
In attendance: F Belsey [AC21/54], P Charnock (PwC), M McLaughlin [AC21/48], S McNair (PwC) [to AC21/55], M Moore (KPMG) [to AC21/55], Prof G Marston [AC21/51], D Monnery, S Nelson (QAHE) [AC21/44], S Newitt, K Oliver, E Pritchard [AC21/51], C Stogden, Professor A Wathey [to AC21/54], R Wicks [AC21/53]

1.	<p><u>Introduction</u> <u>Vice-Chancellor's Horizon Scanning</u> [Oral Report] The Vice-Chancellor and Chief Executive presented on sector wide matters and the implications of these for the University. Key developments included the Government's HE reform programmes, DfE priorities and OfS developments. The Committee noted the report and noted that some financial risk to the sector around inflation and mixed economic growth remained, but there were potential opportunities for growth in international recruitment.</p>
2.	<p><u>External Audit</u> <u>External Audit Report</u> [AC21/43] The Committee considered the report of KPMG, the University's external auditors. It was the final version of the draft presented to the 8 November 2021 Committee meeting which concluded the external audit.</p> <p><u>London Campus External Audit 2020/21 Summary and Proposed Improvement</u> [AC21/44] The Committee considered issues in relation to the group audit of the London Campus subsidiary. Improvements to address issues raised had already been put in place, and the overall partnership continued to be strong with great opportunities for further development. The Committee welcomed the joint approach to the identified issues and accountability and requested that consideration was given to the flow of information during the year with a report to the 23 May meeting and a detailed plan in preparation for the next audit to be brought to the 12 September 2022 meeting.</p>
3.	<p><u>Internal Audit 2021/22</u> <u>Outstanding Audit Actions</u> [AC21/45] The Committee considered progress in the implementation of previously agreed audit actions. Of the 11 actions, one was not yet falling due for implementation, seven were reported as fully implemented and three were reported as overdue against their agreed implementation dates.</p> <p><u>Internal Audit Progress Report 2021/22</u> [AC21/46] The Committee considered progress on the implementation of the 2021/22 Internal Audit Plan which was on track. Planned reviews were in progress with good engagement from management. The timing and scope of the HR/Payroll audit was being reviewed in context of the ERP implementation programme. The Committee noted the report,</p> <p><u>Risk Management Audit Report</u> [AC21/46] The Committee considered the Risk Management internal audit report which was high risk. It was noted that the audit had been carried out at the request of management in acknowledgment of the delays to the updating and development of the framework due to capacity issues in the Governance Services Team which had now been addressed. The Committee noted the report and responded as part of the item on Approach to Risk Management in section 4.</p>

	<p><u>Student Wellbeing Audit Report [AC21/48]</u> The Committee considered the Student Wellbeing internal audit report which highlighted that the impact of the pandemic on student wellbeing. A medium risk related to ownership and maintenance of policies would be addressed by end of February 2022. The Committee noted the report.</p> <p><u>Thought Leadership: Future of Government - Racial Equality 22 [AC21/49]</u> The Committee noted the report, which would be circulated to a wider audience.</p> <p><u>Contract for International Tax Advice and Support [AC21/50]</u> The Committee considered a proposal to appoint PwC to provide advice and support on international tax issues as it was not cost effective to acquire the required expertise internally. Controls would be put in place to mitigate the potential risks of conflict of interest given PwC's status as the University's internal auditors. The Committee approved the appointment of PwC and requested that individual pieces of work likely to exceed £25k fees, and projected annual costs of greater than £75k would be reported to Committee and that internal checks would be put in place if the tax work appeared likely to impact on areas of activity covered by the internal audit plan.</p>
4.	<p><u>Policy, Risk and Assurance</u> <u>Health, Safety and Wellbeing Report Q1 2020/21 [AC21/51]</u> The Committee considered the Health, Safety and Wellbeing Report August – October 2021 which confirmed that all buildings continued to be Covid secure and fire stopping works had been completed at Trinity Square and the accommodation remained safe to occupy. The Committee noted the report and requested an update on EAP usage.</p> <p><u>Approach to Risk Management [AC21/52]</u> The Committee considered the proposed new approach to Risk Management which the University was required to have in place to ensure sustainability of operations and compliance with OfS conditions of registration. The existing risk registers and framework required updating and the new priorities had been informed by the internal audit by PwC. The Committee welcomed the report and provided a range of suggestions for development and improvement. A revised set of documentation would be circulated to Committee members before submission to Board of Governors on 1 March 2022.</p> <p><u>Business Continuity Implementation Plan [AC21/53]</u> The Committee considered the proposed Business Continuity Implementation Plan which outlined the planned developments for 2022 and noted that Critical Incident Management would be reviewed concurrently by the Resilience Manager. Milestones were identified to align with Committee meetings and a new system (Continuity2) for managing BCP information and contacts have been purchased and was in the process of being implemented. The Committee approved the proposed approach to developing the plan.</p> <p><u>TRAC Return 2020/21 [AC21/54 and presentation]</u> The Committee considered the TRAC return which was an OfS condition of registration. The Committee was requested to review the return for reasonableness and compliance and the report provided assurance the methodology used was in accordance with the requirements. The Committee confirmed that the return complied with TRAC requirements for 2020/21.</p> <p><u>Reportable Incidents Summary [AC21/56] CONFIDENTIAL AND LEGALLY PRIVILEGED</u> <i>(NB: this item is Legally Privileged and included in Reserved Business Minutes)</i></p> <p><u>Committee Agenda Plan 2021/22 [AC21/56]</u> The Committee noted its 2021/22 Agenda Plan and future meeting agenda items.</p>
5.	<p><u>Meeting Record, Reporting and Context</u> <u>Matters Arising/Summary Action List [AC21/58]</u> The Committee considered progress in the implementation of previously agreed actions and confirmed the actions in the Holding Bay as completed for release from the Summary Action List.</p>

Georgina Bailes,
Secretary to Audit Committee,
February 2022