

Agenda Item:	6i
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**AUDIT COMMITTEE – 13 February 2022  
UNCONFIRMED SUMMARY MINUTES**

Summary Minutes of the meeting of the Audit Committee held on **Monday 13 February 2023** at **1415 hours** via **Teams** *The meeting was preceded by a closed meeting with Committee members and the representatives of internal and external audit.*

Present: J Bromiley (Chair), J Hudson, P Judge, S Pelham, A Corfield  
Observer: S Liu  
Apologies: A Rice-Thomson, P Charnock (PwC), S McNair (PwC), D Monnery, C Partridge (KPMG)  
Secretary: G Bailes, R Elliott (Assistant Secretary)  
In attendance: J Blewett (KPMG), S Corbett, Prof T Lawson, Prof A Long, S Newitt, A Sahota (PwC), C Stogden, J Taylor, Prof G Wynn [AC22/46]

*The complete version of the unconfirmed minutes is available to all governors on request, recognising that these are subject to formal confirmation as an accurate record by the Committee at its next meeting. As a general rule, only confirmed minutes which are non-confidential will be accessible to a wider audience.*

**MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING**

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|-----------|---|
| <b>1.</b> | <p><b><u>Introduction</u></b><br/> <b><u>Vice-Chancellor’s Horizon Scanning</u></b> [Oral Report]<br/>         The Vice-Chancellor and Chief Executive presented on sector wide matters and the implications of these for the University. A devolution scheme for the North East was subject to consultation and the University was engaging with North East partners to discuss skills and innovation opportunities. Recent advances in AI were of concern and proposals were being prepared on the responsible and ethical use of AI in academia. A funding cap for Foundation Year programmes and restrictions to the visa conditions of international students were being considered by Government. The impacts on students of the on-going industrial action was being monitored. <b>The Committee noted the update.</b></p> |
| <b>2.</b> | <p><b><u>External Audit Update</u></b> [Oral Report]<br/>         The Committee considered an update from KPMG. The audit of the University’s 100% owned subsidiaries was on going and the sign-off of the London accounts was expected the following week. A different team within KPMG was working with Lockheed Martin on aspects of the Government funding for the North East Space Centre and there was a possibility that some commentary on Northumbria University would be included as part of this, however, it was considered that there was no conflict of interest. <b>The committee noted the update and agreed that there was no concern of conflict of interest from KPMG work commissioned by Lockheed Martin.</b></p>  |
| <b>3.</b> | <p><b><u>Internal Audit 2022/23</u></b><br/> <b><u>Outstanding Audit Actions</u></b> [AC22/44]<br/>         The Committee considered progress in the implementation of previously agreed audit actions. Of the 22 actions, fourteen were not yet falling due for implementation and eight were reported as fully implemented. <b>The Committee commended the progress made on implementing audit actions.</b></p> <p><b><u>Update on progress on Information Security Action</u></b> [Oral Report]<br/>         The Committee considered progress on an Information Security action. The technical issues for upgrading network ports had been solved however there were issues with ensuring the upgrade worked for all</p>  |

networked devices and an implementation plan was being worked on. **The Committee noted the progress and requested an update at every Committee meeting until the action was completed.**

**Internal Audit Progress Report 2022/23** [AC22/45]

The Committee considered progress on the implementation of the 2022/23 Internal Audit plan since 14 November: the final report for the Continuous Programme Review had been issued, draft reports had been issued for Access and Participation and Cyber Governance audits, terms of reference for the remaining audits had been issued. **The Committee noted the report and that internal processes had been updated to address recent delays and asked for the next reports to be issued to the Committee when completed rather than waiting for the May meeting.**

**Continuous Programme Review** [AC22/46]

The Committee considered the Continuous Programme Review internal audit report which was rated as medium overall with two medium risk recommendations and one low risk. A temporary process and structure had been put in place whilst a wider review of the governance structure for approving new courses, amendments and withdrawal of courses was on going; a New Programme Approval Policy had been developed and a process to ensure consistency when withdrawing a programme was being formulated. **The Committee noted the report**

4. **Policy, Risk and Assurance**

**Strategic Risk Report** [AC22/47]

The Committee considered changes to the Strategic Risk Register as a result of the first full cycle of reviews under the revised framework. There were no changes to the RAG status of any Strategic Risk and one risk score SR3 (Research quality and income), had moved down by one point making it no longer a critical risk. Risk triggers and controls had been added to include topical risks such as the potential changes to the foundation year cap, cost of living, industrial action. SR13 had been amended to reference Business Continuity specifically as opposed to more general, standardised business processes; the risk would be separated into two at the next review. **The Committee noted the report and commended the progress on risk management over the last year, and in the spirit of continuous improvement asked the Executive to (1) consider what further changes could be made to ensure the risk register was a dynamic document and (2) to consider how it ensured that live wider influences on the University's risks were captured adequately.**

**TRAC Return 2021/22** [AC22/48]

The Committee considered the results of the 2021/22 TRAC return and noted that the report was intended to provide the Committee with assurance that the methodology used in the compilation and reporting of TRACE was in accordance with the TRAC requirements. The return was submitted in time for the 31 January deadline; commentaries in response to several tests for reasonableness had been required and there had been a historic error in a formula which had now been corrected. **The Committee noted the TRAC return and that it was used for sector benchmarking and would be used to help inform the next Strategy. Teaching and public funding recovery rates were close to the threshold, which was intended to provide assurance that the University was not over-recovering costs – this was not a cause for concern and reflected a sector-wide relationship between teaching and research funding, but the allocation of time to research in the TRAC model would be reviewed for the 2022/23 return. The Committee confirmed compliance with the TRAC requirements.**

**Reportable Incidents Policy** [AC22/49]

The Committee considered the updated Reportable Incidents Policy which had been moved to the new Policy and Procedure structure approved by University Executive in September 2022. The policy had been updated to reflect the change in the OfS definition of reportable events, and roles, responsibilities and processes had been clarified. **The Committee endorsed the Reportable Incidents Policy and Procedure for submission to Board of Governors.**

**Reportable Incidents Summary** [AC22/33] **CONFIDENTIAL AND LEGALLY PRIVILEGED**

*(NB: this item is Legally Privileged and included in Reserved Business Minutes)*