

AUDIT COMMITTEE

12 February 2024 in room 209, Sutherland Building, City Campus West and via Microsoft Teams (including videolink)

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 Corfield, A Fellows, J Hudson, P Judge, I Wilkin
 Apologies: D Chamberlain (KPMG), D Monnery
 Secretary: G Bailes, R Elliott (Assistant Secretary)
 In attendance: J Blewett (KPMG) [Absent Audit Contracts], Dr S Corbett, Prof T Lawson, Prof A Long, Prof G Marston [AC23/55], M McLaughlin [AC23/47 and AC23/54], S McNair (PwC) [Absent Audit Contracts], S Newitt, A Sahota (PwC) [Absent Audit Contracts], C Stogden, J Taylor, Prof G Wynn [AC23/47 and AC23/54]

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

<p>1.</p>	<p><u>Introduction</u> <u>Chair's Introduction</u> The Chair thanked A Corfield for his three years of service as a co-opted Committee member following nine years' service on the Committee as a Governor including eight years as its Chair, welcomed A Fellows and I Wilkin to their first meeting of the Committee and thanked S Newitt, who was leaving the University, for his contribution to the work of the Committee in his role as CFO.</p> <p><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. The University had undergone a ISO40001 Sustainability Management audit which had been a success with a number of areas noted as best practice and the social impact report commissioned by the University showed that the University had generated c.£1.6bn gross value added. The Shadow Education Secretary, Bridget Phillipson, had visited the University on 2 February and had posted very positive commentary on social media. The Committee noted the update and commended the open, honest and realistic approach the University was taking to the current financial challenges.</p>
<p>2.</p>	<p><u>External Audit</u> <u>External Audit Report 2022/23</u> [Oral Report] The Committee considered feedback on the 2022/23 external audit. Both the University's Group accounts and the London Campus accounts had been signed off earlier than the previous year and planning for 2023/24 audits would begin earlier to account for the migration to the new ERP System. The Committee noted the report.</p>
<p>3.</p>	<p><u>Internal Audit</u> <u>Internal Audit Progress Report</u> [AC23/45] The Committee considered progress on the implementation of the 2023/24 Internal Audit plan since 13 November 2023; the two final reports for reviews carried forward into the 2034/24 plan from 2022/23 had now been issued and one final report for the 2023/24 plan had been issued. New processes had been put in place to improve the management of the internal audit programme and to ensure that reports are delivered by their schedule meeting including University Executive scrutiny of the reports prior to finalisation for review by Audit Committee; PwC were confident that this would not impact on the completion of the audit plan and the annual audit opinion. The Committee noted the report and agreed the proposed mid-year review of the audit plan to tighten audit scoping and timely delivery from 2024/25, noting that PwC did not expect any resource issues should the audit plan flex as a result.</p>

Information Security Audit Report [AC23/46]

The Committee noted the Information Security Audit Report which was rated as medium risk overall with one high risk recommendation, one medium and one low.

UKVI Students [AC23/47]

The Committee noted the report, which had been requested by management and was rated as high risk overall, with two high risk recommendations, two medium and two low.

Programme and Project Management [AC23/49]

The Committee noted the Programme and Project Management internal audit report which was rated as medium risk overall with four medium risk recommendations and one low, and noted that programme and project management had been centralised under the leadership of the Chief Information Officer since the audit had been carried out.

Outstanding Audit Actions [AC23/50]

The Committee considered progress in the implementation of previously agreed audit actions. Of the 21 actions, one was not yet due for implementation, 17 were reported as fully implemented and three were reported as overdue against their agreed implementation dates. **The Committee approved the requested extensions and requested that action plans be provided for future extension requests.**

Update on progress on Information Security Action [AC23/51]

The Committee considered an update on progress on the outstanding Information Security action: PwC had concluded that the security landscape and the University's approach to cyber security were sufficiently strengthened from the point at which the action had originally been raised and supported the proposal to close the action from the March 2019 Information Security review. **The Committee noted the update, noting that lessons had been learned from the protracted period that the action had been on-going, and approved the closure of the action.**

4. **Policy, Risk and Assurance**

External and Internal Audit Contracts [Oral Report]

The Committee considered the performance of PwC and KPMG in relation to the impending end of their initial contract periods and options to extend both contracts. **The Committee noted the update and requested a recommendation for extending for a further two years to be considered at the 22 May committee meeting with a view to submitting to Board of Governors on 24 June for approval.**

Safeguarding Policy [AC23/52]

The Committee considered the updated Safeguarding Policy following consideration by University Executive. The Policy incorporated the University's approach to its obligations under the Counter-Terrorism and Security Act 2015 (the Prevent Duty), which was becoming a sector standard approach, and had been updated to reflect changes to the external policy environment and clarify internal procedures. **The Committee endorsed the Safeguarding Policy for submission to Board of Governors on 26 February subject to minor revisions.**

Strategic Risk Report [AC23/53]

The Committee noted the report and requested a presentation on the development process for the new Strategic Risk Register and how it aligned to the new Strategy as part of the 22 May item.

ESFA Audit Outcome [AC23/54]

The Committee considered the outcome of the ESFA audit which ran from September 2022 to November 2023 and the proposed next steps for the management action plan and on-going compliance. Following a successful challenge in November 2023 the audit had closed with a satisfactory outcome and the majority of issues identified had been resolved. **The Committee noted the update and that a review of the ESFA action plan and compliance would be considered as part of the 2024/45 internal audit planning process.**

Health and Safety Report Q2 2023/24 [AC23/55]

	<p>The Committee considered the Health and Safety Q2 2023/24 report which showed there had been a continuing improvement in mandatory training completion and three months consecutive months of greater than 98% statutory compliance. The Committee noted the report, noting that support was being given to Security staff that had received verbal and physical abuse, mandatory training was delivered offline for those staff without access to a computer, and thanked the Director of Health and Safety, who was leaving the University, for her contribution to the Committee's work.</p> <p><u>TRAC Return</u> [AC23/56] The Committee noted that an internal audit review of TRAC had been included in the 2023/24 internal audit plan which would give additional assurances on the process, and confirmed that the TRAC return had been compiled in accordance with the TRAC requirements.</p>
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Georgina Bailes,
Secretary to Audit Committee,
February 2024