

AUDIT COMMITTEE

6 June 2024 via Microsoft Teams

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 Fellows, J Hudson; P Judge

Apologies: T Lawson, P MacDonald, S McNair, I Wilkin

Secretary: G Bailes, R Elliott (Assistant Secretary)

In attendance: J Blewett (KPMG) [items to AC23/67 and item AC23/69], Dr S Corbett, J Embley [AC23/65], A Haxell [AC23/64], Prof A Long, Prof G Marston [AC23/70], S McNair (PwC) [items to AC23/67 and item AC23/69], A Robinson, C Stogden, A Sahota (PWC) [items to AC23/67 and item AC23/69], J Taylor, M Wilkie (KPMG) [items to AC23/67 and item AC23/69],

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

1.	<p><u>Introduction</u> <u>Chair's Introduction</u> The Chair welcomed Michael Wilkie, KPMG, to his first meeting of the Committee.</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 retention of the graduate visa route had been supported by the recently published Migration Advisory Committee report which had found no significant abuses of the current system. The OfS Freedom of Speech consultation had now closed and the confirmed guidance and requirements were expected to be available by 1 August. The VC had been one of ten VCs to attend a meeting with the Education Secretary and other senior ministers, including the PM, at Downing Street to discuss antisemitism on campuses and provide reassurances that mitigations were in place and the matter was being taken seriously. The University had won the RoSPA award for Education and Training Services. The Committee noted the update.</p>
2.	<p><u>External Audit 2023/24</u> <u>External Audit Report 2023/24 Update</u> [Oral Report] The Committee noted an update on planning for the 2023/24 External Audit which was still in progress due to new US GAAP requirements and the implementation of the ERP system. The Audit Strategy would be circulated to the Committee prior to the September meeting.</p>
3.	<p><u>Internal Audit Plan</u> <u>Internal Audit Progress Report</u> [AC23/62] The Committee considered progress on the implementation of the 2023/24 Internal Audit plan since 12 February 2024. Two final reports had been issued, Recruitment (HR) and Careers and Employability Support (see below), fieldwork was in progress for four reviews and the final terms of reference had been issued for the remaining reviews. The Committee noted the report and that five of eight audits for 2023/24 would be reported to the September 2024 meeting, all were on track to meet this deadline.</p> <p><u>Careers and Employability Support</u> [AC23/63] The Committee noted the Careers and Employability report which was rated as medium risk overall with three medium risk recommendations and one low, that there was a management action plan in place which was on track to meet the identified deadlines and the good progress made to date in implementing the agreed actions</p>

Recruitment (HR) [AC23/64]

The Committee noted the Recruitment (HR) report, which had taken place during the transition to ERP and was rated as high risk overall with two high risk recommendations, one medium and one low. It had not been possible to reach an agreement with PWC on two recommendations. The Committee requested additional assurances on these and monitoring of approvals to be reported to its September meeting.

Outstanding Audit Actions [AC23/65]

The Committee commended the progress on the implementation of previously agreed audit actions. Of the 28 actions, 20 were not yet due for implementation and 8 were reported as fully implemented.

Strategic Risk Register 2024-30 [AC23/69]

The Committee considered the refreshed Strategic Risk Register (SRR) following consideration at University Executive. It had been refreshed to align with the Strategic Ambitions, Commitments and Measures of Success identified in the new Strategy, and reflected emerging risks in the sector. The scoring model used had been changed to the ISO industry standard risk scoring model of inherent, residual and target, with inherent more accurately reflecting the untreated risk, and a new proximity score had been introduced to all risk owners to identify the likelihood of a potential risk occurring imminently or in the longer term. The review and reporting process would continue as already established though the report would be updated to reflect the changes in the new risk register. **The Committee welcomed the evolution of the SRR to align with the ISO risk standard, suggested clarification to risks around the University's global presence and its reputation, market position, influence and partnerships, and endorsed the SRR for submission to Board of Governors on 24 June.**

Draft Internal Audit Plan [AC23/66]

The Committee noted and endorsed the Draft Internal Audit Plan for 2024/25 which had been discussed with University Executive. A flexible approach had been taken to allow for the plan to be revised in November if required.

International Tax Advice and Support Update [AC23/67]

The Committee noted an update on International Tax Advice and Support. 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. The Committee approved the one year extension to the contract.

4. **Policy, Risk and Assurance**

Health and Safety Report Q3 2024/25 [AC23/70]

The Committee considered the Health and Safety Q3 2024/25 report which showed there had been a continuing improvement in mandatory training completion and three consecutive months of greater than 98% statutory compliance. There had been two external fire related incidents at separate external accommodation providers, both buildings had been safely evacuated with no injuries reported and there had been one RIDDOR reportable incident involving a sub-contractor which had been investigated. For the second consecutive year the University had won the RoSPA award for Education and Training Services and had been awarded a Gold Leisure Services Award. **The Committee commended the improvements in mandatory training and award successes.**

Assurance on Regulatory Compliance [AC23/71]

The Committee considered a report on Assurance on Regulatory Compliance. There had been two recent reports to University Executive on compliance within Student, Library and Academic Services, and across the whole University. A compliance group had been convened to provide an overview which would be reported to UE quarterly and annually to this Committee. **The Committee noted the report and that work was in progress to address concerns raised by the recent review of compliance in SLAS which was considered to be the highest area of risk. Compliance in research required attention due to the complexity and rapid speed of change of the research landscape and changes to regulations; there were no problems identified.**