AUDIT COMMITTEE – 18 SEPTEMBER 2023
UNCONFIRMED SUMMARY MINUTES

Summary Minutes of the meeting of the Audit Committee held on **Monday 18 September** at **1000 hours** via **Microsoft Teams (including video link).**

Present:	J Bromiley (Chair), J Hudson, P Judge, S Pelham, H Thorne
Apologies:	A Corfield
Secretary:	G Bailes, R Elliott (Assistant Secretary)
In attendance:	J Blewett (KPMG) [AC23/01, AC23/04, AC23/05,.AC23/09-AC23/11], D Chamberlain (KPMG,), Prof T Lawson, Prof A Long, S McNair (PwC), Prof G Marston [AC23/05,AC23/21], D Monnery, S Newitt [AC23/01, AC23/04, AC23/11], R Savidis [AC23/05, AC23/21], C Stogden, Dr S Corbett, A Sahota (PwC), Prof S Soppitt [AC23/14], J Taylor, Prof G Wynn [AC23/13-AC23/14]

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

1.	**Introduction** **Vice-Chancellor's Horizon Scanning** [Oral Report] The Vice-Chancellor and Chief Executive presented on sector wide matters and the implications of these for the University. There had been continued improvement in NSS scores with Northumbria now ranked above sector average in three out of seven categories; the University was now ranked in the Top 50 of all the major UK leagues tables for the first time. The University had been shortlisted in the THE awards for Outstanding Services to Students for work on supporting nurses and Knowledge Exchange/Transfer Initiative of the Year as part the Northern Accelerator. **The Committee noted the report and welcomed the improvements in the NSS and league table rankings.**
2.	**External Audit** **External Audit Progress** [Oral Report] The Committee considered the audit progress report of KPMG, the University's External Auditors. The audit had started recently and was progressing well with most requested information received. **The Committee noted the report.** **Key Accounting Judgements and Areas of Audit Focus** [AC23/01] The Committee considered an update on the findings arising from the 2021/22 audit and areas of significant estimation and audit focus for 2022/23, noting that the audit findings from 2021/22 and the key areas of audit focus identified by KPMG had been responded to and there had been no significant changes to the disclosure from 2021/22. The most recent valuations of USS showed a significant surplus and there were ongoing discussions with KPMG and the wider sector to confirm how it should be accounted for. **The Committee noted the report, noting that KPMG were satisfied with the report and judgements and that the implementation of ERP would resolve some outstanding concerns. The Committee welcomed external advice being sought in regard to the pension surplus and endorsed the critical accounting judgements and estimates disclosure within the Annual Report and Financial Statements for the year ending 31 July 2023 for submission to Board of Governors as part of the Annual Report and Financial Statements.**
3	**Internal Audit** **Outstanding Audit Actions** [AC23/02] The Committee considered progress in the implementation of previously agreed audit actions. Of the 38 actions, 24 were not yet falling due for implementation, 12 were reported as fully implemented, one was

reported as overdue against its agreed implementation date. The completion of one action was confirmed after the Committee meeting following the go live decision for payroll via ERP. **The Committee noted the report.**

Progress update on Information Security Action [Oral Report]
The Committee noted the update and requested that the action was reviewed by PwC and reported back to the Committee at its 13 November meeting.

Internal Audit Progress Report 2022/23 and 2023/24 [AC23/03]
The Committee considered progress on the implementation of the 2022/23 and 2023/24 Internal Audit Plans since its May 2023 meeting. The 2022/23 plan was on track and the remaining three planned reviews would be completed by the November Committee meeting. It was recommended that the deadlines for actions from the Access and Participation Review were extended to September. The 2023/24 plan had started with one scoping meeting held so far and three more arranged. **The Committee noted the report and approved the requested extension of 30 September 2023 for the Access and Participation actions.**

ERP Phase 2 [AC23/04]
The Committee considered the ERP Phase 2 internal audit report, the recommendations of which had been responded to as part of the ERP implementation programme as they arose. Testing carried out in March and April had highlighted that the July go live date for Oracle payroll was high risk, as a result it was delayed to September 2023 and PWC had continued to provide assurance after the audit was concluded in July. **The Committee noted the report and that the September payroll would be parallel run on SAP and Oracle with the critical go live decision to be made on 21 September. Subsequent to the meeting the decision was to go live on Oracle.**

Health and Safety [AC23/05]
The Committee considered the Health and Safety internal audit report, which was rated as high risk overall. Management had accepted the findings and was in the process of strengthening monitoring of the implementation of relevant codes and principles within Faculties as part of the annual assurance programme. **The Committee noted the report and that the Health and Safety policy was currently being reviewed. The Committee emphasised that the responsibility of Faculty line management structures for Health and Safety including completion of required training needed to be reinforced. The Committee requested an urgent report on the issues raised in the audit including a revised timescale for implementation of actions in view of the issues raised and the level of risk, and requested that the Health and Safety annual report, risk indicators and ratings be amended where necessary to reflect the findings from the audit for Board of Governors.**

Continuous Programme Review [AC23/06]
The Committee noted the updated action owners and deadlines of Continuous Programme Review internal audit report.

Final Internal Audit Plan 2023/24 [AC23/07]
The Committee considered the final Internal Audit Plan for 2023/24, which had been updated to include references to the University's strategic outcomes and the expected timings of each audit. **The Committee noted the report, that both international partnerships and legislative and security risks would be considered for inclusion in the 2024/25 audit programme and that the plan could be revised in-year if required.**

4.	**Policy, Risk and Assurance**

Health and Safety Q4 and Annual Summary 2022/23 [AC23/08]
The Committee considered the Health and Safety Report for Q4, which included the 2022/23 annual summary. There had been above target completion of planned preventative maintenance for Q4 with no RIDDOR reportable incidents. During 2022/23 the University had won the Royal Society for Prevention of Accidents Education and Training Services sector award and was a finalist for the Sir George Earle Trophy presented for most outstanding health and safety performance in the UK. The 2023/24 action plan would be presented with the Q1 report to the 13 November Committee meeting and would include actions for individual Faculties and Services as well as at a University level. **The Committee noted the report**

and requested that it be updated better to reflect the findings of the internal audit report (see AC23/05 above) before submission to Board of Governors.

Strategic Risk Register [AC23/09]
The Committee considered changes to the Strategic Risk Register since its 22 May Committee meeting in which there had been two changes to a strategic risk RAG score, three changes to risk likelihood scores and there had been two significant developments which were likely to impact on future risk scores. There would be a full review of the Strategic Risk Register to reflect the new University Strategy. **The Committee noted the report, commended the progress on developing the risk management culture so far and requested future reports include information on how this was progressing across each part of the University's activities.**

Draft Audit Committee Annual Report 2022/23 [AC23/10]
The Committee considered the Draft Audit Committee Annual Report 2022/23 in which some elements would not be finalised until internal and external audit work was concluded and would be circulated to the Committee for final comments prior to approval at its 13 November meeting. **The Committee noted the Draft annual report and requested some amendments.**

Insurance Coverage Report [AC23/11]
The Committee considered the Insurance Coverage Report for 2022/23. The University continued to use appropriate insurance coverage as a key element of risk management and the arrangements with the University's main insurers continued to provide Value for Money. **The Committee noted the report and that work was underway to fully understand the presence and scale of any RAAC in University buildings.**

Attendance Monitoring Compliance and Risk [AC23/13]
The Committee noted an update on Attendance Monitoring Compliance and Risk.

Education and Skills Funding Agency (ESFA) Audit [AC23/14]
The Committee considered a report on the recent ESFA audit of apprenticeships provision and the recommended next steps. **The Committee noted the report, noting that lessons learned were discussed by Education Committee for consideration across all programmes and a risk register for apprenticeship provision was being developed.**

Georgina Bailes,
Secretary to Audit Committee,
September 2023