

**AUDIT COMMITTEE**

**18 November 2024 via Microsoft Teams**

**CONFIRMED SUMMARY MINUTES**

Contact Georgina Bailes [georgina.bailes@northumbria.ac.uk](mailto: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, I Wilkin

**Apologies:** S Haagensen, P Judge, P Turnbull

**Secretary:** G Bailes, R Elliott and B Lenney (Assistant Secretary)

**In attendance:** T Assadian [to AC24/31], J Blewitt (KPMG), Prof T Lawson, Prof A Long, Prof G Marston [AC24/34], L Mayfield, S McNair (PwC) [absent AC24/33 and from AC24/39], A Robinson [AC24/31-AC24/32 and AC24/34-AC24/43], G Tideswell [Minute AC24/34], C Stogden, A Sahota (PWC), J Taylor, M Wilkie (KPMG)

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

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| <b>1.</b> | <p><b><u>Introduction</u></b><br/><b><u>Chair's Introduction</u></b><br/>The Chair noted that this would be Richard Elliott's final Audit Committee meeting and thanked him for the support and advice provided to the Committee during his time at the University.</p> <p><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. The Government's recent Budget announcement and subsequent Ministerial statement had seen a 3.1% increase to tuition fees and maintenance loans from September 2025 which the University intended would apply to all new and continuing students. No changes had been made to maintenance grants or the parental income threshold and the University would continue with UUK to highlight those issues. Employer NI contributions had increased, with a reduction to the threshold at which employers were required to pay NI on employee earnings which meant that the net impact of these changes would be broadly neutral in financial terms. The OfS had published an updated report on the financial sustainability of its sector reviewing actual student recruitment numbers against submitted institutional forecasts. The findings concluded that the sector predictions had been optimistic however, it was noted that the impact assessment had not taken post 2023/24 cost-saving measures into consideration. <b>The Committee noted the update and that more information was expected to be announced in relation to the Government's conditions attached to funding increases.</b></p> |
| <b>2.</b> | <p><b><u>External Audit 2023/24</u></b><br/><b><u>External Audit Report 2023/24 Update</u></b> [Oral Report]<br/>The Committee considered the draft audit report of KPMG, the University's External Auditors, on the 2023/24 Annual Report and Financial Statements noting that no concerns had been identified.</p> <p><b><u>Annual Report and Financial Statements 2023/24</u></b> [AC24/27]<br/>The Committee endorsed the ARFS, including the use of the going concern basis of accounting, for submission to Board of Governors on 28 November along with the final versions of KPMG's report and the Management Representation Letter.</p>   |
| <b>3.</b> | <p><b><u>Internal Audit Plan</u></b><br/><b><u>Internal Audit Progress Report</u></b> [AC24/28]</p>  |

The Committee noted progress on the implementation of the Internal Audit plan. One final report had been issued and two further scoping meetings had been arranged.

**Internal Audit Plan – Scope of Non-allocated Audit** [AC24/29]

The Committee approved that the non-allocated audit for the Internal Audit Plan 2024/25 should be a review in legal advice requirements.

**Outstanding Audit Actions** [AC24/30]

The Committee considered the progress on the implementation of previously agreed audit actions. Of the 64 actions, 48 were not yet falling due for implementation, 13 were reported as fully implemented and three were reported as overdue against their agreed implementation dates. **The Committee approved the requested extensions to the three actions from the Competitions Market Authority audit.**

**Internal Audit Report: ERP NUPF Finance** [AC24/31]

The Committee considered the ERP NUPF Finance internal audit report which was rated as low risk overall with three low risk recommendations, one of which had been completed during the review. **The Committee noted the report, commending the successful implementation of the ERP system, and noted that a Closure Report on the ERP Project would be discussed at Finance and Resources Committee on 21 November.**

**Internal Audit Annual Report and Opinion 2023/24** [AC24/32]

The Committee noted the Internal Audit Annual Report and Opinion which had not changed since the Committee's 16 September meeting.

4. **Policy, Risk and Assurance**

**Draft Audit Committee Annual Report 2023/24** [AC24/33]

The Committee approved the draft Audit Committee Annual Report for 2023/24 for consideration by Board of Governors on 28 November following amendments and final approval by Chair's Action.

**Health and Safety Report Q1 2024/25** [AC24/34]

The Committee considered the Health and Safety Q1 (August - September) report, noting that there had been no fire related incidents and a TWFRS visit to Trinity Square had led to a downgrade of the building risk level due to remedial fire safety work progress. **The Committee noted the report and requested that an update on Faculty activity to address unsatisfactory mandatory training completion rates was brought to the Committee's February meeting together with the final report on the investigation into the increase in sports related injuries and the health and safety maturity assessment.**

**Health and Safety Policy and Operating Arrangements Annual Review** [AC24/35]

The Committee endorsed the Health and Safety Policy and Operating Arrangements for submission to Board of Governors on 9 December noting that there had been no significant changes since the previous review.

**Regulatory Compliance Annual Report 2023/24**[AC24/36]

The Committee considered the Regulatory Compliance Annual Report for 2023/24. Though the report focused on compliance activity during 2023/24, the assessments included in the report were current to provide the most up to date assurance; it covered requirements of regulators, and bodies with some quasi-regulatory functions, covering significant elements of activity across the University. **The Committee endorsed the report for consideration by Board of Governors on 28 November, noting that the University Executive would receive quarterly updates.**

**Regulatory Reportable Incidents Summary** [AC24/37]

The Committee noted an update on Regulatory Reportable incidents.

**Strategic Risk Report** [AC24/38]

The Committee endorsed the Strategic Risk Report for consideration by Board of Governors on 9 December, requesting confirmation that the controls were working as intended where they significantly reduced risk scores.

**Safeguarding and Prevent Annual Report 2023/24** [AC24/39]

The Committee considered the Safeguarding and Prevent Annual Report 2023/24. Prevent referrals remained consistent with previous years and a numerical increase in events and increased awareness of the University's monitoring process for external speakers and events had seen an increase in reported numbers on the previous year. **The Committee suggested some amendments and additional information for inclusion in the report for inclusion prior to consideration by Board of Governors on 28 November 2024.**

**Security Annual Report** [AC24/40]

The Committee considered the Security Annual Report 2023/24 which summarised the University's approach to the implementation of its security policies and procedures in the context of the recently published UUK guidance on internationalisation, and increasing threats and risks in both a domestic and international context. A new Security Risk Management Group had been established and a review of security arrangements had been carried out in the context of the guidance. **The Committee noted the report, commending the overall reporting style and endorsed the report for consideration by Board of Governors on 28 November.**

**TRAC Approach** [AC24/41]

The Committee considered how the 2023/24 TRAC return methodology complied with the OfS guidance following consideration by the TRAC Steering Group. A review of processes had been recommended by the Internal Audit review and a change to the methodology for 2023/24 had been recommended via an independent TRAC consultant. **The Committee noted that the recommended changes to the methodology strengthened compliance and would improve cost recovery approved the TRAC approach for 2023/24.**

**TRAC Benchmarking 2022/23** [AC24/42]

**The Committee noted the analysis of the benchmarking data related to the 2022/23 TRAC return.**

**Annual Value for Money Report** [AC24/43]

**The Committee noted the University's internal Value for Money (VfM) report for 2023/24, as part of the supporting documentation for the Audit Committee's Annual Report (see AC24/33)., providing a qualitative assessment of the University's VfM performance in line with OfS guidance.**

Georgina Bailes,  
Secretary to Audit Committee,  
November 2024