

APPROVED

MINUTES OF THE 133RD MEETING OF THE AUDIT COMMITTEE HELD ON THURSDAY 12 NOVEMBER 2020 VIA MICROSOFT TEAMS.

PRESENT:	M Smith (Chair) Dame K Dunnell V Foster	J Khan H Owen Professor F Ross
IN ATTENDANCE:	J Cappock (Company Secretary) (from Minute 20.16) D Gibbs, KPMG (to Minute 20.23) C Hinge (Minute 20.19) E McMillan (Clerk to the Court) (from Minute 20.16)	F Nieboer, KPMG (to Minute 20.23) D Takodra, TIAA (from Minute 20.17 to 20.23) I Wilmot (from Minute 20.16)
ABSENT:	K Limn, TIAA (attendee)	

20.15 PRIVATE MEETING WITH THE EXTERNAL AUDITORS

20.15.1 The meeting commenced with a private meeting of the independent members with the External Auditors - Fleur Nieboer and Dean Gibbs from KPMG.

20.16 ANNOUNCEMENTS

20.16.1 The Chair welcomed members and attendees.

20.16.2 No apologies were received. Members noted the absence of attendee Kevin Limn, the Deputy Managing Director for TIAA.

20.16.3 Members did not declare any new interests.

20.16.4 The Chair confirmed there were no requests to discuss starred items or to raise matters other than those on the agenda.

20.17 AUDIT COMMITTEE ANNUAL REPORT 2019/20

20.17.1 The Clerk presented the Audit Committee annual report (Document AUD 201112A), which will be updated to reflect discussions at this meeting prior to submission to the Court of Governors.

20.17.2 The Clerk informed members of a correction to paragraph 5.4 to reflect the internal auditors' opinion on evidence to support the achievement of value for money.

20.17.3 A member requested reference in the report to the Committee's scrutiny of the impact of the coronavirus pandemic (Covid-19) on revenue and operations.

20.17.3.1 **ACTION** Clerk to add the agreed information to Section 6.

20.17.4 **RESOLVED** Members delegated approval of the revised annual report to the Committee Chair.

Internal Audit annual report 2019/20

20.17.5 Members noted minor updates to the annual report (Document AUD 201112A Appendix).

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20.18 INTERNAL AUDIT INTERIM PROGRESS REPORT

20.18.1 Dakshita Takodra, Senior Internal Audit Manager (TIAA), presented the Internal Audit interim progress report (Document AUD 201112B). The report includes an update on emerging governance, risk and internal control related issues, progress against the 2020/21 plan and follow up of recommendations from previous audits.

20.18.2 Members noted that two audits had been completed since the last meeting.

College Operational Performance Management and Use of MI Qlikview Data

20.18.3 The overall assurance level was Reasonable assurance with two important and four routine recommendations.

Capital Expenditure

20.18.4 The overall assurance level was Limited assurance with two urgent, three important and one routine recommendations (see Minute 20.19).

20.19 INTERNAL AUDIT REVIEW OF CAPITAL EXPENDITURE – PROGRESS REPORT

20.19.1 Director of Estates Planning and Services – Chris Hinge – informed members of progress against the recommendations from the recent internal audit review (Document AUD 201112C).

20.19.2 The Director informed members he is introducing a transparent and auditable process for capital expenditure projects in full compliance with the University's Financial Regulations.

20.19.3 Members queried whether there is adequate capacity in the Department to produce, review and evaluate business cases for capital projects. The Director explained the role of the Estates Advisory Group and confirmed that the process will be led by a new Deputy Director post.

20.19.4 The University Secretary and Chief Operating Officer (USCOO) informed members that he reported on the issues identified in the report to the (then) Finance and Property Committee and that progress had been made since that time.

20.19.5 The Senior Internal Audit Manager confirmed that internal audit will follow up on progress against the recommendations through the usual processes and will undertake testing if necessary to provide adequate evidence of completion.

20.20 STRATEGIC RISK REGISTER UPDATE

20.20.1 The Clerk presented a report on the outcomes of the first periodic review of the Strategic Risk Register for 2020/21 (Document AUD 201112D), which had been agreed by the University Executive Board.

20.20.2 A member noted that the new risk outlined in the summary report had not been included in the risk register submitted as an appendix.

20.20.2.1 **ACTION Clerk** to correct the risk register prior to submission to the Court.

20.20.3 Members noted the addition of a new risk and changes to the risk environment; both relate to the impact of Covid-19.

20.20.4 Members made suggestions for changes to the risk methodology – a higher weighting for impact than likelihood in the risk scoring matrix and removal of the pre-mitigation risk scores for the report to Audit Committee.

20.20.4.1 **ACTION Clerk** to consider the suggestions in the next review of the Risk management policy.

20.21 POTENTIAL FRAUD, BRIBERY, MONEY-LAUNDERING OR BREACHES OF REGULATIONS

20.21.1 Members noted there had not been notification of any reportable incidents since the last meeting.

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20.22 MINUTES FROM THE PREVIOUS MEETING

- 20.22.1 Members confirmed that the minutes of the Audit Committee meeting held on 15 September 2020 (Document AUD 201112E) are an accurate record.

20.23 ACTIONS AND MATTERS ARISING

- 20.23.1 Members received and noted an update on actions from previous meetings (Document AUD 201112F).
- 20.23.2 **External Audit 2019/20 Audit plan and strategy (Action 19.47.7.1)** The External Auditor confirmed he has discussed with the Director of Finance reporting in line with new auditing standards.
- 20.23.3 **Compliance with ongoing regulatory conditions (Action 19.50.2.1)** Members noted that the USCOO has provided the outstanding information to complete the report and the Clerk will submit the report to the Court later this month.
- 20.23.4 **Internal audit review of student retention (Actions 20.3.4.1 and 20.3.5.1)** Members noted that the free text facility was reinstated on 1 July 2020 and received an update on the process to agree and report on strategic key performance indicators.
- 20.23.5 **Draft Audit Committee annual report (Actions 20.7.3.1 and 20.7.7.1)** The Senior Internal Audit Manager informed members that TIAA will include in their annual report for 2020/21 analysis of recommendations against five categories of root causes and confirmed that value for money is referenced in the annual report for 2019/20 as requested.
- 20.23.6 **Potential breach of regulation (Action 20.10.2.1)** Members noted the University's resolution of the potential issue, which prevents the potential breach occurring.
- 20.23.7 **External Audit Service – draft tender documentation (Minute 20.11)** **AGREED** Karen Dunnell and either Jameela Khan or Victoria Foster will participate in the tender panel. Committee Chair, Matthew Smith, will act as substitute if necessary.

20.24 EVALUATION OF AUDIT SERVICES

- 20.24.1 The external and internal auditors left the room and members discussed evaluation forms for both audit services (Document AUD 201112G).

[redacted]

20.25 ANY OTHER BUSINESS

- 20.25.1 Members did not raise any other matters for discussion.

20.26 SUMMARY OF ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

- 20.26.1 Members received an updated summary table of the University's response to the sector issues the University has been advised of by the internal and external auditors (Document AUD 201112H).

20.27 DATA RETURN UPDATE REPORT

- 20.27.1 Members received an update on data submissions to the Office for Students and other bodies (Document AUD 201112I).
- 20.27.2 Members noted that all submissions due from August 2020 to the date of this meeting had been submitted on time with no issues identified.

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20.28 DATES OF FUTURE MEETINGS

Tuesday 26 January 2021 at 3.30pm

Tuesday 23 March 2021 at 3.30pm

Tuesday 15 June 2021 at 3.30pm