

APPROVED

**MINUTES OF THE 146th MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 13 JUNE 2023
VIA MICROSOFT TEAMS.**

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|----------------|---|---|
| PRESENT: | C Morgan (Chair) J Khan | Professor F Ross (Deputy Chair) |
| IN ATTENDANCE: | O Adetona (from Minute 22.57) P Bonfield (Minute 22.69) D Gibbs, KPMG (from Minute 22.57) E McMillan, Clerk to the Court | C Mpofu, TIAA (from Minute 22.58) R Poole (Minute 22.60) A Sylvestre (Minute 22.57) |
| APOLOGIES: | J Cappock, Company Secretary (attendee) F Nieboer, KPMG (attendee) D Stanton | D Takodra, TIAA (attendee) I Wilmot (attendee) |

22.56 PRIVATE MEETING OF MEMBERS

22.56.1 Members met privately as recommended by the CUC HE Audit Committees Code of Practice.

22.57 INTERNAL AUDIT SERVICES TENDER

22.57.1 [Redacted]

22.57.2 [Redacted]

22.57.2.1 [Redacted]

22.57.2.2 [Redacted]

22.57.3 [Redacted]

22.57.3.1 [Redacted]

22.57.4 [Redacted]

22.57.4.1 [Redacted]

22.58 ANNOUNCEMENTS

22.58.1 The Chair welcomed members and attendees, including Oyin Adetona, Deputy Director of Finance who attended on behalf of Ian Wilmot, Director of Finance.

22.58.2 Members noted apologies for the meeting as recorded above.

22.58.3 No members declared an interest in the business on the agenda.

22.58.4 The Chair informed members that she wished to discuss starred items 15.0 Action in response to sector issues identified by auditors and 17.0 PID whistleblowing register (see Minutes 22.66 and 22.67).

22.58.5 The Chair confirmed there were no requests from members to discuss matters not already on the meeting agenda.

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22.60 MINUTES, ACTIONS AND MATTERS ARISING FROM THE PREVIOUS MEETING

- 22.60.1 Members confirmed that the minutes of the Audit Committee meeting held on 21 March 2023 (Document AUD 230613A) are an accurate record.
- 22.60.2 Members received and noted an update on actions from previous meetings (Document AUD 230613B).
- 22.60.3 **Action in response to sector issues identified by auditors (Action 22.52.2.1):** The Director of Finance confirmed that there was a typographical error in the report; the University does not actively monitor social media for colleagues and staff activity.
- 22.60.4 **Terms of reference (Action 22.3.2.1):** Members noted that the Court of Governors approved updated terms of reference for the Committee that will come into effect from 1 September 2023.
- 22.60.5 **Internal audit SICA report (Action 22.4.4.1):** Members noted that the newly appointed Risk and Resilience Manager will join the University in July 2023.

22.61 STRATEGIC RISK DISCUSSION – ENABLER 3: DIGITAL ENVIRONMENT

- 22.61.1 Russell Poole, Director of Information Systems and Support (ISS) presented an overview of the level of risk relating to this strategic enabler and how those risks are being managed (Document AUD 230613C).
- 22.61.2 Members and attendees discussed with the Director:
- How the University is responding to the highly competitive job market for this area and what options are being explored to recruit and retain colleagues.
 - Action the University is taking to prepare against a potential cyber-attack.
 - Ensuring the University is both protecting systems and tracking – and responding to - any suspicious activity within systems.
 - Educating colleagues and potential use of anti-phishing tests.
 - Assessing and responding to cyber security risks for partners and the supply chain.
- 22.61.3 The Head of Internal Audit reminded members of the outcomes of recent internal audit reviews on cyber security and ICT project management, and informed members that the upcoming business continuity review will focus on IT business recovery.
- 22.61.4 The Chair suggested that the Committee may invite the Director for a discussion about risks relating to artificial intelligence at a future meeting.
- 22.61.4.1 **ACTION Clerk to the Court** to add the discussion to the schedule of business for 2023/24.

22.62 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

- 22.62.1 The Head of Internal Audit presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 230613F). The report included an update on emerging governance, risk and internal control related issues, progress against the 2022/23 plan and follow up of recommendations from previous audits.

Student retention

- 22.62.2 Members noted the internal auditor's opinion was reasonable assurance with one important and three routine action points and two operational effectiveness matters identified.
- 22.62.3 Independent governor Fiona Ross, who is also a member of the Equality, Diversity and Inclusion (Education) Steering Group, informed members that the Group is reviewing the University's access and participation plan and initiatives to address awarding and other gaps.
- 22.62.4 In response to a member's query, the Head of Internal Audit confirmed that benchmarking against other Higher Education institutions would be done through the follow up work.

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22.62.5 A member commented that the University and UWSU would need to ensure that the peer support project does not burden students with activity to address the University's responsibilities.

22.62.5.1 **ACTION Clerk to the Court** to notify the Director, Student and Academic Services of the member's comment.

Academic professional development

22.62.6 Members noted the internal auditor's opinion was reasonable assurance with two important and two routine action points identified.

22.62.7 Members challenged the reasonable assurance opinion considering the number of things that are still in progress. The Head of Internal Audit explained that the new Professional Development Review system has been launched and overall, TIAA are content that activities are progressing according to the timeline and clear action plans are in place and monitored to ensure activities are not missed.

22.63 INTERNAL AUDIT WORK PLAN 2023/24

22.63.1 The Head of Internal Audit presented the proposed work plan for the next academic year (Document AUD 230613G).

22.63.2 In response to a member's query, the Head of Internal Audit confirmed that the Student Recruitment review will cover both Home and International students.

22.63.3 The Chair referred to her paper on a recent Office for Students (OfS) event for Audit Committee Chairs about student recruitment practices at partner organisations and by recruitment agents (Document AUD 230613P). The Head of Internal Audit confirmed that these areas could be built into the terms of reference for the review.

22.63.3.1 **ACTION Head of Internal Audit** to submit the proposed scope of the Student Recruitment review to the Committee for comment prior to commencement.

22.63.4 A member noted that risk relating to overseas partnerships features in the new strategic risk register (Document AUD 230613D) and is mitigated through the Partnership Scrutiny Panel and associated processes.

22.63.5 A member proposed that, in addition to the rolling strategic plan (Appendix A), the annual work plan should include a high-level reflection on a) what improvements the University made to the control environment and risk management as result of the internal audit work during the previous years of the strategic plan, and b) the new strategic risk register. They suggested that the plan should also explain how prior work and the strategic risk register have informed the proposed work plan for the coming year.

22.63.5.1 **ACTION Head of Internal Audit** to submit the reflective report for the next meeting.

22.63.6 **APPROVED** Internal audit work plan 2023/24 to be implemented as presented, subject to any changes agreed at the next meeting.

22.64 ASSURANCE ON ACTIVITIES OF PARTNERS AND RECRUITMENT AGENTS

22.64.1 The Chair briefed members on the OfS event on student recruitment risks (Document AUD 230613P).

22.64.2 The External Auditor informed members that the OfS investigation into such concerns are an example of the regulator's use of in-depth exploration of sector data and that institutions can expect the OfS to undertake similar investigations on other sector topics.

22.64.3 A member queried whether the University should build this into risk management controls.

22.64.3.1 **ACTION Clerk to the Court** to refer the suggestion to the Risk and Resilience Manager.

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22.66 EXTERNAL AUDIT PLAN AND STRATEGY 2022/23

- 22.66.1 The External Auditor presented the indicative audit plan and strategy for the year ending 31 July 2023 (Document AUD 230613H).
- 22.66.2 The External Auditor informed members that a positive move in the net liability for the Local Government Pension Scheme (LGPS) may result in a surplus funding position for the year and in anticipation KPMG has shared guidance on how the position should be reflected in the financial statements.
- 22.66.2.1 **ACTION Director of Finance and Deputy Director of Finance** to update the Chair when the LGPS position is known.
- 22.66.3 **APPROVED** External audit plan to be implemented as presented.

22.67 KPMG BENCHMARKING REPORT ON FINANCIAL STATEMENTS

- 22.67.1 The Chair agreed to postpone this report to a future meeting to allow KPMG time to address an issue with importing the University's data¹.

22.68 ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

- 22.68.1 Members received an update on actions taken by the University in response to the sector issues identified in internal and external audit client briefings/digests (Document AUD 230613M).
- 22.68.2 A member queried whether the issues in the report informed the strategic risk register.
- 22.68.2.1 **ACTION Director of Finance** to review whether the issues are appropriately represented in the risk register.
- 22.68.3 A member commented that references to data analysis in the KPMG guidance on the new OfS B3 ongoing conditions of registration echo earlier discussions at the meeting about OfS investigations.

22.69 PID (WHISTLEBLOWING) REGISTER – ANNUAL SUBMISSION

- 22.69.1 Members received the annual report on additions to the register (Document AUD 230613O).
- 22.69.2 In response to a member's query, the Clerk to the Court of Governors and Head of University Governance confirmed that if a concern raised through the public interest disclosure (whistleblowing) procedure impacted on strategic delivery or the risk environment, the Risk Owner would take that into account when rating the relevant risk and identifying mitigations.

22.70 COMPLIANCE UPDATE

- 22.70.1 The Clerk to the Court informed members that the Acting University Secretary and Chief Operating Officer had not been notified of any reportable incidents since the last meeting.

22.71 RISK MANAGEMENT

Strategic risk register 2029

- 22.71.1 Peter Bonfield, Vice-Chancellor/Chair, University Executive Board (UEB) joined the meeting and introduced the new risk register (Document AUD 230613D), which has been streamlined and aligned to the University's refreshed strategy - Being Westminster 2022-2029.
- 22.71.2 A member welcomed the new register noting that it is more accessible and helps with specification, quantification, management and mitigation of risk.
- 22.71.3 A member suggested that risk S-29-GE-02, which relates to international student income generated by partnerships could be more clearly defined by specifying the scale of the potential loss.

¹ As a result, there is no Document AUD 230613I for this meeting.

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22.71.4 Members queried how risks are escalated and de-escalated and how risk is managed across the University. The Clerk to the Court assured members that risk owners discuss risk areas and mitigations with colleagues across the University.

22.71.4.1 **ACTION Clerk to the Court** to provide a link to the Risk management policy, which includes the detailed information on process.

22.71.5 The Clerk to the Court updated members on recruitment of a Risk and Resilience Manager.

22.71.6 A member commented that banking regulators are now asking the bodies they regulate to consider principles of integrated risk management and suggested that the University may wish to consider such principles.

22.71.6.1 **ACTION Clerk to the Court** to include a briefing on integrated risk management from KPMG in the schedule of business for 2023/24.

22.71.7 The Vice-Chancellor assured members that the University both manages risk around international recruitment and takes positive action to create opportunities.

Risk appetite framework review

22.71.8 **AGREED** Members supported the proposed approach to the joint workshop Court of Governors with UEB.

22.71.8.1 **ACTION Clerk to the Court** to arrange the joint workshop.

22.72 ACCOUNTING POLICIES – USE OF ESTIMATES

22.72.1 Members confirmed the accounting estimates for preparation of the 2022/23 financial statements (Document AUD 230613K).

22.73 DATA RETURN UPDATE REPORT

22.73.1 Members received an update on data submissions to the Office for Students and other bodies (Document AUD 230613N).

22.74 FUTURE MEETING DATES

22.74.1 Meetings take place via Microsoft Teams² and start at 4.30pm for members only with attendees joining at 4.40pm.

Tuesday 12 September 2023

Tuesday 14 November 2023 at 3.00pm³

Tuesday 23 January 2024

Tuesday 19 March 2024

Tuesday 18 June 2024

22.75 ANY OTHER BUSINESS

22.75.1 Members did not raise any other matters for discussion.

² Space onsite can be arranged through the Clerk to the Court for governors/committee members who need somewhere private to join a meeting.

³ Members of Resources Committee are invited to this meeting from 4.30pm for discussion of the annual report and financial statements.