

**APPROVED**

**MINUTES OF THE 142<sup>ND</sup> MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 13 SEPTEMBER 2022 VIA MICROSOFT TEAMS.**

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PRESENT:	M Smith (Chair) V Foster J Khan	H Owen Professor F Ross (Deputy Chair)
IN ATTENDANCE:	D Gibbs, KPMG E McMillan, Clerk to the Court C Mpofu, TIAA (from Minute 22.2)	D Takodra, TIAA (From Minute 22.2) I Wilmot
APOLOGIES:	J Cappock, Company Secretary (attendee) F Nieboer, KPMG (attendee)	D Stanton

**22.1 PRIVATE MEETING OF MEMBERS**

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

**22.2 ANNOUNCEMENTS**

22.2.1 The Chair welcomed members and attendees.

22.2.2 Members noted apologies for the meeting as recorded above.

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

22.2.4 The Chair confirmed there were no requests from members to discuss starred items and agreed to discuss the TRAC return at a relevant point in the meeting agenda.

**22.3 TERMS OF REFERENCE AND SCHEDULE OF BUSINESS**

**Terms of reference and membership**

22.3.1 The Chair presented the terms of reference and schedule of business (Document AUD 220913A).

22.3.2 Members discussed the membership specified in the terms of reference, including whether to recommend adding a student or colleague. The internal and external auditors informed members of their experience of Audit Committee membership in other institutions.

**22.3.2.1 ACTION** Clerk to the Court to summarise the discussion and refer the matter to the Effectiveness Review Working Group for consideration.

22.3.3 **AGREED** Recommend to the Court that the terms of reference are retained for 2022/23 subject to consideration of any recommendations from the Effectiveness Review Working Group and a minor formatting change<sup>1</sup>.

**Annual effectiveness review**

22.3.4 Members discussed Theme 3 from the Audit Committees Code of Practice: committee effectiveness.

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<sup>1</sup> Bullet point 6 to be split into a) risk management, and culture, control, and governance, and b) external auditor

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- 22.3.5 **AGREED** Members to trial allocation of time in the private meeting and at the end of the January meeting (the first for the new Committee Chair) to discuss outcomes from the meeting and reflect on the decisions made, what did and did not work well. If beneficial, the Committee will adopt the practice for future meetings.

### **Schedule of business**

- 22.3.6 **AGREED** Members confirmed that activities on the schedule of business 2022/23 fulfil the responsibilities of the Committee as outlined in the proposed terms of reference.

## **22.4 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT**

- 22.4.1 Dakshita Takodra, Senior Internal Audit Manager for TIAA, presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 220913B). The report includes an update on emerging governance, risk and internal control related issues, completion of the 2021/22 plan, progress against the 2022/23 plan and follow up of recommendations from previous audits.

- 22.4.2 **Disaster recovery:** Members noted the internal auditor's opinion was reasonable assurance with five routine action points.

- 22.4.3 A member raised a query about links between the Workforce Planning audit and equality, diversity, and inclusion.

- 22.4.3.1 **ACTION Senior Internal Audit Manager and Committee Member** to discuss further outside the meeting.

- 22.4.4 Members queried two outstanding recommendations, relating to responsibility for managing risk.

- 22.4.4.1 **ACTION Clerk to the Court** to provide an update on progress in recruitment to the Risk Manager post at the next meeting.

- 22.4.4.2 **ACTION Acting USCOO** to provide an update on management responsibility for cyber-security/incident management risks at the next meeting.

- 22.4.5 Members discussed action taken to improve compliance with professional development review processes.

## **22.5 DRAFT AUDIT COMMITTEE ANNUAL REPORT 2021/22**

- 22.5.1 Members considered a draft of the Audit Committee annual report 2021/22 (Document AUD 220913Ci) and Internal audit annual report 2021/22 (Document AUD 220913Cii).

- 22.5.2 The internal auditors commented that most of their recommendations relate to compliance with controls, policies and procedures rather than the design of the controls, policies and procedures.

- 22.5.3 Members noted that the Committee is required to report to the Court on value from money and that this should be informed by assurance from internal audit.

- 22.5.3.1 **ACTION Internal auditors** to add a statement on value for money to their annual report.

- 22.5.4 Members suggested additional statements on the retirement of the Committee Chair and the Committee's responsibility to oversee risks relating to the refreshed University Strategy. Members also identified a typo and requested a minor formatting change to the graphs.

- 22.5.4.1 **ACTION Clerk to the Court** to update the report for submission to the next meeting.

## **22.6 ANNUAL DATA RETURN SUMMARY REPORT**

- 22.6.1 Members received the annual report (Document AUD 220913D), which provides assurance on data submissions to the Office for Students and other bodies.

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22.6.2 The Acting USCOO informed members of two changes to the TRAC return relating to matters of judgement and made at the request of the Office for Students (OfS) following approval by the Committee.

22.6.3 The Acting USCOO, the Chair and the Clerk to the Court reminded members of the quality assurance process followed to prepare the TRAC return.

**22.6.3.1 ACTION Clerk to the Court** to add a note on resubmission of the TRAC return to the report prior to submission to the Court.

## 22.7 POLICY UPDATES

22.7.1 Members recommend the updated Anti-bribery and corruption policy (Document AUD 220913E) to the Court for approval.

22.7.2 Members recommend the updated Anti-money laundering (proceeds of crime) policy (Document AUD 220913F) to the Court for approval.

## 22.8 COMPLIANCE UPDATE

22.8.1 The Acting USCOO confirmed he had not been notified of any reportable incidents since the last meeting.

## 22.9 MINUTES, ACTIONS AND MATTERS ARISING FROM THE PREVIOUS MEETING

22.9.1 Members confirmed that the minutes of the Audit Committee meeting held on 14 June 2022 (Document AUD 220913G) are an accurate record.

22.9.2 Members received and noted an update on actions from previous meetings (Document AUD 220913H).

22.9.3 The external auditor presented a report on progress in the external audit since the last meeting (Document AUD 220913J).

22.9.4 Members noted that the University had passed a threshold of income via a US Department of Education student loan scheme and KPMG therefore will undertake the process to convert the financial statements into the format required by US accounting practice. The external auditor confirmed that this process will not delay completion of their annual report for the next meeting.

22.9.5 Members discussed the process to approve the USGAAP financial statements followed in 2016 (the last time the conversion was required).

**22.9.5.1 ACTION Members** to discuss and agree an appropriate process with the Resources Committee at the next meeting.

## 22.10 ANY OTHER BUSINESS

22.10.1 Members did not raise any other matters for discussion.

## 22.11 ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

22.11.1 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 220913I).

## 22.12 FUTURE MEETING DATES

22.12.1 The Chair reminded members the Committee will meet onsite for the November meeting.

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22.12.2 Apart from the November meeting, all meetings take place via Microsoft Teams<sup>2</sup> and start at 4.30pm for members only with attendees joining at 4.40pm.

Tuesday 8 November 2022 at 3.00pm

Tuesday 24 January 2023

Tuesday 21 March 2023

Tuesday 13 June 2023

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