

APPROVED

**MINUTES OF THE 141ST MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 14 JUNE 2022
VIA MICROSOFT TEAMS.**

PRESENT:	M Smith (Chair) V Foster H Owen	Professor F Ross (Deputy Chair) D Stanton
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IN ATTENDANCE:	J Cappock, Company Secretary (from Minute 21.52) Professor J Jones (Minute 21.56) Professor A Linn (Minute 21.56) E McMillan, Clerk to the Court C Mpofu, TIAA (from Minute 21.52)	F Nieboer, KPMG (from Minute 21.52) T Patki, Observer (from Minute 21.52) D Takodra, TIAA (Minutes 21.52) I Wilmot (from Minute 21.52)
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APOLOGIES:	D Gibbs, KPMG (attendee)	J Khan
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21.51 PRIVATE MEETING OF MEMBERS

- 21.51.1 Members met privately as recommended by the CUC HE Audit Committees Code of Practice.
- 21.51.2 The Clerk to the Court of Governors was present at the private meeting.

21.52 ANNOUNCEMENTS

- 21.52.1 The Chair welcomed members and attendees.
- 21.52.2 The Chair welcomed observer Trishna Patki, who has recently joined the governance support team and was attending as part of her induction.
- 21.52.3 Members noted apologies for the meeting as recorded above.
- 21.52.4 No members declared an interest in the business on the agenda.
- 21.52.5 The Chair confirmed there were no requests from members to discuss starred items or to raise any matters not on the agenda under Any Other Business.

21.53 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

- 21.53.1 Dakshita Takodra, Senior Internal Audit Manager for TIAA, presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 220614A). The report includes an update on emerging governance, risk and internal control related issues, progress against the 2021/22 plan and follow up of recommendations from previous audits.
- 21.53.2 Members noted that there is one audit – Disaster recovery - from the 2021/22 plan still in progress, which will be reported to the September meeting.
- 21.53.3 **Access and Participation Plan:** Members noted the internal auditor's opinion was reasonable assurance with two important and three routine action points plus one operational effectiveness matter.
- 21.53.4 **New Courses and Portfolio Review:** Members noted the internal auditor's opinion was reasonable assurance with three important and two routine action points plus two operational effectiveness matters.
- 21.53.5 **Cyber security review follow-up (Document AUD 220614B):** Members noted that good progress against the recommendations has been made in a short time and that the internal auditor's opinion was now reasonable assurance. Members heard that the University Executive

Board (UEB) has approved a Mobile device management policy and the policy will now be implemented.

- 21.53.6 A member queried whether there was risk of overlap between the Disaster recovery and Business continuity management internal audit reviews and the planned ransomware desktop exercise and/or risk of 'audit fatigue' for colleagues working in those areas. The internal auditors responded that the Business continuity has been postponed (to focus on the Cyber security follow up) and the Disaster recovery audit will cover a key area of controls. The member encouraged internal audit and the Director of Information Systems and Support (ISS) to consider the sequencing of work in this area so that one activity can inform the other.
- 21.53.7 On behalf of the Committee, the Chair thanked the Director of ISS and his team for their work on cyber security and the significant improvement made in response to the internal audit review findings.

21.54 DRAFT INTERNAL AUDIT WORK PLAN 2022/23

- 21.54.1 The internal auditors presented the proposed work plan for 2022/23 (Document AUD 220614C), which is recommended by UEB.
- 21.54.2 The internal auditors highlighted that the plan is risk-based and will be flexible to allow for review of any emerging issues in-year.
- 21.54.3 A member queried whether a review of cyber-security should be conducted annually to reflect the changing nature of the cyber-security risk environment. The internal auditors reported that they are reviewing the suite of ICT audits with the Director of ISS and that elements of cyber security would be covered in other planned audits (e.g., remote working, incident management and information security).
- 21.54.3.1 **ACTION Internal auditors** to review the plan on completion of the disaster recovery audit and report any proposed changes to the next meeting.
- 21.54.4 Members discussed the University's capacity to identify and respond to a sophisticated cyber-attack and potential exposure to cyber-security issues at partner institutions.
- 21.54.5 In response to a member's query, the internal auditors explained the focus of the workforce planning and professional development audits, and the reasons the workforce planning review was grouped with governance audits rather than workforce audits.
- 21.54.6 A member queried whether it is time to undertake a further review of graduate outcomes (last reviewed in 2021) to ensure that mitigations are enough to address the level of risk. The internal auditor expressed the view that the risk had been covered adequately over the cycle and that committee members and governors should receive further assurances through other means, e.g., management reports. Members noted that the University is investing in business engagement and development of the Centre for Employability and Enterprise at 29 Marylebone Road.
- 21.54.6.1 **ACTION Internal auditors, University Secretary and Chief Operating Officer (USCOO) and Director of Finance** to consider whether to include a review of graduate outcomes in 2023/24 when more evidence about return on the investment should be available.
- 21.54.7 **APPROVED** Members confirmed the Internal audit work plan 2022/23.

21.55 RISK REGISTER UPDATE

- 21.55.1 The Clerk to the Court presented a report on the outcomes of the latest periodic review of the strategic risk register (Document AUD 220614D), which will be submitted to the next meeting of the Court.
- 21.55.2 In response to a member's query, the USCOO and Director of Finance provided assurance that the University has considered the cost of living rises in preparation of the University budget for 2022/23.

- 21.55.3 Members noted that UEB will conduct a review to ensure the risk register is aligned to key risks to delivery of Being Westminster 2022-29. The USCOO proposed that UEB identify implications for the risk appetite statement for the Committee to challenge, discuss and agree for consideration by the Court.
- 21.55.4 **AGREED** The Committee will consider the outcomes of the UEB review and recommendations relating to risk appetite in early 2023. The Committee will consider whether a briefing/training session on risk appetite for the whole Court is needed.
- 21.56 STRATEGIC RISK DISCUSSION – OBJECTIVE 2 RESEARCH AND KNOWLEDGE EXCHANGE**
- 21.56.1 Professor Andrew Linn, Pro Vice-Chancellor (PVC) for Research and Professor Janet Jones, PVC (Knowledge Exchange) presented an overview of the level of risk relating to this strategic objective and how those risks are being managed (Document AUD 220614E).
- 21.56.2 Clarence Mpofu, Head of Internal Audit for TIAA, reported that internal audit has not undertaken any recent reviews relating to research or knowledge exchange.
- 21.56.2.1 **ACTION** Internal auditors to consider the outcomes of the strategic risk register review and propose any changes to the three-year internal audit work plan they consider necessary.
- 21.56.3 Members discussed with the PVC Research internal and external funding for support, development and cultural change relating to research. The PVC Research informed members that this issue will be addressed at an away day in late focused on the refreshed Research Strategy.
- 21.56.4 In response to a query from a member about engagement with business and other sectors, the PVC (Knowledge Exchange) explained that there is a need to build a shared understanding around the University about the benefits of engaging with knowledge exchange as there is a risk in the drive to focus on the fewest things that matter that such activities could be seen as peripheral to the core business.
- 21.56.5 A member commented that Westminster and other universities need to think differently about how they plan support for research careers across all protected characteristics.
- 21.56.6 A member queried whether activities in the Regent Street Cinema contribute to the HE Innovation Fund return and suggested that metrics are developed for evaluating the contribution of the cinema and whether/how it adds value in this area.
- 21.56.7 In response to a member's query, the PVC (Research) outlined how the University is responding to loss of access to Horizon Europe as an equal partner and the impact on research funding.
- 21.56.8 On behalf of the Committee, the Chair thanked the PVCs for their responses to members' questions and congratulated them on the recent Research Excellence Framework outcomes.
- 21.57 DRAFT EXTERNAL AUDIT WORK PLAN**
- 21.57.1 Fleur Nieboer, Partner at KPMG, presented highlights of the proposed plan for the audit of the financial year ending 31 July 2022 (Document AUD 220614F).
- 21.57.2 Members and attendees discussed with the external auditor their rebuttal of revenue recognition as a significant risk and the approach to pensions liability.
- 21.57.3 **APPROVED** Members confirmed the financial year 2021/22 audit plan and strategy.
- 21.58 ACCOUNTING POLICIES (USE OF ESTIMATES)**
- 21.58.1 Members noted a report on where management will exercise judgement in preparation of the financial statements for the year ending 31 July 2022 (Document AUD 220614G).

21.59 RELATIONSHIPS BETWEEN THE UNIVERSITY AND OTHER PARTIES

- 21.59.1 Members discuss a briefing note from KPMG on significant relationships between the University and other parties and how they impact on the University's finances (Document AUD 220614H).
- 21.59.2 Members noted that the report was produced in response to a request at the March meeting for KPMG to provide further context to the questions posed to Committee members by KPMG as part of the interim external audit.
- 21.59.3 Members confirmed they were not aware of any related party transactions that had not been disclosed.

21.60 COMPLIANCE UPDATE

- 21.60.1 The USCOO confirmed he had not been notified of any reportable incidents since the last meeting.
- 21.60.2 Members noted the annual report on compliance with ongoing regulatory conditions (Document AUD 220614I), which will be submitted to the next meeting of the Court.

21.61 MINUTES, ACTIONS AND MATTERS ARISING FROM THE PREVIOUS MEETING

- 21.61.1 Members confirmed that the minutes of the Audit Committee meeting held on 22 March 2022 (Document AUD 220614J) are an accurate record.
- 21.61.2 Members received and noted an update on actions from previous meetings (Document AUD 220614K).
- 21.61.3 **Internal audit report – Student Voice (Action 21.40.2.1)** Members received confirmation of the membership of the Student Voice task and finish group, which was co-chaired by the Deputy Vice-Chancellor (Education) and the UWSU Chief Executive Officer.
- 21.61.4 **External audit benchmarking report (Action 21.41.3.1)** Members noted that the Clerk to the Court had provided the Chair, Resources Committee with a copy of the benchmarking report on financial statements for consideration.

21.62 ANY OTHER BUSINESS

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

21.63 PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWING) REGISTER

- 21.63.1 Members received the annual report on additions to the register (Document AUD 220614L).

21.64 ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

- 21.64.1 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 220614M).

21.65 DATA RETURN UPDATE REPORT

- 21.65.1 Members received an update on data submissions to the Office for Students and other bodies (Document AUD 220614N).

21.66 FUTURE MEETING DATES

21.66.1 Members agreed to meet onsite for the November meeting, which has an earlier start time, and to invite Resources Committee members to also attend in person when they join at 4.30pm.

21.66.2 Apart from the exception noted above, all meetings take place via Microsoft Teams¹ and start at 4.30pm for members only with attendees joining at 4.40pm.

Tuesday 13 September 2022
Tuesday 8 November 2022 at 3.00pm
Tuesday 24 January 2023
Tuesday 21 March 2023
Tuesday 13 June 2023

¹ Space onsite can be arranged through the Clerk to the Court for governors/committee members who need somewhere private to join a meeting