

APPROVED

**MINUTES OF THE 137<sup>TH</sup> MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 14  
SEPTEMBER 2021 VIA MICROSOFT TEAMS.**

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PRESENT: M Smith (Chair) J Khan  
Dame K Dunnell H Owen  
V Foster Professor F Ross (Deputy Chair)

IN ATTENDANCE: D Gibbs, KPMG D Takodra, TIAA  
E McMillan (Clerk to the Court) I Wilmot  
C Mpofu, TIAA

APOLOGIES: J Cappock (Company Secretary) F Nieboer, KPMG

**21.1 PRIVATE MEETING OF MEMBERS**

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

21.1.2 The Clerk to the Court of Governors was present at the private meeting.

**21.2 ANNOUNCEMENTS**

21.2.1 The Chair welcomed members and attendees.

21.2.2 Members received apologies as noted above.

21.2.3 Dean Gibbs – Director at KPMG - declared an interest in the discussion of the external audit service tender outcome. Members noted that the internal and external auditors will leave the meeting when the tender outcome is discussed.

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

**21.3 TERMS OF REFERENCE AND SCHEDULE OF BUSINESS 2021/22**

21.3.1 The Chair presented the terms of reference and schedule of business (Document AUD 210914A).

21.3.2 As part of the self-review of the Committee, members discussed Committee focus<sup>1</sup>. Members comments included:

- members have a good understanding of their roles and responsibilities
- the Committee's objectives are outlined in the terms of reference; however, the Committee has not set specific annual objectives
- the Committee's responsibilities are extensive; however, they are based on the model in the Code of Practice
- the Committee has the right range of expertise

21.3.3 The Director, KPMG suggested that the Committee could take ownership of a specific audit issue or risk area and follow improvements through to resolution during the year. He also suggested that more interaction with a wider group of colleagues would allow those colleagues to see the work of Audit Committee and understand that the Committee's work is beneficial to them.

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<sup>1</sup> Refer to the CUC Higher Education Audit Committees Code of Practice, Appendix 3 – Audit Committee self-review, Theme 1

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- 21.3.3.1 **ACTION Clerk to the Court** to schedule a series of discussions with strategic risk owners at each meeting in 2021/22.
- 21.3.4 The Director of Audit, TIAA suggested that the Committee could identify areas to focus on from the Committee's annual report and use those areas as the Committee's objectives for the following year.
- 21.3.5 **AGREED** The Committee will continue an annual self-reflection in line with the Code of Practice and will ensure that this aligns with the broader Court effectiveness review, which takes place every three years.
- 21.3.6 **AGREED** Members recommend the revised terms of reference for 2021/22 to the Court for approval.
- 21.3.7 **AGREED** Members confirmed that activities on the schedule of business 2021/22 fulfil the responsibilities of the Committee as outlined in the proposed terms of reference.
- 21.4 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT**
- 21.4.1 Dakshita Takodra, Senior Internal Audit Manager for TIAA, presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 210914B). The report includes an update on emerging governance, risk and internal control related issues, progress against the 2020/21 and 2021/22 plans and follow up of recommendations from previous audits.
- 21.4.2 Members discussed delays in delivering the recommendations from the internal audit review of marketing and communications. Members heard that there have been structural changes in the department over the last 18 months and the Director has provided updates on progress against those recommendations not yet complete.
- 21.5 RISK APPETITE FRAMEWORK**
- 21.5.1 Members considered proposed amendments to the framework based on earlier discussions with members and the addition of a new section outlining the approval and review process for the framework (Document AUD 210914C).
- 21.5.2 Members noted that the annual review would take place each October and that the next review workshop is expected to take place in June 2022 following approval of the refreshed Being Westminster strategy.
- 21.5.3 **AGREED** Members recommend the updated framework and the proposed review process to the Court for approval.
- 21.6 DRAFT AUDIT COMMITTEE ANNUAL REPORT**
- 21.6.1 Members considered an early draft of the Audit Committee annual report 2020/21 (Document AUD 210914D).
- 21.6.1.1 **ACTION Clerk to the Court** to add a positive statement about the work of the Committee examining processes for promoting value for money.
- 21.7 ANNUAL DATA RETURN SUMMARY REPORT**
- 21.7.1 The Clerk to the Court presented the annual report (Document AUD 210914E), which is a composite of the update reports submitted to each meeting of the Committee.
- 21.7.2 Members noted that the report will be submitted to the Court for information.
- 21.8 COMPLIANCE UPDATE**
- 21.8.1 On behalf of the University Secretary and Chief Operating Officer, the Director of Finance confirmed there had not been notification of any reportable incidents since the last meeting.

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

- 21.9.1 Members confirmed that the minutes of the Audit Committee meeting held on 15 June 2021 (Document AUD 210914F) are an accurate record.
- 21.9.2 Members received and noted an update on actions from previous meetings (Document AUD 210914G).
- 21.9.3 **External Audit 2020/21 Audit plan and strategy (Action 20.57.4.1)** Members noted that the Court will receive a briefing on the new Regent Street Cinema strategy at the meeting on 6 October 2021.
- 21.9.4 **Internal Audit summary internal controls assurance report (Actions 20.58.4.1 and 20.58.4.2)** The Senior Internal Audit Manager, TIAA confirmed that there are no additional controls in relation to those countries with state-controlled internet. Members will discuss the matter with the Director of Information Systems and Support when he meets with the Committee in November and consider after that discussion whether a broader view from senior leaders is necessary.
- 21.9.5 **Compliance update (Action 20.57.4.1)** Members noted that the Vice-Chancellor's report to the Court on 14 July 2021 included the statement of compliance with Regulatory notice 5: Condition Z3 Temporary provisions for sector stability and integrity, which the Director of Global, Recruitment and Admissions had submitted to the Office for Students.
- 21.9.6 **Any other business (pension liability) (Action 20.64.1.1)** The Chair informed members that there had been a change in the Chair of the Resources Committee in July 2021 and that he will report at the next meeting on a scheduled meeting with the new Committee Chair.
- 21.9.7 **Review of the University's risk appetite framework (Action 20.32.11.1)** Members received a report of the discussion at the March 2021 meeting (Document AUD 210914H Appendix).
- 21.9.8 **Accounting policies (use of estimates) (Action 20.59.3.1)** Members discussed an updated report from the Director of Finance (Document AUD 210914H) on key areas where University managers will exercise judgement when preparing the year-end financial statements. Members noted that there is a new adjustment for the inter-company balance between Uniwest (Finance) Limited and The University of Westminster.

**APPROVED** Members confirmed the key areas of accounting estimate to be used in the preparation of the University statutory financial statements for the year ending 31 July 2021.

### 21.10 FUTURE MEETING DATES

- 21.10.1 Members noted the dates below and postponed a decision on start times for January, March and June meetings.

Tuesday 9 November 2021 at 3.00pm<sup>2</sup>  
Tuesday 25 January 2022 at 3.30pm  
Tuesday 22 March 2022 at 3.30pm  
Tuesday 14 June 2022 at 3.30pm

- 21.10.1.1 **ACTION Audit Committee Chair** to discuss timing of meetings with the new member who will join the Committee from the end of November 2021.

### 21.11 ANY OTHER BUSINESS

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

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<sup>2</sup> Members of Resources Committee are invited to this meeting from 4.30pm for discussion of the annual report and financial statements

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### 21.12 EXTERNAL AUDIT SERVICE TENDER OUTCOMES REPORT

- 21.12.1 The Director of Finance briefed members on the tender process and presented the outcomes (Document AUD 210914I).
- 21.12.2 The Director of Finance reported that the recommended company scored better in their written response and presentation and described values and an approach that aligns with the University. He assured members that although KPMG had provided external audit services to the University for several years, they remain independent through rotation of the audit partner and audit team.
- 21.12.3 Members discussed the option to extend beyond the initial three-year period; audit service fees; the capacity for external auditors to add value; and balancing auditor independence and continuity/organisational memory.
- 21.12.4 **AGREED** Members recommend to the Court that KPMG are appointed as external auditors for the next three financial years – FY2022, FY2023 and FY2024 – with an option to extend for a further two years.

### 21.13 RISK MANAGEMENT POLICY

- 21.13.1 **AGREED** Members recommend the updated policy (Document AUD 210914J) to the Court for approval.

### 21.14 SUMMARY OF ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

- 21.14.1 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 210914K).