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**MINUTES OF THE 136TH MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 15 JUNE 2021
VIA MICROSOFT TEAMS.**

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

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

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

20.55 PRIVATE MEETING OF MEMBERS

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

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

20.56 ANNOUNCEMENTS

20.56.1 The Chair welcomed members and attendees, including Lynne Berry who was observing the meeting as part of her induction to the Court of Governors.

20.56.2 Members received apologies as noted above.

20.56.3 Members did not declare any interests.

20.56.4 The Chair agreed to discuss the Public Interest Disclosure (Whistleblowing) register (see Minute 20.63) and confirmed that there were no requests to raise matters other than those on the agenda.

20.57 EXTERNAL AUDIT 2020/21 AUDIT PLAN AND STRATEGY

20.57.1 The University's External Auditor – Dean Gibbs, Director at KPMG - presented the proposed plan for their audit of the consolidated financial statements of the University of Westminster for the year ending 31 July 2021 (Document AUD 210615A).

20.57.2 Members discussed with Ian Wilmot, the Director of Finance, the University's proposed approach to actuarial assumptions used for valuation of the post-retirement benefit obligations.

20.57.3 In response to members queries, the External Auditor confirmed:

- the audit will consider how cyber security risk impacts on the control environment; and
- commencement of interim field work prior to approval of the 2020/21 plan will not create any issues.

20.57.4 Members discussed with the Director of Finance the University of Westminster's financial support for the subsidiary company UOW Regent Street Cinema Limited.

20.57.4.1 ACTION Clerk to the Court to discuss with the Chair of the Court of Governors the proposal that the Court receives a presentation on the new strategy for the Cinema.

20.57.5 In response to a member's query, the Director of Finance explained the planned approach to the subsidiary company UniWest (Finance) Limited.

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20.57.6 **APPROVED** External Audit plan 2020/21 to be implemented as presented.

20.58 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

20.58.1 Dakshita Takodra, Senior Internal Audit Manager for TIAA, presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 210615B). 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.

20.58.2 Members noted that four audits had been completed since the last meeting.

20.58.3 **Student wellbeing:** The overall assurance level was Reasonable Assurance with three important and one routine action points.

20.58.4 **Cloud computing governance:** The overall assurance level was Reasonable Assurance with two important, two routine and one operational effectiveness action points.

20.58.4.1 **ACTION TIAA Senior Internal Audit Manager** to respond to a member's query about overseas students studying remotely.

20.58.4.2 **ACTION Clerk to the Court** to invite the Director of Information Systems and Services to the meeting in September 2021 to discuss ICT risks, including cyber-security risk.

20.58.5 **Key financial controls:** The overall assurance level was Reasonable Assurance with one important and four routine action points.

20.58.6 **TRAC¹:** The overall assurance level was Reasonable Assurance with one important and four routine action points.

20.58.7 **AGREED** Cyber-security audit review postponed until Quarter 1 of 2021/22 to allow time for current enhancement work to progress.

20.59 DRAFT INTERNAL AUDIT WORK PLAN 2021/22

20.59.1 Clarence Mpofu, Director of Audit at TIAA, presented the proposed plan for the year ending 31 July 2022 (Document AUD 210615C), which is recommended by the University Executive Board (UEB).

20.59.2 The TIAA Director of Audit explained that the three-year strategic plan (Appendix C) is flexible and under constant review to ensure the University and TIAA can respond to any emerging issues and risks and is mapped against the University's risk register.

20.59.3 The TIAA Director of Audit highlighted the GUARD risk analysis (Appendix A). He agreed that UK Visa and Immigration should be recorded as an external (not internal) factor and confirmed that the diagram reflects a view of the risk environment for the sector and is not a representation of the University's risk profile.

20.59.4 **APPROVED** Internal Audit plan 2021/22 (Appendix D) to be implemented as presented.

20.60 ACCOUNTING POLICIES (USE OF ESTIMATES)

20.60.1 The Director of Finance presented a report on key areas where University managers will exercise judgement when preparing the year-end financial statements (Document AUD 210615D).

20.60.2 The Director of Finance and the Clerk to the Court explained that the Resources Committee are exploring the potential impact of the pension liability on the University's financial sustainability and that the role of the Audit Committee is to consider how the liability is accounted for in the annual financial statements.

20.60.3 Members discussed with the Director of Finance the University's potential liabilities for the Local

¹ Transparent Approach to Costing

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Government pension scheme (LPFA), the impact of actuarial assumptions on that liability and confirmed the University will liaise with the External Auditors prior to any changes being made.

20.60.3.1 ACTION Director of Finance to submit an updated report to the next meeting of the Committee.

20.61 RISK REGISTER UPDATE

20.61.1 The Clerk to the Court presented a report on the outcomes of the third and final periodic review of the Strategic Risk Register for 2020/21 (Document AUD 210615E), which had been agreed by UEB.

20.61.2 Members noted that the report included a summary of health and safety risks as UEB identified that as a specific area for report in this review.

20.62 COMPLIANCE UPDATE

20.62.1 On behalf of the University Secretary and Chief Operating Officer, the Clerk to the Court confirmed there had not been notification of any reportable incidents since the last meeting.

20.62.2 The Clerk to the Court presented a report on compliance with the Office for Students' (OfS) conditions of registration as a higher education provider (Document AUD 210615F).

20.62.3 Members commended the report as a useful way to track the University's response to OfS requirements and expectations.

20.62.3.1 ACTION Clerk to the Court to ask the Vice-Chancellor to include assurance on compliance with Condition Z3 Temporary provisions for sector stability and integrity in his next report to the Court.

20.63 MINUTES, ACTIONS AND MATTERS ARISING FROM THE PREVIOUS MEETING

20.63.1 Members confirmed that the minutes of the Audit Committee meeting held on 23 March 2021 (Document AUD 210615G) are an accurate record.

20.63.2 Members received and noted an update on actions from previous meetings (Document AUD 210615H).

20.63.3 **Internal Audit review report – HR Management (Actions 20.44.5.1 and 20.44.5.2)** The Clerk to the Court reported that the Director of Human Resources and Safety, Health and Wellbeing wrote to all UEB members to highlight the issue of uptake and recording of annual leave with a request that they cascade the message via their management lines. Members noted that updates to the self-service system will be communicated to all colleagues shortly, which should further improve engagement.

20.63.4 **External Audit progress and benchmarking report (Action 20.31.7.1)** Members noted that the Clerk to the Court published the report extract in the Court online Reading Room in advance of the meeting on 26 May 2021.

20.63.5 **Strategic risk register update (Actions 20.32.3.1 and 20.32.4.1)** Members noted that the Clerk to the Court added the individual risk sheets prior to submission to the Court and that the register is provided in Excel and pdf formats for this meeting.

20.64 PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWING) REGISTER

20.64.1 Members received the annual report on entries to the register in the past year (Document AUD 210615J).

20.64.2 In response to a member's query, the Clerk to the Court explained why no further action had been taken in respect of an entry in the register.

20.65 ANY OTHER BUSINESS

20.65.1 Members suggested it would be helpful to know more about the work the Resources Committee is conducting around the University's pension liability.

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20.65.1.1 **ACTION Chair, Audit Committee** to discuss the matter with the Chair, Resources Committee.

20.65.2 Members discussed the timing of meetings in 2021/22.

20.65.2.1 **ACTION Clerk to the Court** to amend the start time of the September 2021 meeting to 4.30pm as a trial for future meetings.

20.66 TRAC¹ ANNUAL RETURN 2019/20 UPDATE

20.66.1 Members received notification of re-submission of the TRAC¹ return 2019/20 (Document AUD 210615I).

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

20.67.1 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 210615K).

20.68 DATA RETURN UPATE REPORT

20.68.1 Members received an update on data submissions to the OfS and other bodies (Document AUD 210615L).

20.68.2 Members noted that all submissions due since the last meeting had been submitted on time with no issues identified.

20.69 DATES OF FUTURE MEETINGS

Tuesday 14 September 2021 at 4.30pm

Tuesday 9 November 2021 at 3.00pm²

Tuesday 25 January 2022 at 3.30pm

Tuesday 22 March 2022 at 3.30pm

Tuesday 14 June 2022 at 3.30pm

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