

MINUTES OF THE 140TH MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY 22 MARCH 2022 VIA MICROSOFT TEAMS.

PRESENT:	M Smith (Chair) V Foster J Khan	H Owen Professor F Ross (Deputy Chair) ¹ D Stanton
IN ATTENDANCE:	O Adetona (Minute 21.44) H Barma, Halpin (from Minute 21.39) J Cappock, Company Secretary (from Minute 21.39) D Gibbs, KPMG (from Minute 21.39) Professor A Hughes (Minute 21.42)	E McMillan, Clerk to the Court C Mpofu, TIAA (from Minute 21.39) F Nieboer, KPMG (from Minute 21.39) G Rubin (Minute 21.44) D Takodra, TIAA (Minutes 21.39 to 21.42) I Wilmot (from Minute 21.39)

APOLOGIES:

21.38 PRIVATE MEETING OF MEMBERS

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

21.39 ANNOUNCEMENTS

- 21.39.1 The Chair welcomed members and attendees.
- 21.39.2 The Chair welcomed observer Hanif Barma from Halpin, who was attending as part of the Court of Governors governance effectiveness review.
- 21.39.3 Members noted that there were no apologies for the meeting.
- 21.39.4 No members declared an interest in the business on the agenda.
- 21.39.5 The Chair confirmed there were no requests from members to discuss starred items and agreed to a request from the Director of Finance, Ian Wilmot, to discuss questions received as part of the interim external audit under Any Other Business.

21.40 INTERNAL AUDIT SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

- 21.40.1 Dakshita Takodra, Senior Internal Audit Manager for TIAA, presented the Internal Audit Summary Internal Controls Assurance (SICA) report (Document AUD 220322A). 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.
- 21.40.2 **Student voice:** Members noted the internal auditor's opinion was reasonable assurance with five important and eight routine action points plus nine operational effectiveness matters. A member queried the membership of the Student Voice task and finish group.
- 21.40.2.1 **ACTION** University Secretary and Chief Operating Officer (USCOO) to request the membership of the task and finish group for report to the Committee.
- 21.40.3 **Accounts receivable:** Members noted the internal auditor's opinion was substantial assurance with five routine action points.

¹ Professor Ross participated via phone with audio only due to technical issues

- 21.40.4 Members noted that the Director of Information Systems and Support gave a briefing to the Court of Governors on Cyber security prior to the March 2022 meeting of the Court on issues identified through the recent internal audit review.
- 21.40.5 In response to a member's query, the Senior Internal Audit Manager explained the scope of the delayed Disaster Recovery internal audit review and the USCOO confirmed the University has an Incident Management and Emergency Response Plan and process in place.
- 21.40.6 The Chair congratulated the Director of Finance and his team for receiving a substantial assurance outcome on the accounts receivable audit and the management for two good outcomes.

21.41 EXTERNAL AUDIT PROGRESS AND BENCHMARKING REPORT

- 21.41.1 Fleur Nieboer, Partner at KPMG, gave an update on progress in the interim external audit.
- 21.41.2 Dean Gibbs, Director at KPMG, presented an update on progress in the external audit and results of the KPMG financial statements benchmarking exercise 2020/21 (Document AUD 220322B).
- 21.41.3 Members discussed the benchmarking report with the KPMG Director, KPMG Partner and the USCOO. The discussion included queries and comments on:
- volatility in research income year on year and the impact of COVID on the research income forecast for the 2021/22 financial year
 - whether the University uses the report to inform planning and decision-making
 - whether the Resources Committee has access to the benchmarking report, including to inform discussions about the LGPS pension scheme
 - risks to the University relating to the USS pension scheme.

21.41.3.1 ACTION Clerk to the Court of Governors to ask the Chair, Resources Committee if she would like to share the benchmarking report with Resources Committee members.

21.42 STRATEGIC RISK DISCUSSION – OBJECTIVES 3 EMPLOYABILITY AND 4 INTERNATIONAL

- 21.42.1 Professor Alex Hughes, Deputy Vice-Chancellor (DVC) for Employability and Global Engagement, presented an overview of the level of risk relating to these strategic objectives and how those risks are being managed (Document AUD 220322C).
- 21.42.2 Clarence Mpofu, Head of Internal Audit for TIAA, summarised the outcomes of recent internal audit work in these areas. The Head of Internal Audit commented that the environment has changed since the last audit of UKVI compliance, and the DVC (Employability and Global Engagement) noted that she would be content to see a compliance focused audit included in the internal audit programme.
- 21.42.3 Members discussed the employability and international risk environments with the DVC (Employability and Global Engagement). The discussion covered:
- engagement with international recruitment agents
 - the range of innovations and interventions around employability
 - the level of student engagement with the employability activities on offer, including different demographic groups and those that are hard to reach
 - portfolio development relating to employability and international market requirements.

21.43 RISK REGISTER UPDATE

- 21.43.1 The Clerk to the Court of Governors presented a report on the outcomes of the latest periodic review of the strategic risk register (Document AUD 220322D).
- 21.43.2 The USCOO briefed members on actions being taken by the executive on risk areas highlighted in the report.

21.43.3 The Clerk to the Court of Governors will ensure there is a link to the Excel version of the risk register when it is submitted to the Committee in future as the pdf version is difficult to read.

21.44 TRAC RETURN 2020/21

21.44.1 The Director of Finance, the Head of Financial Planning and Analysis (Oyin Adetona) and a Finance Business Partner (Grant Rubin) presented the annual TRAC return for 2020/21 (Document AUD 220322E).

21.44.2 The Director of Finance informed members that the Office for Students (OfS) requires a governance committee to consider the return to ensure that Committee members are content the governance around production of the TRAC return is appropriate.

21.44.3 The Business Partner informed members that an appendix to the reports demonstrates the checks that have been undertaken to identify any common errors and that the new software adopted will lead to more consistent reporting and will reduce the risk of errors.

21.44.4 The Head of Financial Planning and Analysis highlighted the assurance checklist.

21.44.5 The Director of Finance and USCOO explained how the report is used by the University, e.g., to generate recovery rates for research bids and highlight the costs of any excess space in the estate.

21.44.6 The Chair thanked the team for their work on the report and to the colleagues present for their clear explanation of the report at the meeting.

21.45 COMPLIANCE UPDATE

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

21.46 MINUTES, ACTIONS AND MATTERS ARISING FROM THE PREVIOUS MEETING

21.46.1 Members confirmed that the minutes of the Audit Committee meeting held on 25 January 2022 (Document AUD 220322F) are an accurate record.

21.46.2 Members received and noted an update on actions from previous meetings (Document AUD 220322G).

21.46.3 **Audit Committee minutes 9 November 2021 (Action 21.43.1.1)** Members noted that members present at the meeting had confirmed the accuracy of the minutes.

21.47 ANY OTHER BUSINESS

21.47.1 Members discussed two questions about related parties from the External Auditors' interim audit questionnaire.

21.47.2 Members confirmed they are aware of significant relationships between the University and other parties and how they impact on the University's finances.

21.47.3 Members confirmed they did not have concerns regarding relationships or transactions with related parties.

21.47.4 A member suggested that KPMG could phrase their questions more clearly to support Audit Committee discussions on these matters.

21.47.4.1 ACTION KPMG to prepare a covering note on the issue to be discussed at the next meeting.

21.48 ACTION IN RESPONSE TO SECTOR ISSUES IDENTIFIED BY AUDITORS

21.48.1 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 220322H).

21.49 DATA RETURN UPDATE REPORT

- 21.49.1 Members received an update on data submissions to the Office for Students and other bodies (Document AUD 220322I).

21.50 FUTURE MEETING DATES

- 21.50.1 The Chair reminded members that the Committee agreed to hold meetings online; however, space onsite can be arranged through the Clerk to the Court for governors/committee members who need somewhere private to participate in the meeting.
- 21.50.2 All meetings take place via Microsoft Teams and, apart from the exception noted below, meetings start at 4.30pm for members only with attendees joining at 4.40pm.

Tuesday 14 June 2022
Tuesday 13 September 2022
Tuesday 8 November 2022 at 3.00pm²
Tuesday 24 January 2023
Tuesday 21 March 2023
Tuesday 13 June 2023

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