



**Minutes** of the 04 November 2022 meeting (held via Microsoft Teams)

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**Present:** Nick Whitaker (Chair)

Professor Christina Hughes, Rob Purdy, David Morgan

**In attendance:** James Ashton (BDO)\*, Cathy Barnes\*, Andrew Bush (KPMG), Professor Phil Cardew\*, Keaton Davey (BDO)\*, Phil Harrison, Alison Kennell, Tracey Lancaster, Holly Lewis (Secretary), Ian Musgrave (Uniac)\*, Leslie Sigauke, Professor Peter Slee, Caroline Thomas

**Apologies:** Qari Asim

**Attendees' apologies:** Hamid Ghafoor (BDO), Arvinder Khela (KPMG), David Lowen, Clare McCauley (Uniac), Richard Young (Uniac)

*Secretary's note: prior to the meeting, members of the Audit Committee met with the external auditors (BDO) and internal auditors (Uniac) without any University colleagues present.*

*\* attended part of the meeting*

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**PRELIMINARY ITEMS**

**Declaration of Interest**

001.2223 No declarations of interest were made.

**Terms of Reference and Membership**

002.2223 The Committee received the 2022/23 Terms of Reference and Membership profile.

003.2223 The Terms of Reference would be reviewed in due course to address and clarify points raised by BDO in terms of membership composition. The points raised were clarified in the Audit Committee's annual report and opinion.

**Minutes**

004.2223 The Committee **agreed** that the minutes of its meeting on 24 June 2022 were an accurate record.

**Matters Arising**

005.2223 The Chair presented a report on matters arising from the minutes of previous meetings of the Committee, that were not otherwise included on the agenda. The report included an update on compliance training completion rates.

006.2223 The Committee continued to monitor compliance-related training uptake across the University. A fluctuation in increased numbers of outstanding completions reflected the cyclical nature of refresher training; additionally, a significant number of new starters joined the University over the summer, which particularly impacted on the completion rates for Fraud and Bribery Awareness and Prevention training.

*Minute 007.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

#### **Chair's Action**

007.2223


#### **FINANCIAL STATEMENTS & EXTERNAL AUDIT**

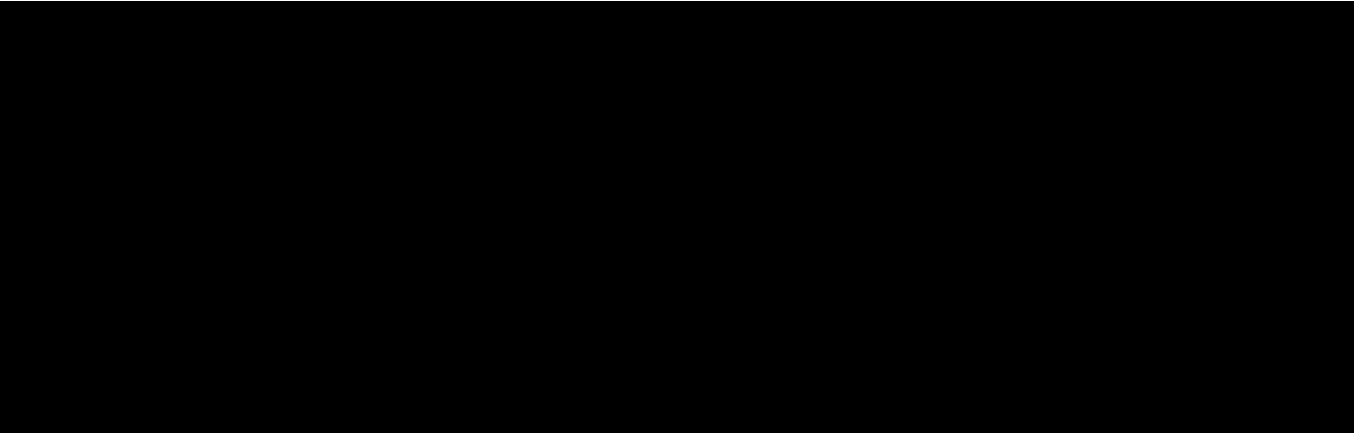
008.2223 The Audit Committee considered whether the University had adopted appropriate accounting policies; made appropriate estimates and judgements; made disclosures with appropriate clarity and completeness; and set these properly in context. This is distinct from the role of the Finance, Staffing & Resources Committee in considering and recommending the operating and financial review to the Board. The following reports were taken into account in considering these matters.

#### **External Audit Report / External Management Letter for the year ended 31 July 2022**

009.2223 The Committee received the External Audit Report and Management Letter for year ended 31 July 2022 from the University's external auditors, BDO, which would be submitted to the Board of Governors and then the OfS as part of the University's Annual Financial Return.

*Minutes 010-011.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



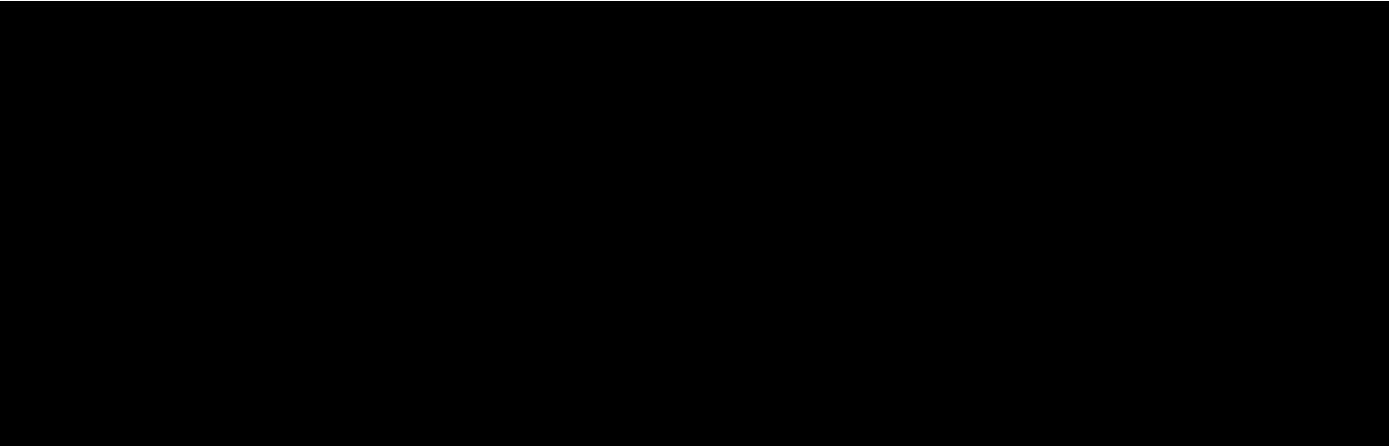


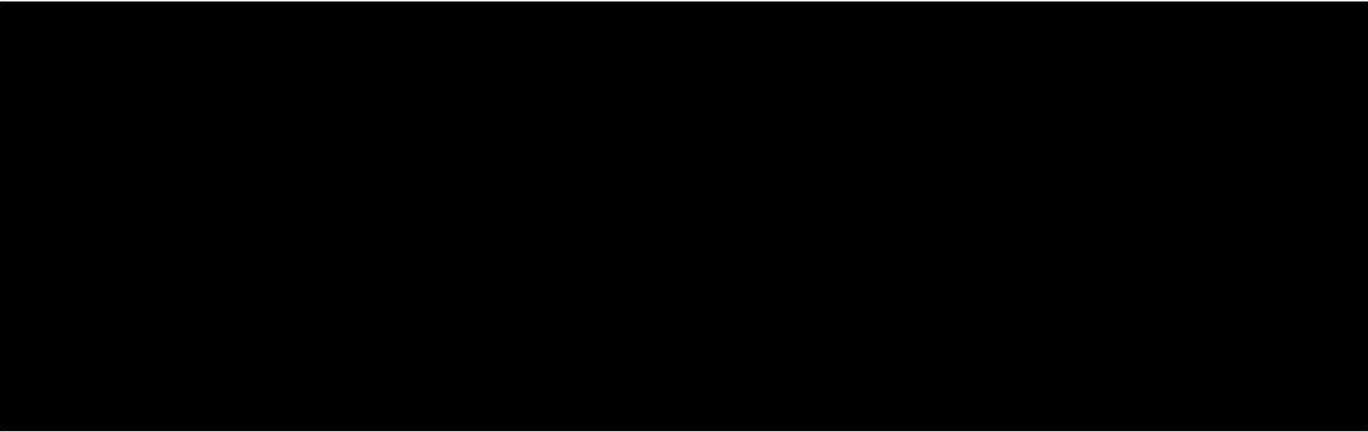
012.2223 The Committee **endorsed** the External Audit Report and Management Letter for the year ended 31 July 2022 to be submitted to the Board of Governors, subject to any final audit adjustments, and subsequently to the OfS as part of the University's Annual Financial Return.

#### **Draft Financial Statements for the year ended 31 July 2022**

- 013.2223
- (a) The Committee received the draft Financial Statements for year ended 31 July 2022, which were prepared in accordance with the requirements of the OfS Accounts Direction and applicable accounting standards.
  - (b) In accordance with its Terms of Reference, when reviewing the draft Financial Statements, the Audit Committee focused on the statements on risk management and internal control within the Corporate Governance Statement, on the consideration and review of any accounting policies, and the assessment of the effectiveness of internal controls.
  - (c) The external audit opinion and the statement of members' responsibilities were also reviewed, alongside the Board's responsibilities for the preparation of the Financial Statements and the role of the Audit Committee in recommending them to the Board for approval.

*Minutes 014-015.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*





016.2223

The Committee **endorsed** the Financial Statements for the Year Ended 31 July 2022, subject to final adjustments, to be submitted to the Board of Governors for approval and subsequently to the OfS within the required reporting period.

*Secretary's note: BDO left the meeting.*

#### **INTERNAL AUDIT 2021/22**

017.2223 The Committee received the outcome of three internal audit reports which concluded the 2021/22 programme.

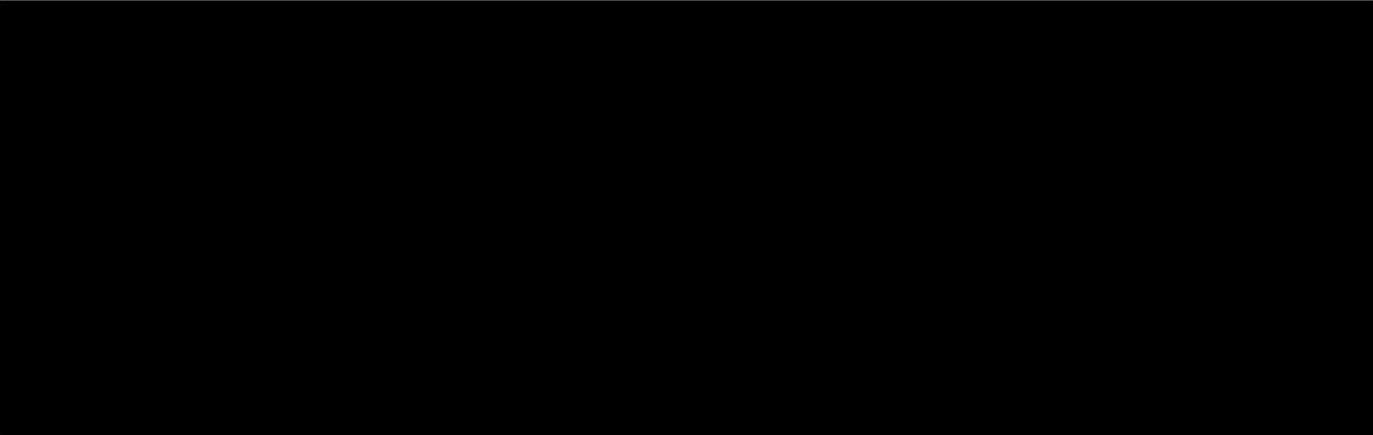
*Minute 018.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



#### **Internal Audit Report of CRM Project Assurance (2021/22)**

019.2223 KPMG presented the outcome of the 2021/22 internal audit of CRM Project Assurance.

*Minutes 020-021.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

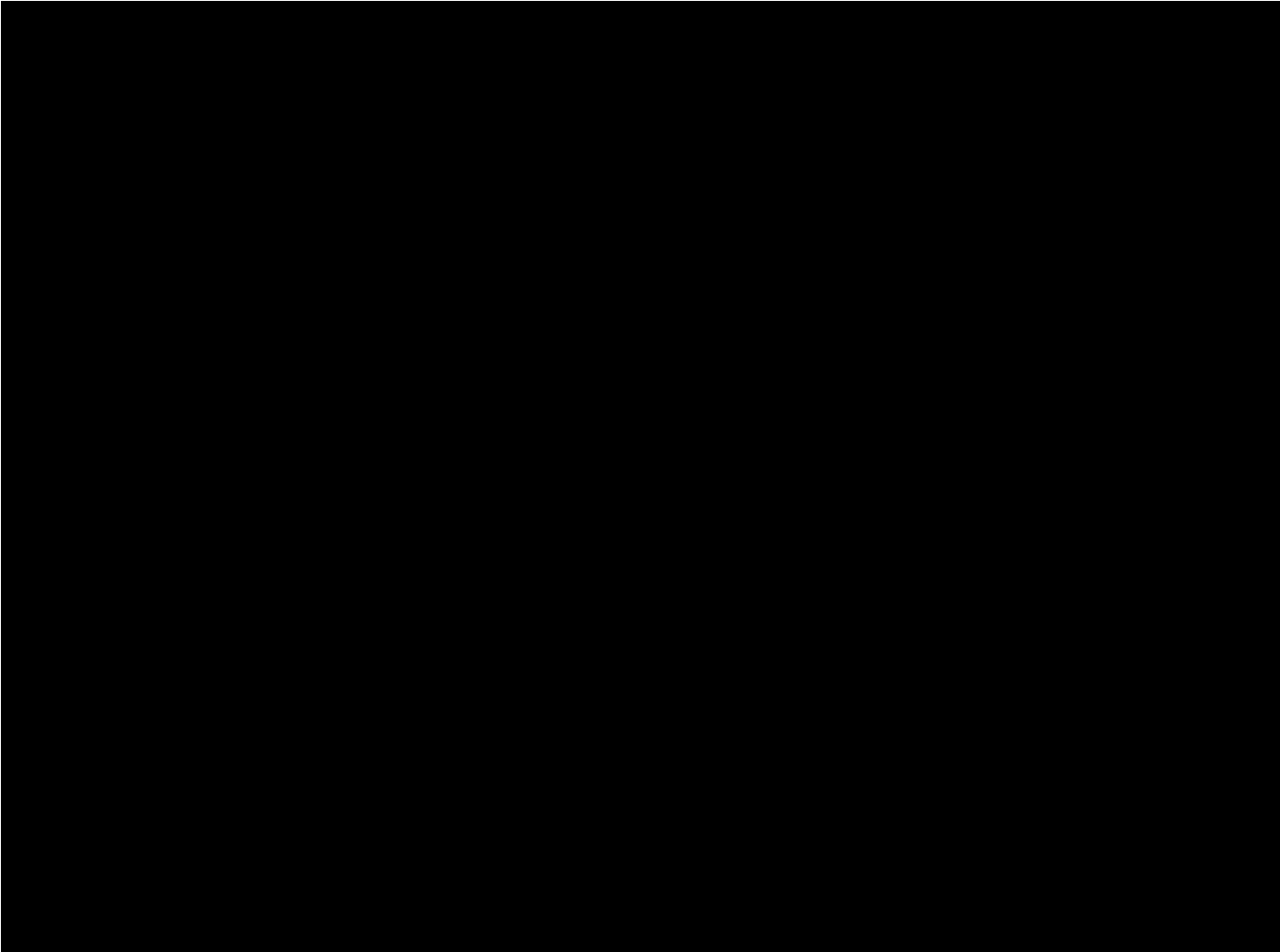


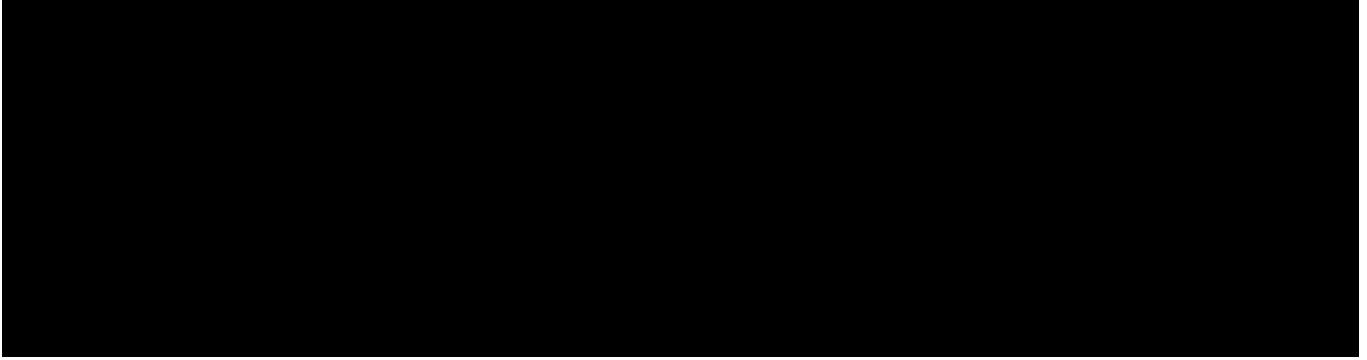


## **Internal Audit Report of HR Data Management**

022.2223 KPMG presented the outcome of the 2021/22 internal audit of HR Data Management.

*Minutes 023-024.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*





025.2223

- (a) **HR** would be invited to present an update on progress of recommendations at the next Audit Committee.
- (b) The role of the **Strategic Data Management Group** had expanded to ensure data structures across the University are sufficiently covered as well as supporting future internal audits on data. The annual **Data Assurance Report**, as received by the Audit Committee in November 2022, would be broadened to ensure it fully reflected the range of data within its remit.
- (c) Whilst DPIA's tended to be introduced as a result of new systems, the **Information Governance** team were prioritising key systems in order to ensure DPIA's were in place across the University.

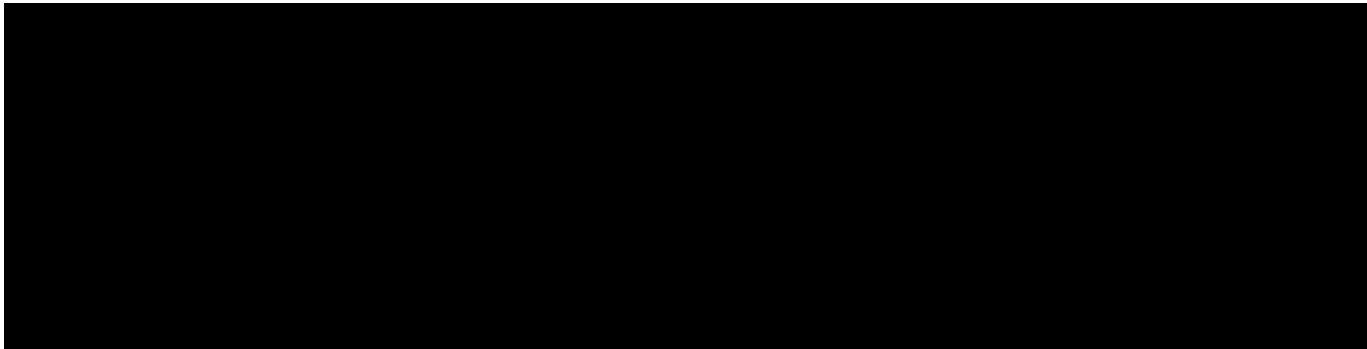
*Secretary's note: A written update was provided to Committee members on 07 December 2022.*

*Secretary's note: Cathy Barnes, Director of Research & Enterprise, joined the meeting.*

#### **Internal Audit Report of Governance of Concordat for Research Integrity (2021/22)**

026.2223 KPMG presented the outcome of the 2021/22 internal audit of Governance of Concordat for Research Integrity.

*Minute 027.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



*Secretary's note: Cathy Barnes, Director of Research & Enterprise, left the meeting.*

#### **Internal Audit Progress Report**

028.2223 The Committee received an update on the University's work on the follow-up of past internal audit recommendations. The University would report management responses to each Audit Committee meeting, and this would be supported by two in-year review exercises reported by the internal auditors.

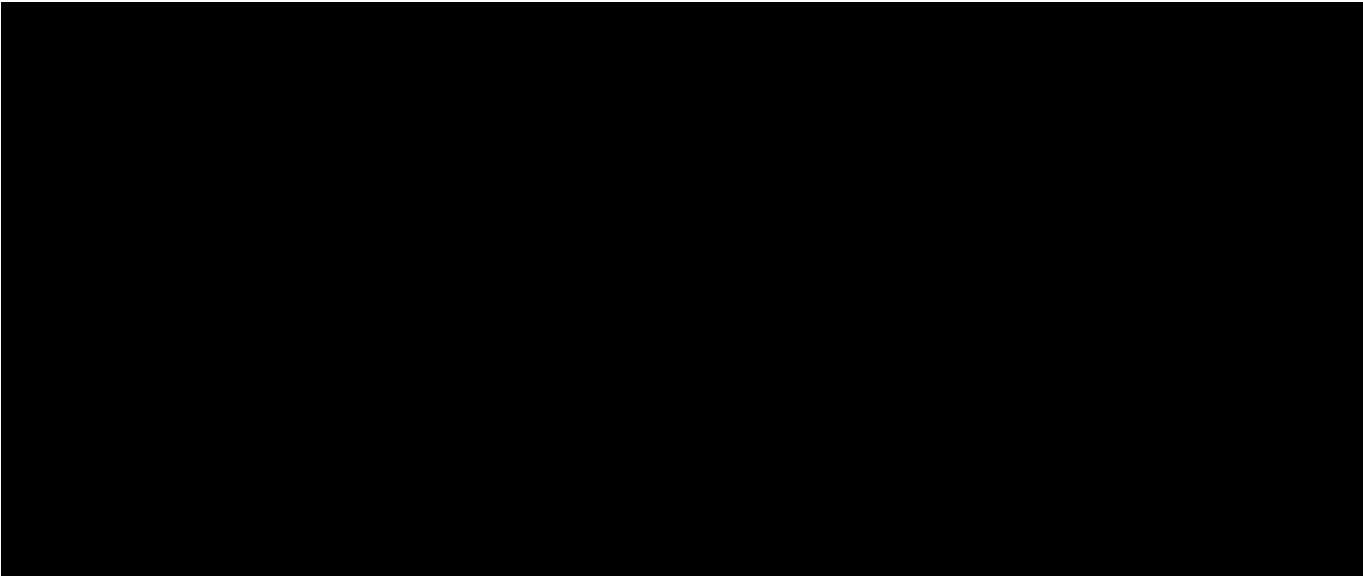
*Minute 029.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



#### **Draft Internal Audit Annual Report 2021/22**

030.2223 The Committee received the draft internal audit annual opinion from KPMG for 2021/22.

*Minute 031.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



032.2223 The Committee **endorsed** the 2021/22 internal audit annual report for submission to the Board in November.



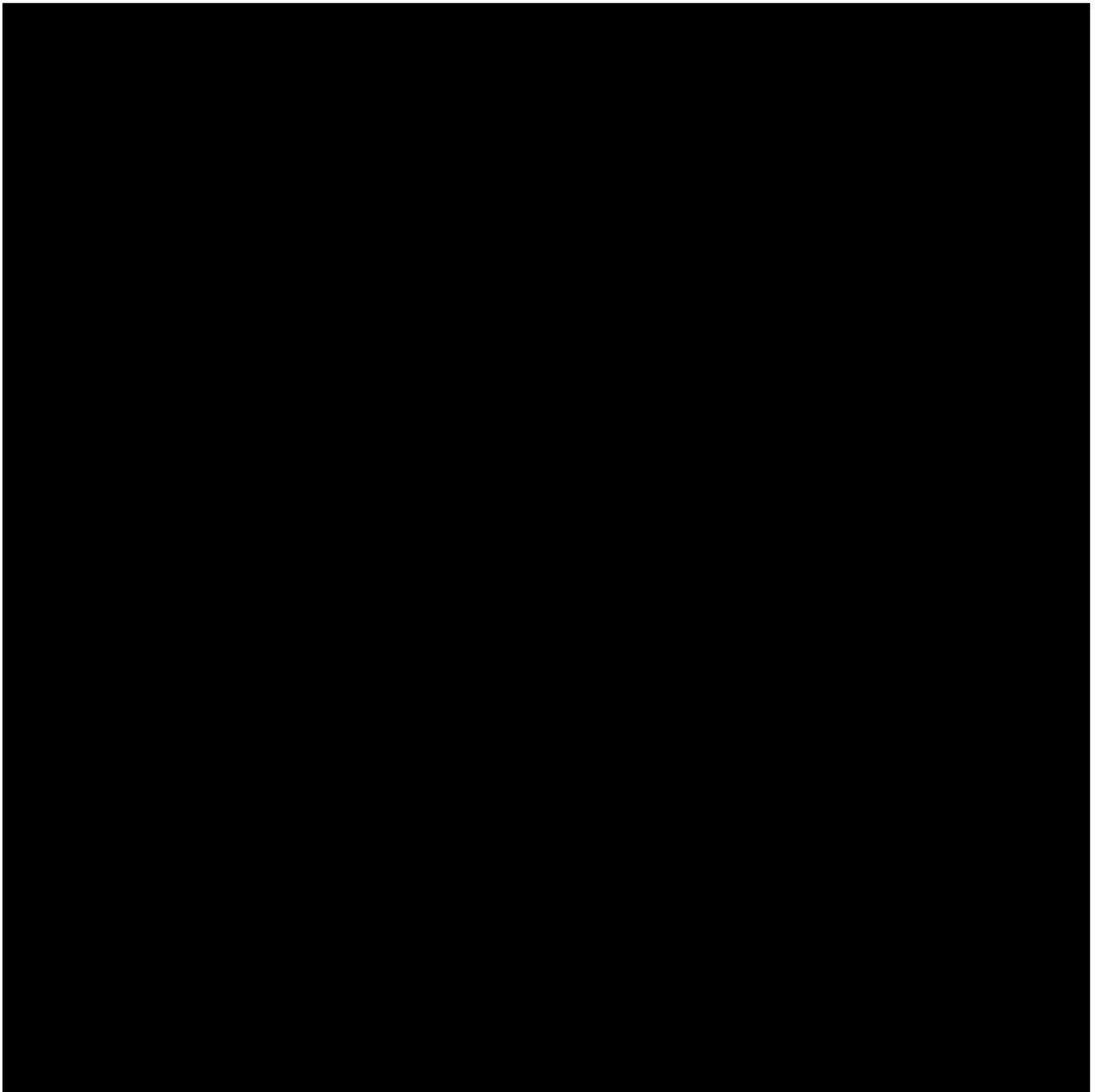
033.2223 The Committee thanked KPMG, and in particular Andrew Bush, for their work on internal audit services at the University.

## RISK MANAGEMENT

### Corporate Risk Register

034.2223 The Committee reviewed an overview of the corporate risk register for the first quarterly review of 2022/23.

*Minutes 035-037.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



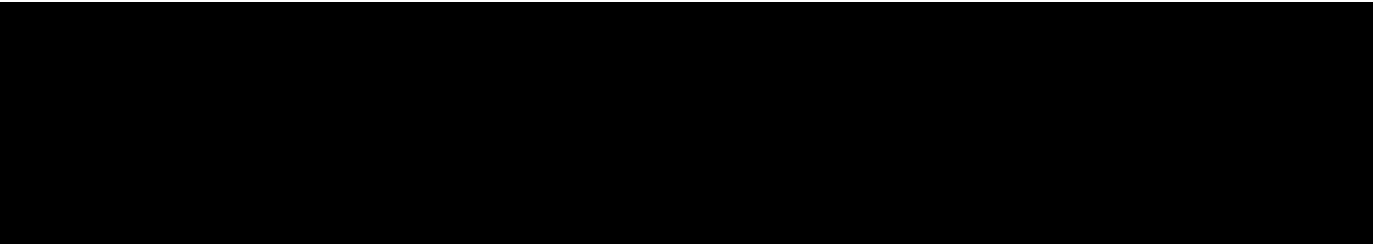




**Board Assurance Framework - Update**

038.2223 The Deputy Secretary presented the updated Board Assurance Framework.

*Minute 039.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

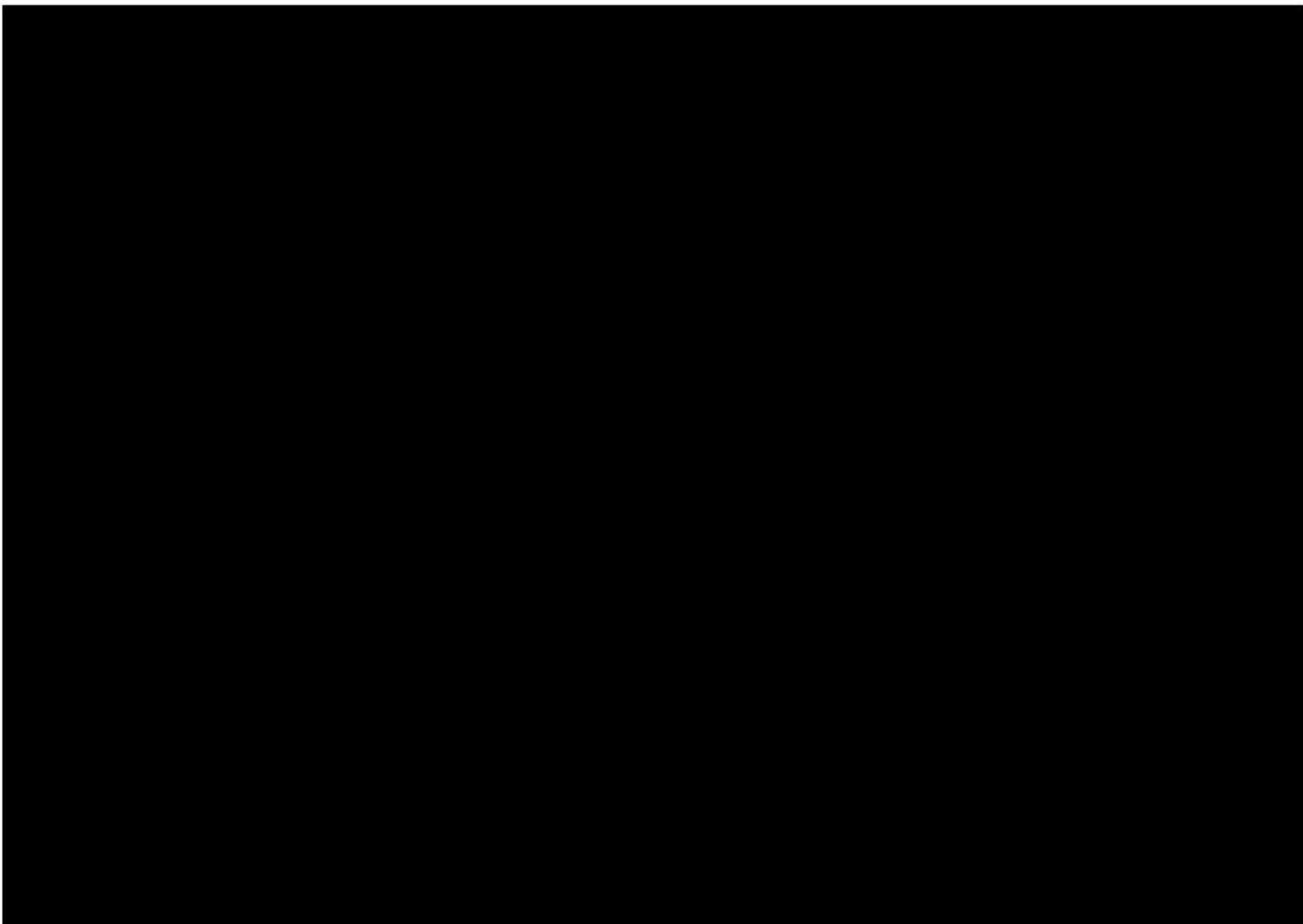




**Update on Degree Apprenticeships, OfSTED and ESFA actions and preparation**

040.2223 The Deputy Vice Chancellor (Academic) presented progress of plans to meet the requirements of both the Office for Standards in Education, Children's Services and Skills (OfSTED) and the Education and Skills Funding Agency (ESFA).

*Minute 041.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



042.2223 

The Committee would continue to receive updates on OfSTED preparations.
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*Secretary's note: Professor Phil Cardew left the meeting.*

**YEAR ENDING 31 JULY 2022**

043.2223 The Audit Committee considered whether the University had adopted appropriate accounting policies; made appropriate estimates and judgements; made disclosures

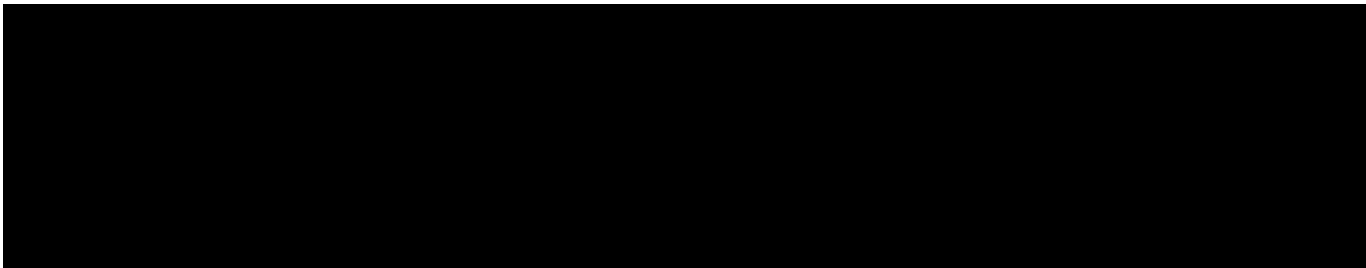
with appropriate clarity and completeness; and set these properly in context. This is distinct from the role of the Finance, Staffing & Resources Committee in considering and recommending the operating and financial review to the Board. The following reports were taken into account in considering the above matters.

The Committee was satisfied with the assessment and the assurances provided for year ending 31 July 2022, and by exception, to the date of the Committee meeting held on 4 November 2022.

### **Data Assurance Annual Report 2021/22**

044.2223 The Committee considered the Data Assurance report which provided information about the University's activities to manage risks relating to data quality and data security during 2021/22.

*Minute 045.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

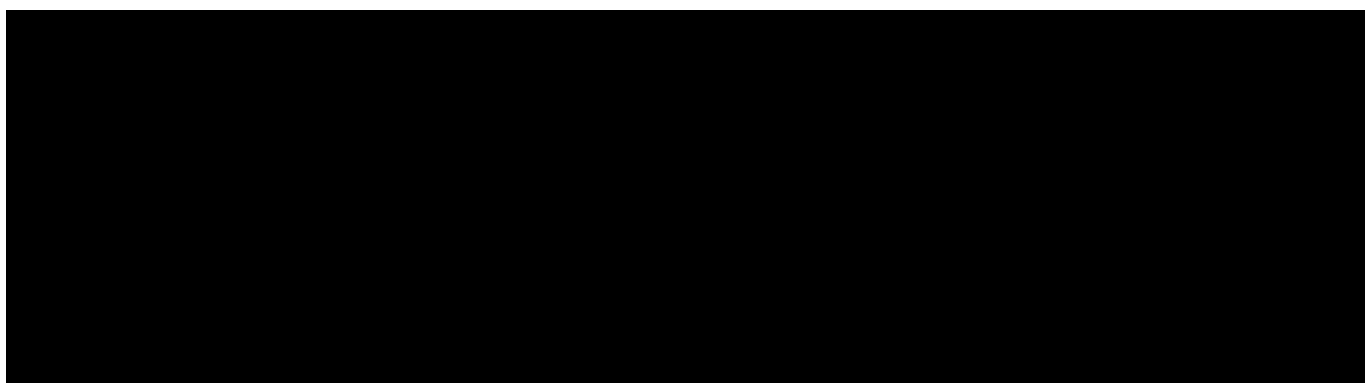


*Secretary's note: Andrew Fern, Director of Strategic Insight and Business Analysis, left the meeting.*

### **Annual Report on Fraud and irregularity, bribery, and public interest disclosures ('whistleblowing') 2021/22**

046.2223 The Committee received the annual paper which summarised investigations into reports of fraud, irregularity, bribery, and public interest disclosure during 2021/22, providing assurance to the Committee that the University has appropriate mechanisms in place for preventing matters of fraud.

*Minute 047.2223: exempt from publication under the provisions of the Data Protection Act 2018, and section 41 (Information provided in confidence) of the Freedom of Information Act 2000.*





### **Annual Assurance of Compliance with OfS Conditions of Registration**

048.2223 The Committee reviewed a report on how the University monitors compliance with the OfS conditions of registration throughout the year and the methods of assurance relied upon to monitor that compliance.

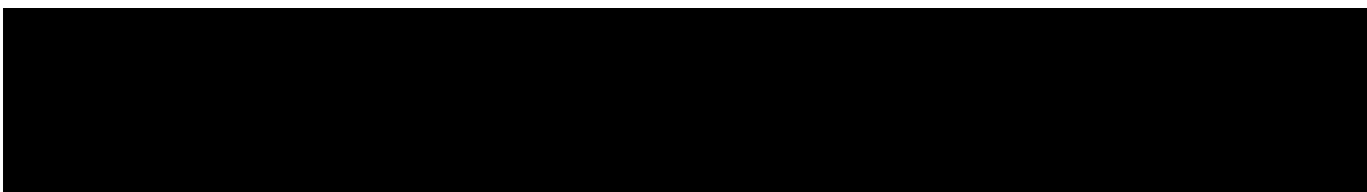
*Minute 049-050.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



### **Prevent Annual Accountability and Data Return**

051.2223 The Committee received the Prevent Annual Accountability and Data Return, in preparation for submission to the OfS, detailing how the University had complied with Prevent Duty.

*Minutes 052-053.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*



054.2223 The Committee recommended that the Board of Governors approve the accountability statement and data return for submission to the OfS.

#### **Audit Committee Annual Report and Opinion for the year ended 31 July 2022**

055.2223 The Committee received the draft Audit Committee Annual Report and Opinion for the Year Ended 31 July 2022. The report summarised the Audit Committee's activities during 2021/22, and by exception, to the date of this meeting, and set out its opinions on: risk management, control and governance arrangements; arrangements for economy, efficiency and effectiveness to ensure and promote value for money; and arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, and other funding or regulatory bodies to which it is accountable.

056.2223 (a) The Committee agreed that the report was an accurate reflection of its activities and provided appropriate assurances.

(b) The Committee confirmed that it had reviewed the statements in relation to risk management and internal control contained within the Corporate Governance Statement included in the Financial Statements for the year ended 31 July 2022 and was able to provide assurance to the Board that it accurately described the matters within its knowledge and remit.

(c) The Committee confirmed that it considered the Board's responsibilities in the preparation of the Financial Statements, had been satisfactorily discharged.

057.2223 The Committee agreed that the report was an accurate reflection of its activities during 2021/22 and by exception, to the date of the report, and provided appropriate assurances. The Committee recommended submission of the paper to the Board of Governors for approval.

*Secretary's note: Andrew Bush (KPMG) left the meeting.*

## Briefing Notes

058.2223 The University's internal auditors, Uniac, presented briefing notes on 'Analysis of Strategic Risk Registers in UK Universities'; 'A European View on the Risk Environment: An Analysis for UK Higher Education'; and 'TEF 2023'. The Committee noted the reports and discussed the main themes and comparison with other sectors.

## Internal Audit Plan 2022/23

059.2223 Uniac presented an updated programme of audits for 2022/23, as agreed with the University Executive Team (UET) in October.

*Minutes 060-061.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

## GOVERNANCE AND COMPLIANCE

### Reportable Events: Update Report

062.2223 The Committee received an update on potential Reportable Events considered under the University's procedure, up to 18 October 2022.



*Minute 063.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

*Secretary's note: Cathy Barnes, Director of Research & Enterprise joined the meeting.*

#### **Research Misconduct & Research Integrity - Annual Report**

- 064.2223 The Committee discharged its delegated authority to 'monitor the University's risk from research misconduct' through the consideration of the annual report Research Misconduct & Research Integrity.
- 065.2223 (a) The report outlined the actions and activities undertaken during 2021/22, as well as the framework in place to support and foster a culture of research integrity. The statement summarised the University's status relative to the expectations of the Concordat to Support Research Integrity.
- (b) During the 2021/22 academic year, the University received two allegations of research misconduct. One allegation was deemed not appropriate for consideration under the Research Misconduct Policy and Procedures. The second allegation proceeded to preliminary adjudication where it was concluded that the allegation was unfounded. No allegations proceeded to investigation.

*Secretary's note: Cathy Barnes, Director of Research & Enterprise, left the meeting.*

#### **OTHER BUSINESS**

##### **Draft Schedule of Business 2022/23**

- 066.2223 The Committee received its schedule of business for 2022/23.



- 067.2223 (a) The Committee noted that the deep dive on **business continuity** would be received at the next meeting of the Committee.
- (b) The OfS published an initial analysis of financial data of HE providers in England which set out key performance indicators against which the University could benchmark against the sector. The Committee would welcome a related **financial** deep dive to explore the post-budget and benchmark position linked with worst-case scenario planning.
- (c) The new Director of IT Services would be invited to attend as part of the **IT and digital infrastructure** deep dive presentation.

### **Other Urgent Business**

068.2223 No urgent business was raised.

### **Date of next meeting**

069.2223 The next meeting of the Audit Committee would be held at 10:00 on Friday 24 February 2023. This would be preceded by a pre-meeting of the governors and the auditors from 09:30.

Confirmed by the Committee as a correct record and signed by the Chair:

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

*Secretary's note: Uniac left the meeting.*

*Minute 070-074.2223: exempt from publication under the provisions of Section 43 (Commercial Interests) of the Freedom of Information Act 2000.*

