BOARD OF GOVERNORS 2024/25
Audit Committee Meeting M2
Monday, 17 March, 2025, 10:00, Microsoft Teams

Approved Minutes

Present		
Emma van der Lugt	Independent Governor, Chair of Committee	EvdL
Louise Bridgett	Independent Governor, Deputy Chair of Committee	LB
Prof John Scott, CBE	Independent Governor	JS
Jennie Walker	Co-opted Member of Audit Committee	JW
In attendance		
Prof Claire Taylor	Vice-Chancellor	CT
Karl Smith	Interim Finance Director	KS
Helen Cargill	Internal Audit Director, TIAA	HC
Nathan Coughlin	External Audit Partner, Bishop Fleming	NC
Jessamie Thomas	Governance Officer (note taker)	JT

1. **Reserved Business (1)** (No Staff in attendance)
   See Reserved Business (1) minutes

2. **Reserved Business (1)** (No Staff in attendance)
   See Reserved Business (1) minutes

3. **Reserved Business (2)** (All in attendance)
   See Reserved Business (2) minutes

MAIN MEETING – all in attendance

4. Welcome, Apologies & Declaration of Conflicts of Interests

4.1 Opening the main part of the meeting, Committee Chair, Emma van der Lugt, welcomed colleagues. Interim Finance Director, Karl Smith was welcomed to this his first meeting of the Audit Committee.

4.2 Apologies were received from Independent Governor, Vicky Hatton and from Chief Operating Officer, Ann Holman.

4.3 EvdL invited members to provide any updates to the Register of Interests, included in Part C; none were declared.

4.4 EvdL read out a confidentiality statement, based on wording contained in the Governor Affirmation and Governors' Handbook, to remind Board colleagues and attendees of their duties in this regard.

4.5 EvdL invited governors to 'unstar' items from Part B for discussion. No items were identified and the reports were taken as read.

5. Risk Management Review

5.1 The report was received. EvdL invited the Vice-Chancellor, Prof Claire Taylor, to present an overview.

5.2 CT guided the Committee through the report, which had been received by Finance & Resources (F&R) Committee earlier in the month. CT highlighted the work taking place to align the Risk Register with Marjon 2030. A deep dive into the risk management framework and a review of the University's approach would follow, including a review of operational risk management processes and practice, to mirror work around developing financial strength.

5.3 In response to a question as to how the upcoming session to focus on this would be managed, CT set out the resource and approach to be deployed. In response to an offer of support from Internal Auditors TIAA, CT invited Internal Audit Director, Helen Cargill to set out their proposal. **ACTION: HC**

5.4 The Committee noted the position and thanked CT for the report.

6. Internal Audit Progress Report

6.1 The Summary Internal Controls Assurance (SICA) Report was received. EvdL invited HC to provide an overview.

6.2 The report of one IA review was received, with substantial assurance. No new priority recommendations had been raised since the previous report.

6.3 With regard to progress against the Internal Audit (IA) Annual Plan, the Committee discussed with HC the review reports which were still to come and the process in place to bring these to the Committee. CT noted that a review of the plan was taking to place to ensure that reviews were of priority areas and set against an appropriate timeline.

6.4 ***Text redacted on the grounds of commercial sensitivity.***

6.5 The Committee suggested that ELT may wish to retain staff wellbeing on the IA plan, notwithstanding staff retention and engagement having been removed for this cycle; CT noted that a data governance and management review had also been proposed.

6.6 The Committee noted the position and thanked HC for the report.

7. Internal Audit Review Report

- **Assurance Review of Production of Records of Academic Achievement**

7.1 HC summarised the scope of the review. The Committee discussed the key strategic findings, noting the sound control environment, comprehensive suite of procedure documents and an assessment of the Student Regulation Framework 2024/25. The Committee noted the good practice and positive findings identified. The Committee discussed the action points – two routine and two operational and noted the corresponding management comments.

7.2 The Committee was satisfied with the position. HC was thanked for the report.

8. Draft Audited Financial Statements 2023-24

8.1 The report was received, consisting of a cover report, the External Auditors' draft completion report 'Key Issues for Discussion Document' and the draft audited financial statements. EvdL invited External Audit Partner, Bishop Fleming, Nathan Coughlin to provide an overview.

8.2 NC reminded the Committee of the timeframe and the rationale for bringing the financial statements to this meeting rather than in the autumn of 2024. NC commended the work of the finance team, noting the changes in personnel during this period. NC confirmed that the recent focus on the balance sheet position had been positive and there had been good engagement from management alongside third party support, to generate the Integrated Financial Model, which formed the basis for the External Auditors' scenario testing.

8.3 EvdL invited NC to highlight the main points in the 'Key Issues for Discussion Document', which covered the audit and accounts process, audit risks, other audit and financial reporting matters, audit adjustments, audit insights, management letter points and internal control systems. NC provided an overview of the audit conclusions and key findings, expanding on discussions held at Audit Committee M1 in November.

8.4 NC confirmed that his team recognised a nil position on pensions, with an asset position but not recognised on the balance sheet.

8.5 NC summarised the 'traffic lights' commentary in the report and rationale for these assessments.

8.6 With regard to going concern, NC confirmed that he was content with the financial support package due to be approved by BoG to synchronise with the financial statements sign-off and commended management on the robustness of their work.

8.7 One area where NC required further assurance was with regard to bad debt provision and debt collection. NC provided examples of where he would expect to see stronger controls. Interim Finance Director, Karl Smith, confirmed his awareness of the issues raised and confirmed he was prioritising the resolution of these and would update NC accordingly to provide the necessary assurance. KS noted that there would be two steps, clearing the backlog of transactions and then a review of processes and procedures.

8.8 The Committee requested that an update on debt management be a future agenda item, as part of the core financial processes update. **ACTION: KS/JT**

8.9 The Committee **APPROVED** the draft financial statements for onward recommendation to BoG, noting that the External Auditors' opinion would follow upon satisfactory conclusion of the outstanding matters raised at this meeting. NC was thanked for his comprehensive report and detailed discussion with the Committee. The updated report would be brought to BoG for consideration; NC offered to attend BoG M3 if required, to speak to the report.

8.10 The Committee was satisfied with the position and thanked NC for the report and update.

Close

In closing the main part of the meeting, EvdL invited colleagues to reflect upon whether discussions impacted on the current Risk Register or if changes were proposed. It was felt that risks were appropriately captured and no new risks or updates were identified.
EvdL thanked Internal Auditors and External Auditors for their work and contributions to the meeting.
HC and NC left the meeting.

9. **Reserved Business (3)** (No Auditors in attendance)
See Reserved Business (3) minutes

Part B

The following reports were received and approved:

10. Minutes of Previous Meeting (M1 18 November 2024) were received as an accurate record and **APPROVED** with no amendments.

11. Audit Committee Annual Report 2023-24

11.1 The Committee noted and **APPROVED** the updates to this report, which had been approved in principle by BoG in November 2024.

12. Committee Effectiveness, Membership, Cycle of Business and Meeting Dates 2025-26 were noted. Audit Committee Terms of Reference 2025-26 were **APPROVED.**

The following reports were received for information with no queries:

13. Matters Arising from Previous Meeting

14. Data Protection and Freedom of Information Annual Report

15. Finance Update

Part C

The following reports were received for information with no queries:

C6 Internal Audit Strategy 2024/27 and Annual Plan 2024/25 (final)

C8 A BUFDG Guide to Understanding University Finance

C Register of Interests