BOARD OF GOVERNORS 2025/26
Audit Committee Meeting M1
Wednesday, 19 November, 2025, 10:00, Microsoft Teams

Approved Minutes

Present		
Vicky Hatton	Governor, Chair of Committee	VH
Prof John Scott, CBE	Governor, Deputy Chair of Board of Governors (BoG)	JS
Guy Bolt	Governor	GB
Charlie Jones	Governor	CJ
In attendance		
Rt Rev'd Dr Tim Dakin	Governor	TD
Prof Claire Taylor	Vice-Chancellor	CT
Prof Michelle Jones	Deputy Vice-Chancellor	MJ
Ann Holman	Chief Operating Officer	AH
Karl Smith	Executive Director of Finance	KS
Jai Gundiggara	Head of Internal Audit, TIAA	JG
Nathan Coughlin	External Audit Partner, Bishop Fleming	NC
Jessamie Thomas	Governance Services Manager (note taker)	JT

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

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

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

MAIN MEETING – all in attendance

4. **Welcome, Apologies & Declaration of Conflicts of Interests**

4.1 Opening the main part of the meeting, Audit Committee Chair, Vicky Hatton, welcomed colleagues. A particular welcome was extended to Governors Guy Bolt, Charlie Jones and Rt Rev'd Dr Tim Dakin, and to Head of Internal Audit, Jai Gundiggara, to this their first meeting of the Committee.

4.2 Apologies were received from Co-opted Committee Member, Louise Bridgett.

4.3 VH invited members to provide any updates to the Register of Interests, included in Part C. Deputy Vice-Chancellor, Prof Michelle Jones, noted that (in relation to item 10) RSM were auditors of a charity where she was a trustee. No other interests were declared.

4.4 VH reminded colleagues of their commitment to respect the confidential nature of any business under discussion, as set out in the annual Board affirmation.

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

5. To Receive a Risk Management Update, inclusive of Strategic Risk Register

5.1 The report was received. VH invited Executive Director of Finance, Karl Smith, to lead on this item.

5.2 KS summarised the position, set out in this first quarterly update of the Strategic Risk Register, following a comprehensive review. KS summarised the overall position noting that most risks remain unchanged since the last review. Key changes were with regard to data governance and performance monitoring, with an increased risk rating due to compliance issues identified during the Operation:Excellence transformation programme. Immediate mitigation measures had been implemented, with an expectation that the risk would return to its previous level by the next review. With regard to business continuity, the risk rating had reduced following the implementation of a full Business Continuity Plan and Policy.

5.3 In response to a request for clarification on the data compliance challenges, Chief Operating Officer, Ann Holman, explained that these related to data storage and access permissions, again identified through the transformation programme and rectified in the past two weeks. The risk remained red for assurance purposes, pending confirmation of successful mitigation. The Committee noted the updates and acknowledged the measures being taken to address these risks.

5.4 The Committee noted that risk appetite would be discussed at the Board Strategy Day.

5.5 The Committee was content with the position and thanked KS and AH for the report and update.

6. To Consider the OfS Ongoing Conditions Mapping Document

6.1 The report was received. VH invited the Vice-Chancellor, Prof Claire Taylor, to lead on this item.

6.2 The Committee noted that this was a new report to the Board, to provide an update on alignment with the Office for Students (OfS) Conditions of Registration and Public Interest Governance Principles. In response to a question, CT confirmed that responsibility ultimately sat with herself, as Accountable Officer. CT thanked Academic Registrar, Michelle Prout, and Governance Services Manager, Jessamie Thomas, for their work compiling the report.

6.3 The Committee commended the team on a useful piece of work. It was noted that, subject to the publication of a Value for Money statement on the University’s website, full compliance would be demonstrated. KS confirmed that this statement would be published imminently, alongside the financial statements. **ACTION: KS (JT)**

6.4 The Committee was content with the position and thanked CT for the report.

7. To Receive and Consider the Internal Auditors’ Assurance Review of UKVI and International Student Growth

7.1 The report was received. VH invited Head of Internal Audit, Jai Gundiggara, to summarise the scope of the review and key strategic findings.

7.2 The Committee noted that the area reviewed was UKVI and international student growth, in line with the International Student Growth Plan set out in the University’s strategy, also covering the use of agencies. TIAA’s sample of six students revealed shortfalls or omissions in documentation and failure to evidence training, internal audits or manage monitoring. The Committee was satisfied that management responses to the findings were appropriate and noted the agreed implementation timetable. In particular, overarching responsibility for UKVI would be embedded within the remit of a new operational risk committee (Risk, Compliance and Continuity). MJ signposted colleagues to the paper in Part C, supplementary information on UKVI and student recruitment, which set out immediate responses plus work being done by the transformation team with regard to student journeys. MJ confirmed that the University had received confirmation two days previously of having passed the basic compliance assessment.

7.3 JG explained that the limited assurance opinion had been given, due to one recommendation raised, around record keeping. The Committee suggested that, notwithstanding the importance of monitoring this area, and noting the auditors' findings, given the small number of international students (10) and small sample (6) the findings were not material, relative to total provision. JG explained that there was always a degree of subjectivity in the final assurance rating, but felt that 'limited' was appropriate for this report.

7.4 JG was thanked for the report.

8. To Receive and Consider the Internal Audit Annual Report 2024-25

8.1 The report was received. VH invited JG to lead on this item.

8.2 JG summarised the scope of the report, encompassing the six reviews which had previously been discussed with the Committee. Two of these had received substantial assurance, two reasonable and two limited (UKVI, as noted above and business continuity, considered at the previous meeting). The Committee discussed in detail the methodology behind the weighting given to the two limited assurance reviews.

8.3–8.11 ***Text redacted on grounds of commercial sensitivity.***

8.12 VH thanked JG and acknowledged the time spent by TIAA with the University.
JG left the meeting.

9. To Review and Approve the Audit Committee Annual Report 2024-25 for onward recommendation to Board of Governors (BoG)

9.1 The report was received and was summarised by VH.

9.2 VH reminded colleagues that the purpose of the report was to provide an opinion, based on internal and external audit services and assurances from management, that the University was running effectively in line with audit requirements.

9.3 Subject to publication on the University's website of the Value for Money Statement, as discussed at item 6, the Committee was satisfied with the report and the approach being taken and the Audit Committee Annual Report was **APPROVED**. VH thanked JT for her work preparing the report.

10. To Consider the Internal Audit Plan 2025-26

10.1 VH invited KS to lead on this item.

10.2 KS reminded the Committee that TIAA's three year engagement had concluded. The University had prepared a specification for the Internal Audit service in the summer. KS detailed the process followed and confirmed that RSM, a provider of internal audit and advisory services, had been the successful bidder. To complement this, the University proposed to engage Penningtons for specialist immigration audit provision. NC confirmed that sophisticated mapping of this nature was becoming more commonplace in the sector. NC also confirmed that in terms of tender it was not unusual to receive limited reponses, but recommended a careful approach to drawing up frameworks.

10.3 The Committee reflected on the importance of correlating the audit plan with priority areas as set out in the Strategic Risk Register. ELT confirmed that this was now being carefully mapped and the Strategic Risk Register refined. In response to a question, NC's view was that the design and approach of the Strategic Risk Register was pragmatic and appropriate.

10.4 Following discussion of the key areas to be covered in 2025-26, it was noted that the University would confirm whether there was a requisite number of audits needed for the overall assurance judgement. **ACTION: KS** The Committee was content with the key areas which it was proposed would be reviewed (accommodation; academic partnerships; data governance and planning; admissions) and **APPROVED** the appointment of RSM as Internal Auditors for 2025/26 to 2027/28.

10.5 The Committee **APPROVED** the appointment of Penningtons Manches Cooper for specialist immigration audit provision.

10.6 The Committee was satisfied with the approach being taken and thanked KS for the update.

11. To Receive and Discuss the External Auditors' Completion Report and Letter of Representation for onward recommendation to BoG

11.1 VH invited External Audit Partner, Nathan Coughlin to lead on this item.

11.2 NC provided a verbal update, noting that while the Key Issues for Discussion Document (KIDD) was largely finalised, it had not been included in the papers. The KIDD 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.

11.3 NC confirmed there had been good engagement from management, a strengthened finance team and efficient management of the process compared with the previous year. In particular, the work of Deputy Director of Finance, Nick Swindells was commended.

11.4 The Committee discussed key findings and audit conclusions. Audit risks were: management override of controls; risk of fraud in revenue recognition; going concern; accounting for capital projects; debt collection and bad debt provision; pension assumptions. Audit and financial reporting matters were: going concern; debt collection and bad debt provision; partnership provisions.

11.5 NC discussed the heightened risk around debt collection and bad debt provision and final work taking place to be comfortable with the position. NC noted an improvement in debt collection, albeit via manual processes. A significant level of outstanding debtors had been identified during the audit process with a substantial increase in the bad debt provision. The Committee discussed the underlying reasons for this and was content with the work being done to mitigate risk and address issues.

11.6 The Committee discussed with NC the heightened risk around partnership provisions, mindful that this accounted for over half the University's tuition fee income at the start of 2025/26, and was an area subject to regulatory scrutiny. This increase in registered students was sector-consistent, and the Committee was assured of the rigour of the University's approach. It was suggested that partnerships be captured via a standalone entry in the Strategic Risk Register rather than under finance. **ACTION: KS**. NC noted work underway to manage associated risk and confirmed that he had been comforted by discussions with the leadership team, noting the controls in place, which he was comfortable with.

11.7 NC confirmed that he anticipated issuing an unmodified audit report and was content to confirm the University's going concern position.

11.8 NC was thanked for this comprehensive update. The finalised KIDD, with management comments, would be brought to BoG for consideration, with the Letter of Representation.

12. To Receive and Discuss the Draft Audited Financial Statements for onward recommendation to BoG

12.1 The report was received. VH invited KS to lead on this item.

12.2 KS confirmed the £3m surplus and £5.8m cash position, with clear headroom and all covenants passed. KS commented on the debt provision, which had been set in close liaison with External Auditors. KS confirmed the substantial work which had gone into assessing the Balance Sheet and controls. KS confirmed that the Integrated Financial Model (IFM), now Medium Term Financial Plan (MTFP) would continue to be refreshed as part of the business planning and budget setting cycle. KS confirmed the cash monitoring and reporting protocols to provide assurance of the tight controls over this area.

12.3 NC confirmed that the highlighted text reflected queries raised with the finance team; responses would be reflected in adjustments in the notes, for circulation to BoG. NC confirmed that the income, expenses and balance sheet would not change.

12.4 On this basis, the Committee **APPROVED** the draft financial statements, for onward recommendation to BoG.

13. To Review Key Risks

13.1 VH 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, under #1 Political and Regulatory; #2 Financial; #10 Reputation. No new risks were identified.

Close

In closing the main part of the meeting, VH thanked External Auditor Nathan Coughlin for his contributions to the meeting.

NC left the meeting.

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

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

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

Part B

The following reports were received and approved:

17. Minutes of Previous Meeting (M3 30 June 2025) were received as an accurate record and **APPROVED** with no amendments.

18. Reportable Events Policy and Procedure

The following reports were received for information with no queries:

19. Matters Arising from Previous Meeting

20. Management Accounts

21. Annual Report on Whistleblowing

22. Annual Insurance Assurance Report

Part C

The following reports were received for information with no queries:

C UKVI and International Student Recruitment

C Register of Interests

C HW Fisher Audit Committee Chairs Roundtable webinar – reading list:

- Gillies Report on University of Dundee
- Keith Read's article on whistleblowing for the Association of Corporate Treasurers.
- Greenwich-Kent merger: Impact on multi-university trusts
- Multi-University Trusts: Implications for higher education