

## Audit and Risk Committee

DATE / TIME / VENUE	0930, Thursday 22 May 2025, Room 0.32, St Andrews Court
PRESENT	Professor Sandy Pepper (Chair) Mark Readman, External Governor Liz Jolly, External Governor Alan Lees, External Governor Bahram Bekhradnia, External Governor Professor Graham Galbraith
IN ATTENDANCE	Dr Sonia Brandon, Staff Representative Mary White, Chief Financial Officer Harry Mears, External Auditor, KPMG LLP Nishita Sharma, KPMG LLP Lorna Raynes, Internal Auditor, RSM, LLP Louise Tweedie, Internal Auditor, RSM LLP (via videoconference) (to Min 66) Anne Murphy, Deputy Vice-Chancellor (Min 68 only)
SECRETARIAT	Paul Mould, Executive Director of Corporate Governance Jacqui Bryden, Senior Governance Officer

### Private Sessions

- The external governors, the staff representative, and the auditors held a private session before the start of the main meeting at 09:15.
- The external governors, the Executive and the secretariat held a private session after the main meeting at 12:00.

## **61 Welcome, Quoracy and Apologies**

- 61.1 The Chair welcomed members to the meeting. Madeline Denmead, External Governor attended as an observer. Nishita Sharma, Audit Manager, KPMG LLP, attended her first meeting.
- 61.2 Apologies were received from: Dr Michelle Hale, Academic Governor, Morgan Lowman, Student Governor and Duncan Laird, KPMG LLP.
- 61.3 The following standing declarations of interest were noted:
- Professor Sandy Pepper's son worked in the UK for KPMG (US) in international tax law.
  - Alan Lees is the Chief Executive at KCG Audit.
- 61.4 The Executive Director of Corporate Governance confirmed that the meeting was quorate and could proceed to business.

## **62 Minutes of the Previous Meeting**

The minutes of the meeting held on 27 February 2025 were confirmed as an accurate record.

## **63 Action Log and Matters Arising**

Action was reported on five items: one item that has been completed and four items to be received on the agenda.

## **64 Election of Chair**

The Committee noted that Madeline Denmead had been successfully appointed to the Chair of the Audit and Risk Committee from 1 August 2025. Members welcomed Madeline to the Committee.

## **65 Internal Audit**

### Internal Audit Progress Report 2024/2025

- 65.1 The Committee received an update on progress against the internal audit plan for 2024/2025 which provided a factual summary of progress to date. The key points noted were:
- (i) Three audit reports had been completed to date and two audits (Timetabling Arrangements and Cyber Security Controls) were undergoing a quality review. One completed audit was an advisory audit report.
  - (ii) The audit on Staff Development and Performance Management would commence shortly.
  - (iii) The remaining three scheduled audits had been cancelled to enable a focus on the follow-up report prior to the end of the contract on 31 July 2025.
  - (iv) RSM would attend the next A&R Committee meeting to provide the final audit reports

and to provide an annual opinion.

65.2 In discussion it was noted that:

- (i) The audit plan had been rescheduled to ensure completion and some audits had been cancelled so it was important to ensure that the University received value for money. The Internal Auditors had run out of calendar days and would not charge for reports that were not done. The reports received at the beginning of the following academic year enabled the Internal Auditors to provide an overall opinion.
- (ii) There was some discussion about the Internal Audit plan to commence earlier in the year to ensure completion by the end of the academic year; reports to be discussed in meetings one to three and final reports in meeting four.
- (iii) The current process was that the Internal Audit plan was agreed in the May and the audits planned to the UEB cycle of meetings. The new Internal Auditors would be required to plan audits in closer alignment to ensure completion by the year-end and to plan further ahead than one year. It was important that managers prioritised action plans to address outcomes and actions from audits.
- (iv) To facilitate the transition, the new Internal Audit plan would be agreed in September 2025 for delivery by May 2026 and then map the annual audit plans for the following four years. UEB would receive regular reports on the progress of the audits, outcomes and management actions.

65.3 The Committee noted the updates.

Audit Report: Reset Programme – Delivery Arrangements (in draft) – confidential

Recommendation Update Report

65.7 The Committee received an update report from the Internal Auditors on the follow-up progress made by the University to implement previously agreed management actions in response to audit recommendations. The key points were noted in discussion:

- (i) There were 13 overdue management actions of which six were overdue by more than one year. Four of the six overdue by more than one year related to DBS (Disclosure and Barring Scheme) checks which would be addressed.
- (ii) Since the report had been provided by the Internal Auditors, the University had closed another management action to total 12 overdue actions.
- (iii) There was discussion about the timing of student DBS checks as described in the Policy for Admissions of Applicants and Students with a Criminal Record dated November 2013, which required updating and resolution.

**Action: Executive Director of Corporate Governance**

- (iv) UEB would receive a monthly update report on outstanding actions and the managers assigned to complete actions which had become overdue would be required to attend UEB to provide updates on progress and any sticking points.

**Action: Executive Director of Corporate Governance**

- 65.8 Following discussion, the Committee noted the report and that proactive management was required.

## **66 Actions from the Report to the Audit and Risk Committee from y/e 31 July 2024 and Update on Preparation for the 2024/2025 Year End**

- 66.1 The Committee received a report from Mary White, Chief Financial Officer on the progress of the recommendations in the external auditor's management letter from 2024 and preparations for the 2024/2025 external audit. In discussion, the following points were noted:

- (i) At its meeting in November 2024, the Committee had received the external auditors' management letter for 2023/24. The external auditors did not raise any control recommendations as a result of the 2023/24 external audit and noted that no issues were identified.
- (ii) Audit planning for the end of 2024/2025 was in progress between the University and KPMG, the External Auditors.

- 66.2 The Committee noted the update.

## **67 KPMG External Audit Plan 2024/2025**

- 67.1 Harry Mears, KPMG LLP introduced the plan of the External Auditors for the audit for the year-end 31 July 2025. The following key points were noted:

- (i) There was little change from last year and materiality remained at 2.5% of forecasted revenue. Overall the risk had diminished this year because the deficit had reduced.
- (ii) The audit for the University was in progress and due to the agreed audit exemption, three subsidiaries were in scope. The final report would be available in November.

- 67.2 In discussion it was noted that there were no significant areas of concern with a fair clearance over the loan covenant this year and the plan was very straightforward.

- 67.3 Following discussion, the Committee approved the External Auditors plan for the audit of the year end 31 July 2025.

## **68 Undergraduate and PGT Annual Monitoring Reports 2023/2024 – confidential**

## **69 Risk Management Update**

- 69.1 The Committee received an update on the work undertaken on the management of risk from Paul Mould, Executive Director of Corporate Governance. The key points noted were:

- (i) Further to the establishment of the University Risk Management Group (URMG) the 364 identified operational risks had been allocated to functional areas to be actively managed and mitigated. A risk management update would be presented at the Board meeting in July 2025.

- (ii) The redesign of the methodology for University risk appetite had been prioritised by UEB to facilitate the different level of risk that might be applied to different projects.

69.2 In discussion, the Committee noted the following:

- (i) The risk register would be presented to the Committee in future meetings once its format had been established.
- (ii) The Committee of University Chairs (CUC) had discussed risk appetite at its last meeting and had noted that the Department of Education expected universities to handle their financial affairs effectively and not be so cautious because the sector was known for risk aversity and caution. For example, TNE carried a potentially greater risk which had to be balanced with the imperative to diversify into other markets. The curriculum review would include assessment of the risk appetite to expand its market globally.
- (iii) It was very important to have a longer Board discussion about the risk strategy later in the year to manage Board-level and Committee-level expectations of risk management.
- (iv) Risk oversight would be included in the new Scheme of Delegations to update the Board on the Enterprise and emergent risks linked to the University Strategy, which would be delegated to the Committees. There would be a deep dive at each Board on each of the strategic pillars to discuss the risk of each as well as the risk of not doing things. For example, the risks associated with the University pensions should be reviewed and discussed by both IFC and the People Committee.
- (v) Considerable progress on the effective management of risk had been achieved in the last year and there was further work to be done following the Board Effectiveness review.

69.3 Following discussion, the Committee noted the update.

## **Committee Self-Assessment**

69.4 The Committee received a report on the outcomes of the Committee Self- Assessment questionnaire from Paul Mould, Executive Director of Corporate Governance. In a discussion of the questionnaire responses, the following key points were noted:

- (i) The baseline response rate from External Governors was 4/5 (80%).
- (ii) The majority of responses indicated satisfaction in most areas and the new Chair would be able to focus on the less satisfactory areas as the committee evolved.

69.5 In discussion, the Committee noted the following:

- (i) The report provided a good summary of the effectiveness of the Committee and indicated that there was a good interaction between the executive and External Governors and a good working relationship with the external and internal auditors.
- (ii) The volume of paperwork in general had reduced since the introduction of the more succinct cover sheet and the use of the reading pack. This approach aligned with the recommendations of the CUC to reduce the Board and Committee paperwork.

- (iii) The Terms of Reference were due to be reviewed during the summer to ensure that the committee continued to be fit for purpose and meet its remit, in particular the management of risk, along with the new Scheme of Delegations that was in progress

69.6 Following discussion, the Committee noted the summary and key findings in the report and confirmed that the survey would be undertaken biennially with a mid-cycle review in May 2026.

**Action: Senior Governance Officer**

## **70 Health and Safety**

70.1 The Committee received and noted the quarterly report summarising the actions that had been taken during the period 1 November 2024 to 31 January 2025.

70.2 The Committee noted that the draft Health, Safety and Wellbeing Committee minutes of 11 December 2024 had been circulated on 24 March 2024.

## **71 The University's Prevent Duty**

The Committee noted the updated report from Kevin Child, Director Student Support Services (Principal Safeguarding Officer Students, UoP Prevent Coordinator) that provided an overview of the University's activities to deliver the Prevent Duty. A training event about the Prevent Duty for Board members was scheduled for 2 July 2025. The Committee noted the update.

## **72 Annual Information Governance Report 2024**

The Committee received a report provided by Samantha Hill, Information Disclosure and Complaints Manager that addressed all aspects of information governance work undertaken in the University for the period 1 March 2024 to 28 February 2025. The Committee noted the report.

## **73 Non-Audit Services Provided by External and Internal Auditors**

The Committee noted there had been no planned services outside the core audit and ancillary services provided by the internal and external auditors during the period 1 February 2025 to 30 April 2025.

## **74 Dental Academy Clinical Governance Annual Report 2024/2025**

The Committee received and noted the annual report on Clinical Governance provided by Sue Fenton, Clinical Director of the Dental Academy, which gave assurance that clinical governance was taking place appropriately within the Dental Academy.

## **75 OfS Publications**

The Committee noted the full list of OfS publications could be found at:  
<https://www.officeforstudents.org.uk/publications/>.

## **76 Confirmed Meeting Dates**

The Committee noted the confirmed meeting dates for 2025/2026:

- 11 November 2025, 1300 to 1600
- 19 February 2026, 1000 to 1230 (online)
- 21 May 2026, 1000 to 1230

## **77 Date of Next Meeting**

- The next meeting would be held on Tuesday 23 September 2025, 1000 to 1230

## **78 Record of Thanks**

### **Dr Sonia Brandon**

The Chair noted that this was the last Audit and Risk Committee meeting for Dr Sonia Brandon as the Staff Representative. The Committee thanked Sonia for her contribution to the work of the Committee and wished her well for the future.

### **Morgan Lowman (in absentia)**

The Committee thanked Morgan Lowman, Student Governor for his contribution to the Committee and wished him well for his future.

### **Liz Jolly**

The Committee thanked Liz Jolly, External Governor for her contribution to the Committee and wished her well in her new job role.

### **Professor Sandy Pepper**

The Vice-Chancellor noted that this was the last Audit and Risk Committee meeting for Professor Sandy Pepper and the Committee wished him well in his new role as Chair of the Board.

## **79 Update on the Tender of Internal Audit – confidential**

## **80 External Auditors' Appointment – confidential**

## **81 External Auditors Questionnaire - confidential**