

NORWICH UNIVERSITY OF THE ARTS

Minutes of Audit Committee

Held on 7 June 2019 in the Conference Room, FH201, Francis House, Norwich

Present

Mr A Grimbley (Chair)
Ms A Ferguson
Mr P Norton
Mr C Owen
Mr T Wood

In attendance

Ms S Beavis, KPMG, External Auditor
Mr S Belderbos, Director of Finance, NUA
Mrs A Robson, Deputy Vice Chancellor, NUA
Ms L Tweedie, RSM UK, Internal Auditor
Ms A Tubb, Registrar, NUA
Mr D Williams, Clerk

Apologies

None

PRESENTATION

The Internal Auditor provided the Committee with an update on recent developments and the higher education sector.

1. MINUTES OF THE PREVIOUS MEETING

The minutes of the Audit Committee meeting held on 22 February 2019 were agreed and signed by the Chair.

2. MATTERS ARISING FROM THE MINUTES

Item 4.3. Cyber Security: the University had investigated the benefits and cost of using a third party provider to test and benchmark the resilience of its external network interfaces against cyber-attack. The University had utilised a free service offered by a commercial supplier to carry-out such a diagnostic. This gave the University a cyber-security rating of “advanced” - meaning it can be considered as having a lower risk of a successful attack.

Item 6.2. Legal Basis of Processing: the Registrar confirmed that the work agreed with the Committee had been completed.

Item 7.1 Statutory and Regulatory Reports: the additional information requested by the Committee would be included in the next annual summary report, which was scheduled to be presented to the Committee at its spring 2020 meeting.

3. OFS and QAA MATTER

3.1. OfS and QAA Publications

The Committee received a list of the recent publications issued by OfS and QAA.

3.2. OFS Condition F1: Transparency information

A recent development was the OfS asking providers to provide transparency information as an on-going condition of registration. Providers were required to provide data on the number of applications for courses starting in 2018/19, the

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number of offers made and the number of offers accepted. The data was expected to be broken down by gender, ethnicity and social-economic background.

An analysis of data indicated that no student group in 2018/19 was either favoured or disadvantaged by NUA's recruitment processes.

Although the external request for information was new, the University's senior management team each week received detailed data on current year recruitment. The information provided included benchmarking data for other providers in the University's region and specialist competitors and detailed data each week was provided the number of applications, offers and firm acceptances by course.

3.3. Course Approval and Periodic Review 2018-10

To provide effective oversight, there was a question of when the Committee should receive updates on Course Approval and Periodic Review and External Accreditation.

The Committee agreed that in principle it was content to receive reports during the year by exception, should a major issue arise, and receive towards the end of each academic year an overall and summary report. The expectation was that the annual report would be received by the Committee at its summer meeting.

3.4. Update on External Accreditation

The University's management confirmed that they sought to secure external accreditation of the University's courses whenever possible. It was however difficult to be sure about the value of external accreditation and the weight applicants placed on its presence when selecting a course of study. On balance the University believed that accreditation removed the risk that competitors with accredited courses would be favoured by applicants. It was however noted that in addition to the financial fees paid to the accrediting bodies, the process required a considerable investment of staff time. The University continued to consider carefully the merits of accreditation when course accreditation came up for renewal.

4. EXTERNAL AUDIT

4.1. KPMG External Audit Plan and Strategy 2018/19

The external auditor introduced the external audit plan and strategy 2018/19. Key features of the plan, included setting materiality at £478k (2%) of revenue.

The potential impact of BREXIT and the recent publication of the Augar Report were noted. Both topics and the related risks to the University were expected to be included in the Strategic Review in the Financial Statements for 2018/19.

Deputy Vice Chancellor (DVC)/External Auditors

The auditor drew the Committee's attention to the statement, confirming their independence.

5. INTERNAL AUDIT

5.1. Internal Audit Plan 2019/20

The Committee received a draft of the Internal Audit Plan 2019/20. The Committee discussed the audit plan in detail. It was agreed that it would be helpful when agreeing priorities if information about the areas investigated by internal audit over the three previous years could be shared with the Committee.

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Internal Auditor

The Committee agreed that in addition to undertaking an annual review of General Data Protection Regulation (GDPR), a short update on the topic would be provided at each of its meetings.

Registrar

Reflecting the uncertain policy environment there was a case for asking the Internal Auditors to review the University's controls in the preparation of its financial forecasts. It was agreed that consideration should be given to incorporating the topic in either the planned audit on data quality or key financial controls.

Internal Auditor

The growing concerns across the sector in relation to the mental health of students and staff, suggested the topic might be an appropriate area for the internal auditors to review at a future date.

6. RISK MANAGEMENT

6.1. Significant Risks List

The committee noted the Significant Risks List. The list had been updated prior to the publication of the Augar report.

The University had already begun considering the implications of the Augar Review, should its recommendations be adopted by government. Notably, the impact of the withdrawal of student loan funding for Foundation courses and the University's response to a reduction in fee levels.

The University had added a further risk – employability profile – to its significant risks list.

The Council's risk appetite had been agreed in October 2014. It might be timely to review the risk appetite in conjunction with the development of the University's next strategic plan. The Clerk was asked draw the matter to the attention of the Chair and Vice Chancellor.

Clerk

The Committee agreed that in addition to receiving the Significant Risks List it would be beneficial to undertake a 'deep-dive' into one of the highest risks faced by the University. A report focussing on the chosen area might be considered at the Committee's spring meeting.

DVC

6.2. SMG Annual Risk Management Report and Policy Review

The Committee received the annual review of the University's policy and processes for identifying and managing risk.

7. INTERNAL CONTROLS

7.1. Fraud Response Plan – Review

The Committee approved the minor amendments to the University's Fraud Response Plan.

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7.2. List of Donations Received May 2018 – April 2019

The Committee noted the list of donations.

8. HEALTH AND SAFETY

8.1. Health and Safety Annual Report

The Committee received the Health and Safety Annual Report. There had been no major injuries or incidents during the reporting period.

9. GOVERNOR MATTERS

9.1. Governors' expenses

The expenses claimed by governors for the period May 2018 – April 2019 were noted.

10. ANY OTHER BUSINESS

There was no other business.

11. DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would take place on Monday 28 October 2018. Dates of the Committee meetings for 2018/19 would be circulated to members by the clerk.

Clerk

12. COMMITTEE EFFECTIVENESS

The Committee agreed that members should complete the checklist of effectiveness, and return their responses to the Clerk to collate a summary report.

Clerk