

NORWICH UNIVERSITY OF THE ARTS

**Minutes of Audit Committee
Held on 26 October 2020 using Microsoft Teams**

Present

Mr A Grimbly (Chair)
Mrs A Ferguson
Mr C Owen
Mr T Wood

Mr S Belderbos, Director of Finance, NUA (to item 12)
Mr M Jones, RSM, Internal Auditor (to item 13)
Mrs A Robson (to item 12)
Ms A Tubb, Registrar, NUA (to item 12)
Mr D Williams, Clerk

In attendance

Ms S Beavis, KPMG, External Auditor (to item 13)

Apologies
None

APPOINTMENT OF VICE CHAIR

Mrs A Ferguson was appointed to the position of Vice Chair.

TERMS OF REFERENCE

The Committee agreed the terms of reference.

MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Audit Committee held on 5 June 2020 were agreed.

MATTERS ARISING FROM THE MINUTES

There were no matters arising.

1. QUALITY AND COMPLIANCE

1.1. Annual Summary of Complaints

The committee reviewed the annual summary of complaints. The University had received a small number of additional complaints in 2019/20 as a result of the implementation of the Covid-19 national lockdown. The increased number (+5) on the previous year (6 in total) was small.

Two complaints had been submitted to the Office of the Independent Adjudicator (OIA). One case related to Covid-19, the other to a decision on a student contract.

The benchmarking data showed the University continued to receive a low-level of complaints, suggesting students were largely satisfied with their experience at NUA.

1.2. Tier 4 sponsorship – baseline compliance assessment confirmation

The committee noted the satisfaction of baseline compliance for Tier 4 sponsorship, including the 0% refusal rate.

The committee offers its congratulations to the staff involved for achieving such a positive outcome.

1.3. Material Adverse Events Reporting

The Committee noted that there were no material adverse events to report.

1.4. GDPR update

The committee received an update on GDPR. The committee would receive its annual report on GDPR at its spring meeting.

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The successful response to the Malware attack on the University website, which was found to be embedded in the WordPress plugin was noted.

The committee noted the GDPR update.

2. INTERNAL AUDIT

2.1. Final Report – Staff Recruitment

The committee received the internal auditor's report. The auditor had found that Council could take substantial assurance as to the design and operation of the controls relating to the recruitment of staff.

2.2. Final Report – Follow up

The committee received a progress report from the Internal Auditors. Good progress had been made and only one medium action, subsequently downgraded to a low risk, was outstanding.

2.3. Internal Audit Annual Report – year ended 31 July 2020

The report provided the annual internal audit opinion. Based on the work undertaken, the internal auditor had awarded the University a "green" opinion, the highest level of assurance. The internal auditor indicated to the committee that the award of this level of assurance amongst institutions was very rare.

2.4. Internal Audit Progress Report

For the assignments agreed for the 2020/21 internal audit plan, it was anticipated that some of the work would be carried-out on-site. The assignments were planned to commence in November 2020 and be completed by the end of April 2021.

The internal auditor also drew members' attention to the information contained in September 2020 RSM Higher Education News Briefing, which had been included in the committee's papers.

The Chair thanked the Head of Internal Audit for his reports.

3. DATA QUALITY

3.1. Student data quality,

The Committee received a report on student data quality, detailing the reconciliation of the Higher Education Students Early Survey (HESES) data with the student return for the Higher Education Statistical Agency (HESA).

A move from the old JACS to the new HECOS codes had led to the re-designation of some 50 students from category C1 to category D. The change was not significant and the change would be incorporated in the data returns for 2020/21.

The committee noted the report.

4. BANK COVENANTS

The University's strong financial position and ability to meet its bank covenants was noted.

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5. RISK MANAGEMENT – SIGNIFICANT RISKS LIST

The committee received the significant risks list (SRL). The list detailed the highest risks facing the University. The SRL is reviewed twice a year by the committee and then by Council.

The most significant risks remained unchanged.

Government announcements suggested the risks to higher education providers arising from adverse changes to public policy (risk F1) had perhaps increased.

The committee reviewed a number of the risk areas including reputation (Q2), failure in planned delivery (A2) and employability (A5). In relation to risk A2 a new risk added to the SRL was a second lockdown.

While the city of Norwich had to date experienced a relatively low number of Covid-19 cases the University was continuing to examine the implications of, and plan for, a number of possible future scenarios. These included the adoption of future restrictions affecting students in the run-up to Christmas, or for start of the spring 2021 term.

6. FINANCIAL PROBITY

6.1. Anti-Money Laundering Policy Annual Review

The Committee noted that the anti-money laundering policy had been reviewed and that no changes were required.

7. CUC HE AUDIT COMMITTEE CODE OF PRACTICE

The Committee of University Chairs (CUC) had published a revised Audit Code in May 2020. Although not mandatory, the Code set out the arrangements for the practice of good governance by Audit Committees.

An assessment of the Code by the University had shown that only a small number of changes were required to ensure full compliance with the Code. The changes included matters relating to whistleblowing, institutional sustainability and the pre-approval of all non-audit services. The committee noted the actions being taken to ensure the University was fully compliant.

8. AUDIT COMMITTEE ANNUAL REPORT (DRAFT)

The committee reviewed and considered a draft of its Annual Report to Council. The report provided information on the committee's work during the year, and offered assurance to Council that the committee had successfully discharged its duties.

The committee approved the report for presentation to Council.

Chair

9. ANY OTHER BUSINESS

The Chair drew the main part of the meeting to a close.

The Chair thanked both the external and internal auditors and the University's finance and registry teams for the work they had done.

10. DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would take place on Friday 19 February 2021 at 14.00.

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11. MEETING WITH EXTERNAL AND INTERNAL AUDITORS

Members of the University's executive left the meeting and the committee met privately with the external and internal auditors.

The impact of undertaking audits on-line was explored.

12. ANNUAL APPOINTMENT OF THE EXTERNAL AUDITORS

The external and internal auditors left the meeting.

The committee had previously agreed that the retendering for both audit services should take place in spring/early summer 2021.

Given the current external context continuity of the external auditors was of high importance, and the committee agreed to recommend to Council that KPMG be re-appointed as the University's external auditors for 2020/21

Chair