

NORWICH UNIVERSITY OF THE ARTS

**Minutes of Audit Committee**

**Held on 21 February 2020 in the Conference Room, FH201, Francis House, Norwich**

**Present**

Mr A Grimby (Chair)  
Mrs A Ferguson  
Mr C Owen

**In attendance**

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

**Apologies**

Mr T Wood

**PRESENTATION ON CYBER SECURITY**

The Committee received a presentation on Cyber Security from Mr Mark Humphrys, the University's Information Technology (IT) Services Manager. The presentation covered discussion of the number and type of users of the University's IT systems, the threats faced by the University and the measures in place to ensure the IT infrastructure and the data held were resilient to cyber-attack.

In addition to using the University's media technology within teaching resources, students, like staff, have email accounts on the NUA network. Students accessed their email accounts via Wi-Fi. As a result, the threats posed to the IT system from cyber-attacks on student accounts were less than for staff who generally had greater access rights. Students were nevertheless vulnerable to, for example, phishing attacks, which could lead to personal financial loss. It was important to ensure students were aware of the cyber risks they faced as part of their induction.

**Registrar**

**MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting of the Audit Committee and the joint Audit and Finance and Resources meeting held on 28 October 2019 were agreed and signed by the Chair.

**1. MATTERS ARISING FROM THE MINUTES**

There were no matters arising.

**2. OFS and OAA MATTERS**

**2.1. Recent OfS and QAA publications**

The recent OfS and QAA publications were noted. Further guidance to providers from OfS on matters, which included mental health and harassment and sexual misconduct was expected shortly.

**3. INTERNAL AUDIT**

**3.1. RSM Progress Report**

The Committee received an update on progress in completing the 2019/20 internal audit plan. Two assignments had been completed, with a further assignment being

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finalised. The two remaining assignments outstanding for the year would be undertaken in March 2020 and the findings reported to the Committee's summer meeting.

**3.2. Final report – Data Quality – Student Withdrawals and Terminations**

The internal auditors had issued a report giving substantial assurance, with no recommended actions for the University.

**3.3. Final report – Key Financial Controls**

The internal auditors had reviewed the key financial controls in 9 areas, and issued a report giving substantial assurance. Management actions had been identified for 2 areas.

The sampling of purchase orders and invoice matching found that in 6 out of the 25 cases supplier payments were overdue due to "queries raised with supplier". While not a control matter, this did raise the question of what were the reasons for the payment delays and whether this had an adverse impact on the supplier? As the details were not immediately available, it was agreed that the Internal Auditor would furnish the Director of Finance with information about the 6 invoices, who in turn would investigate the matter and update the Committee at its next meeting.

**Head of Internal Audit/Director of Finance**

The Chair thanked the Head of Internal Audit for his reports and the individual teams being reviewed for their hard work.

**3.4. Internal Audit Management Recommendations Status Report**

All recommendations arising from the work of the internal auditors in 2018/19 had been implemented. This would be verified by the Internal Auditors in their Follow Up Review in March.

**4. ASSURANCE**

**4.1. Insurance Cover**

The Committee received the annual report on insurance cover. UMAL continued to be the main provider of insurance to the University.

The University had considered taking-out a new type of insurance being offered by UMAL: Cyber Response cover. Following examination of what was offered under the available Cyber Response cover, the University had decided not to add the cover at the present time. It was noted that the University's existing Public Liability Insurance provided cover on third party aspects and that cover in the case of the imposition of fines was not available. Management noted this would be kept under periodic review.

The question of flood risk was discussed by the Committee. Precautions to mitigate the risk of a 1 in 100 years flooding from surface water run-off had been included in the design of the new building being constructed on the Duke Street Riverside site.

**4.2. Report on the University's activities and liability to taxation**

The most significant taxes paid by University were Value Add Tax (VAT) and employer's national insurance. The University had been successful in mitigating the

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payment of VAT in connection with the demolition and subsequent new build on the Duke Street riverside site.

The University used one consultant who fell under the provisions of IR35 and is in hand.

Norwich City Council is retrospectively seeking to collect Council Tax on the student flats acquired as part of Mary Chapman Court purchase, despite the accommodation being uninhabitable at the time. The University is continuing to contest the payment of Council Tax on the flats.

### **4.3. Risk Assessment relating to Bribery, Failing to prevent other parties from evading tax and Money Laundering**

The Committee received the annual risk assessment covering the areas of Bribery, preventing other parties to evade tax and money laundering.

## **5. GDPR**

The Committee received the annual monitoring report on GDPR. The action plan was up-to-date with all actions completed, with the exception of two. The first outstanding action reflects the continuing delay in the passage of the E-privacy legislation. Originally expected to come into force in early 2019, this was now unlikely before late 2020, if at all. The second action involves anonymising selected historical personal data held on the University's students record system (SITS). The way to meet this requirement was currently being examined by an external systems development company, which supports SITS.

A member of the Committee had knowledge of the California Consumer Protection Act (CCPA). CCPA was the Californian version of GDPR, but with a few important differences. It was agreed that the Registrar would look into this new legislation and report back if there was any likely impact on the University of any helpful insight we could learn from.

**Registrar.**

## **6. REGULATORY AND DATA QUALITY MATTERS**

### **6.1. Statutory and Regulatory Reports**

The Committee noted the regularly reporting requirements on the University.

### **6.2. Competition and Markets Authority (CMA) Self-Assessment**

The Committee noted the University's framework for ensuring compliance with consumer protection legislation.

### **6.3. Access Agreement Monitoring 2018/19**

The Committee noted the draft monitoring return of 2018/19. The level of actual spend on access and the use of the student premium closely mirrored the University's predicted level of financial investment.

The External Auditor explained that from 2019/20, information relating to expenditure under the University's Access and Participation Plan would be required in the financial statements and be subject to External Audit review. The Committee agreed that it would be helpful for the External Auditor to confirm what those requirements might be

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to the Director of Finance and for them to plan the external audit relating to those disclosures accordingly. The Committee would be updated as to those requirements in the External Audit Plan at the next meeting.

**External auditor/Director of Finance**

In relation to the monitoring of access, the expectation was that in future the OfS would focus on the achievement of outcomes.

**6.4. OfS Condition F1: Transparency Information**

The Committee noted the report required by OfS to be submitted by the University. The report includes data on gender, ethnicity and socio-economic characteristics.

When comparing 2019/20 with 2018/19, the offers accepted by Asian and Black students to enrol on undergraduate courses as a proportion of the offers made to the same group, fell from 52% to 30%. Given the small number of applications and offers involving Black, Asian and minority ethnic (BAME) students, year-on-year changes were prone to considerable fluctuation. To date the University had been unable to discern a clear trend or the reasons for yearly movements. It had however identified differences in the application rates from BAME students for individual courses.

The University was currently engaged in reviewing its recruitment processes to ensure its promotional material and selection processes did not involve unconscious bias.

**7. DONATIONS**

**7.1. Update on Karsten Schubert bequest**

The Committee received an up-date on the Karsten Schubert bequest. Once probate was granted the University would receive further donations from the estate, including a number of valuable first edition of books. The University was under no obligation to retain these artefacts, and it was anticipated that they would be sold when market conditions improved.

The Committee would receive a further update on how the University was intending to use the donations from Karsten Schubert's estate once probate had been finalised.

**Director of Finance**

**8. ANY OTHER BUSINESS**

Members of the executive up-dated the Committee on the University's response to Coronavirus.

**9. DATE AND TIME OF NEXT MEETING**

The next meeting of the Committee would take place on Friday 5 June 2020 at 14.00.