

NORWICH UNIVERSITY OF THE ARTS

Minutes of Audit Committee

Held on 17 February 2023 in the Boardroom, Cavendish House, commencing at 14.00.

Present

Mr T Wilson (Chair)
Mr C Owen
Mr T Wood

Mr M Humphrys, Information Technology Services Manager, NUA (Item 2.2 only)
Mr N Gilmore, External Auditors, H W Fisher
Mr C Rudge, External Auditors, H W Fisher
Mr J Smeeth, Chief Operating Officer, NUA
Mr D Williams, Clerk

In attendance

Mrs A Beckett, PVC (Student Experience) and Academic Registrar, NUA
Mr S Belderbos, Director of Finance and Planning, NUA
Ms L Cox, Internal Auditors, Scrutton Bland

Apologies

Ms C Bray

MINUTES OF THE PREVIOUS MEETINGS

The Minutes of the meeting of the Audit Committee held on 31 October 2022 were agreed and signed by the Chair.

MATTERS ARISING FROM THE MINUTES

Item 2.2 Map of assurance. Work on developing an overall map of assurance was in-hand. The work would be incorporated into the 2023/24 internal audit plan.

Item 9. Risk Management Update. The Committee received an update on the progress in developing the risk register. Discussions with Broadland Housing Association on their use of a digital platform had been informative. Further investigation of the digital platform was underway. An update would be provided to the June 2023 meeting of the Committee.

1. QUALITY AND COMPLIANCE

1.1. Statutory and Regulatory Reports

The Committee received the annual report on the statutory and regulatory reports prepared by the University.

The Committee's attention was drawn to the additional resources required to manage the introduction of a new format to the student data collection required by the Higher Education Statistical Agency (HESA). The new format would be piloted alongside the current approach, before becoming mandatory for institutions to adopt in 2023/24.

A review by the internal auditors of the new student record collection would be undertaken once the system had become embedded. The anticipated timescale for such a review was 2025 onwards.

The Committee noted the report.

1.2. UK GDPR Annual Monitoring Report

The Committee reviewed the General Data Protection Regulation (GDPR) Annual Monitoring Report.

Significant efforts had been made to ensure all staff completed their refresher training on cyber security. Since the previous report, considerable progress had

been made. There remained a number of part-time staff who had not completed the training and on whom attention has focussed.

Progress on staff completing the training had been assisted by moving away from using a single block of training and using modules of a short duration.

The application of penetration testing had been very helpful, and had identified one near miss in respect of a data breach. A full report would come to the Committee's next meeting.

PVC (Student Experience) and Academic Registrar

Staff were regularly reminded about cyber security, with a strong tone being set by senior management as to its importance.

It was agreed that the Committee would receive a further update on the number of staff who had completed their refresher training as a proportion of the size of the full- and part-time staffing bases at its next meeting.

PVC (Student Experience) and Academic Registrar

The Committee considered the GDPR dashboard. Currently the dashboard did not have any baselines. At a future meeting, it would be helpful if the Committee could receive information on the baselines and associated key performance indicators (KPIs).

PVC (Student Experience) and Academic Registrar

The Committee received the report.

1.3. UKVI Basic Compliance Assessment

The Committee received the annual compliance assessment for the University from UK Visa and Immigration (UKVI). UKVI had issued a clean report to the University. The University's track record with UKVI was good and the assessment continued the pattern of previous years.

The Committee noted the UKVI report.

2. INTERNAL AUDIT

2.1. Internal Audit Progress Report

Progress in completing the Internal Audit plan 2022/23 was reviewed.

At the request of management two of the planned reviews had been rescheduled. These would take place at dates later than originally planned.

An update to the Internal Audit Progress Report would be provided at the next meeting of the Committee.

Internal Auditors

The report was noted.

2.2. Final Report – IT Infrastructure and Cyber Security

The internal auditors had undertaken a review of the University's Information Technology (IT) infrastructure. The review complimented the previous review of cyber security completed in May 2022. The internal auditors considered good progress had been made by the University in addressing the concerns raised in their earlier report.

Following the current review, the internal auditors had issued an opinion of limited assurance. The auditors had identified 1 high-level risk, 6 medium-level risks and 1 low-level risk. In the context of the limited assurance opinion there was extended discussion concerning the report, its recommendations and the action already being taken to address the root-cause issues.

The high-level risk related to the server rooms, switch rooms and back-up facilities located in different locations across the University.

Benchmarking data on cyber security and IT infrastructure compiled by the internal auditors suggested that the risks identified for the University were commonly found at other higher education providers.

The Committee wished to identify the root cause analysis of the risks identified. The causes had arisen over a number of years, and primarily reflected the substantial organic growth of the University and a potential shortfall in the associated level of IT investment.

In the immediate term, in order mitigate the risks identified, the University had been building a mesh network. Individual buildings had multiple links into the IT network, enhancing resilience. Fundamental changes to the configuration of the network and its resilience were now being scoped.

Looking to the future, the aim was to relocate the core of the University's IT infrastructure to Bank Plain. This would however take time. First an optical connection to Bank Plain would need to be established. This would require construction by a specialist firm. It was hoped that the link could be constructed in mid-late 2023. The University JANET link would also need to be relocated to link directly into Bank Plain. The likely time-line for relocating the full IT infrastructure to Bank Plain was 2/3 years.

The University recognised the need to develop a new IT strategy. A possible time-line for the strategy was completion by the end of the calendar year, with the broad areas of focus being shared by end of current academic year. External expertise would be sought to assist in developing the strategy. The Committee agreed it would be helpful if a report could be made to the next meeting of Council.

Chief Operating Officer

It was confirmed that the IT infrastructure and cyber security had been added to the risk register.

Significant improvements to the cyber security and the IT infrastructure had been made by the University over the last 12 months.

Further capital spend on IT in 2023/24 was anticipated.

The Committee noted the report.

2.3. Final Report – UKVI Compliance Arrangements

The Internal Auditor confirmed good progress had been made with regard to the UKVI Compliance Arrangements. Of the six recommendations previously made by the Internal Auditors, five had been completed, and one was in the progress of being completed.

The University was shortly expecting to receive an audit visit by UKVI.

The Committee noted the report.

2.4. Internal Audit Management Recommendations Status Report

The report showed the number of recommendations issued by internal audit in 2021/22. The majority of recommendations had been action or closed. All outstanding actions were expected to be completed by the Committee's next meeting.

The Committee noted the report.

3. ASSURANCE/INTERNAL CONTROLS

3.1. Insurance Cover

The Committee received the annual report on insurance cover.

The level of buildings cover had been increased, following the acquisition of Bank Plain.

The opportunity to insure for cyber security, and the scope of the cover was explored. The cover offered by many insurers was akin to providing "emergency cover". This was designed to support an organisation to re-establish their IT network and/or services following a successful cyber-attack. Cover tended to be costly, and often came with significant exclusions.

In the event of a successful cyber-attack the University was able to call on the support of an external consultancy, with whom it had an arrangement. This arrangement was part of the University's disaster recovery plan.

To ensure it was clear how the University would respond, it was agreed that there would be benefit in reviewing the University's mitigation strategy in the event of a successful cyber-attack. An update would be provided to the Committee at its next meeting. The update would include further reflections on the availability and value of cyber insurance cover.

Chief Operating Officer

The Committee noted the report.

3.2. Anti-Fraud Framework – Annual Report

Minor revisions reflecting changes to the titles of the senior leadership team had been made to Anti-Fraud Framework, and associated policies.

The Committee noted that it would be helpful if in future years a time series of numerical data on the types and recorded attempts at fraud could be included in the report. This would enable trends in levels to be identified and assist with assessing the extent to which the actions pursued by the University were effective.

Director of Finance and Planning

To encourage staff engagement with the policies it was suggested that a simple summary checklist of the key aspects of the policies might be helpful. There was also the opportunity to highlight specific aspects of the policies to those staff most likely to be undertaking activities where the risk of fraud was higher. Both actions would be considered as part of development of the policy.

Director of Finance and Planning

The Committee approved the Anti-Fraud framework.

3.3. Policy for the use of auditors for non-audit work

The Committee undertook the annual review of the policy on the use of auditors for non-audit work. The policy had been developed following the Committee of University Chairs (CUC) issuing a revised Audit Code of Practice.

Reference to the policy issued by the Financial Reporting Council (FRC) should be updated to 2019 and any changes as a consequence reflected in the policy.

Director of Finance and Planning

The Committee approved the policy.

4. ANY OTHER BUSINESS

There were no matters of any other business.

5. DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would take place on Friday 16 June 2023 at 14.00.