

# NORWICH UNIVERSITY OF THE ARTS

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## Minutes of Audit Committee held on 18 February 2022 by Microsoft Teams, commencing at 14.00

### Present

Mr T Wood (Chair)  
Mr C Owen

Ms L Cox, Scrutton Bland (to Item 7)  
Mr P Goddard, Head of Internal Audit,  
Scrutton Bland (to Item 7)  
Mrs A Robson, Deputy Vice Chancellor  
Mr D Williams, Clerk

### In attendance

Mr N Ackroyd, KPMG (to Item 7)  
Mrs A Beckett, PVC (Student Experience)  
and Academic Registrar  
Mr S Belderbos, Director of Finance and  
Planning, NUA

### Apologies

Mr T Wilson

### Introduction

The Committee sent its best wishes for a speedy recovery to Mr T Wilson, who had tested positive for Covid-19 and had sent his apologies. The Deputy Chair, Mr T Wood, took the Chair.

### MINUTES OF THE PREVIOUS MEETINGS

The Minutes of the joint meeting of the Audit and Finance and Resources Committee held on 01 November 2021 were agreed

With two minor corrections, the Minutes of the meeting of the Audit Committee held on 01 November 2021 were agreed.

### ACTION TAKEN OUTSIDE OF THE MEETING

The actions following receipt of KPMG's report on compliance with the U.S. Federal Aid programme 2020/21 were noted.

### MATTERS ARISING FROM THE MINUTES

There were no matters arising.

#### 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 acknowledged the scale and scope of the work required.

The University continued to submit weekly reports to the Office for Students (OfS) on the number of students who had tested positive for Covid-19. The removal in the last week of the University's licence to conduct Lateral Flow Tests (LFT), suggested the reporting requirement would shortly be discontinued.

The Committee noted the report

##### 1.2. GDPR Annual Monitoring Report

The Committee received the General Data Protection Regulation (GDPR) Annual Monitoring Report. The report provided assurance that the University was continuing to give sufficient attention to GDPR.

The University had applied the Information Commissioner's Office (ICO) self-assessment framework to map and assess its GDPR policies and practices. The analysis had identified a small number of areas where practice could be improved. An update on this work together alongside the outcomes of the planned internal audit on GDPR compliance would be shared with the Committee at its summer meeting.

### **PVC (Student Experience) and Academic Registrar and Internal Auditors**

The ICO framework was based on the principle of "comply or explain". Organisations did not have to comply regardless of cost. To enable third-party checks that an organisation was compliant with the ICO framework appropriate evidence needed to be available.

The Committee received the report and noted the actions being undertaken.

#### **1.3. UKVI Basic Compliance Assessment**

The Committee received the annual compliance assessment for the University produced by 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 for previous years.

The University anticipated that it would receive a Higher Education Assessment Team (HEAT) audit from UKVI at some point in the future.

The Committee were reminded of the potential consequences of failing to meet the UKVI thresholds for compliance.

The Committee noted the UKVI report.

## **2. INTERNAL AUDIT**

### **2.1. Internal Audit Progress Report**

Progress in completing the Internal Audit plan 2021/22 was noted.

### **2.2. Final Report – Anti-Fraud Framework**

Following their review of the University's anti-fraud framework and practices, the internal auditors had issued an opinion of "significant" assurance. This was the second highest of their five assurance levels, and was a green opinion.

The internal auditors had made four low recommendations, where improvements could be made. Management had accepted the four recommendations and agreed actions to address the points raised.

The Committee noted the report.

### **2.3. Final Report – Student Income and Debtors**

Following their assessment of student income and debtors, the internal auditors had issued a "strong" opinion, the highest level of assurance. No recommendations for action had been made.

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The University operated with a robust framework for managing student income and debt. The majority of the student income was received from the Student Loan Company. Outstanding student debt could arise on fees being paid directly by the student to the University, this being the case for international or postgraduate students. The amount and the term structure of individual student debts were reviewed monthly.

The Committee noted the report.

### **2.4. Final Report – Data Returns**

The internal auditors had reviewed the Staff Return made by the University to the Higher Education Statistical Agency (HESA) and the Finance Return submitted to the OfS. Based on their testing, the internal auditors had issued a “strong” assurance opinion in respect of both returns. No recommendations for action had been made. One best practice point had been shared with the University.

The Committee noted the report.

The Chair thanked internal audit for the clarity of their reports.

At the meeting the Committee had received the first reports of the work undertaken by the University’s newly appointed internal auditors. The Chair invited the auditors and management to update the Committee on how each party had found working together. The head of internal audit and members of the University’s senior management team confirmed the emergence of an effective working relationship and appropriate levels of engagement and professionalism.

### **2.5. Internal Audit Management Recommendations Status Report**

The report detailed recommendations issued by internal audit in 2020/21. All recommendations from earlier years had previously been implemented or closed.

The report confirmed that the three low recommendations issued in 2020/21 had been actioned or closed.

The Committee noted the report.

### **2.6. Internal Audit 2022/23 – Forward Look**

The report offered the Committee an early indication of possible areas for investigation and testing in 2022/23 by internal audit. Each of the topics was broadly described and further work would identify a specific focus for each area of work.

There was a trade-off between the number of assignments and the time available to conduct an individual audit. The Committee’s preference was to ensure there was sufficient time available for the auditors to undertake a full investigation. This might lead to a smaller number of areas being audited in any one year.

The Committee endorsed the direction of travel to the 2022/23 internal audit programme, but requested that Mr T Wilson should be contacted and asked for his comments.

**Clerk**

The Committee noted the report.

**3. ASSURANCE/INTERNAL CONTROLS**

**3.1. Insurance Cover**

The Committee received the annual report on insurance cover. The University's insurance cover remained primarily with UMAL.

Following completion of Duke Street Riverside, the University had increased the value of its building cover. The Committee noted it was also important to monitor the value of its contents cover to ensure this was sufficient.

The opportunity to insure for cyber security, and the available scope of the cover available was discussed.

The Committee noted the report.

**3.2. Anti-Fraud Framework – Annual Report**

The framework comprised of five related policy areas. Policies for four of the areas had been previously considered by the Committee. In response to a recommendation made by internal audit, a new Anti-Fraud policy had been drafted.

Arising from government legislation, three risks had been identified. In each case the University had instigated action to mitigate the risk.

Members of the Committee discussed the actions taken by the University to reduce the risk of students from becoming victims of fraud.

The Committee approved the five individual policies, which collectively comprise 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.

The Committee approved the policy.

**4. GOVERNANCE**

**4.1 Audit Annual Work Cycle**

The report detailed the annual cycle of agenda items placed before the Audit Committee.

The Committee noted the report.

**5. ANY OTHER BUSINESS**

The Deputy Vice Chancellor (DVC) was attending her final meeting of the Audit Committee. On behalf of the Committee, the Chair thanked the DVC for her significant contributions to the work of the Committee.

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

The next meeting of the Committee would take place on Friday 17 June 2022 at 14.00.

The external and internal auditors left the meeting.

**7. AUDIT RE-TENDER**

The Committee reviewed the plan to re-tender for the appointment of the University's external auditors. A pleasing number of potential providers had expressed an interest in securing the work. The suggested timetable was designed to provide sufficient time for an interested party to respond to the invitation to tender.

The previous exercise to re-tender for University's external auditors had involved a panel of three. The panel had comprised of the Chair of Audit, a second independent governor and the Director of Finance and Planning. The Chair of Audit had chaired the panel.

The Committee agreed that the Chair of the Audit Committee should be asked to identify a second governor to be invited to join the panel.

**Chair of Audit Committee**

The requirement for the external auditor to attend face-to-face meetings of the Committee increased the cost of providing the service. While the Committee had indicated a preference for face-to-face meetings, there was a case for re-opening the question as to whether some of the meetings of the Audit Committee should be scheduled to take place using Microsoft Teams. The Chair of the meeting would raise the matter with Mr T Wilson.

**Deputy Chair of Audit**

The Committee approved the re-tendering plan.

**Director of Finance and Planning**