**Minutes of Audit Committee**

**Held on 16 June 2023 in the Boardroom, Cavendish House, commencing at 14.00.**

**Present**

Mr T Wilson (Chair) Mr C Owen

Mr T Wood

## In attendance

Mrs A Beckett, PVC (Student Experience) and Academic Registrar, NUA

Mr S Belderbos, Director of Finance and Planning, NUA

Mr N Gilmore, External Auditors, H W Fisher

Mr P Goddard, Head of Internal Audit, Scrutton Bland

Ms C Rudge, External Auditors, H W Fisher

Mr J Smeeth, Chief Operating Officer, NUA

Mr D Williams, Clerk

## Apologies

Ms C Bray

# MINUTES OF THE PREVIOUS MEETINGS

The Minutes of the meeting of the Audit Committee held on 17 February 2023 were agreed and signed by the Chair.

# MATTERS ARISING FROM THE MINUTES

**Matters arising: Map of assurance**: the map would be presented to the Committee at its next meeting**.**

**Matters arising: Risk Management:** further work to consider the adoption of an on- line system similar to that used by Broadlands, would take place once the changes to the new risk management system had been finalised and agreed.

**Item 2.2: Final Report – IT Infrastructure and Cyber Security**: a report summarising matters in relation to the IT infrastructure and cyber security would go to the next meeting of the Council.

**Item 3.3: Policy for the use of auditors for non-audit work**: the publication issued by the Finance Reporting Council referred to in the report was the review of ethical standards, the latest update being issued in 2019.

# COMPLIANCE

## GDPR and Cyber Security

The report detailed the security incidents since it last meeting, and progress on ensuring all staff completed the required training on cyber security, phishing, data security and data breach reporting.

Significant progress had been achieved in respect of staff training with only some 30 staff (mainly part-time or hourly paid) still to complete their training.

Security incidents were centred around staff opening unsolicited emails. The University had run, and would continue to run, phishing exercises to test staff responses and to identify matters requiring further attention.

Work to develop an appropriate set of GDPR key performance indicators (KPIs) was continuing. In finalising baseline standards account will be taken of wider sector KPIs.

## PVC (Student Experience) and Academic Registrar

The Committee noted the report.

## Cyber Attack Mitigation Strategy

The Committee considered the University’s cyber-attack mitigation strategy. The University has a number of mitigations in place, and was able to call on the services of Phoenix and JISC to assist its response to an attack.

Additional insurance would require the University to evidence the robustness of its cyber defences, and would not necessarily enhance the existing protections.

The Committee explored the likelihood of the University being able to purchase additional insurance cover, and its coverage. The Chair offered to share information with management on insurance policies covering cyber security with which he was familiar.

## Chair of Audit

The links between cyber security and business continuity were noted. The review of disaster recovery plans would enable the impact of different scenarios to tested.

Given the risks, the Committee asked to receive regular reports on cyber security. The item would become a standing item for the Committee’s future meetings.

**Director of Finance and Planning & PVC (Student Experience) and**

**Academic Registrar**

# RISK MANAGEMENT

## Significant risks lists

The revised format moved away from a largely narrative and qualitative report. The new format incorporated quantitative assessments.

The significant risks lists (SRL) has been generated following a full assessment of all of the risks facing the University.

The significant risks facing the University remained largely unchanged from those identified in previous SRL reports.

The Committee explored the risks contained in the SRL and the mitigating actions adopted by the University. This included discussion of several matters not included in the significant risks list.

In relation to international recruitment, the risks around the use of agents, had recently been highlighted by the Office for Students (OfS). OfS’s concern revolved around the enrolment of “non-credible students.” To avoid this risk, the University does not allow its agents to make course offers to international students.

The Committee noted there were no timescales associated with the mitigating actions. These could be helpfully added.

## Director of Finance and Planning

The Committee noted the report.

* 1. **Senior Leadership Team Annual Risk Management Report** Management were proposing to streamline the number of risk management groups to four. These would align with the organisational structure and the portfolios held by each of the members of the Senior Leadership Team.

The Committee endorsed the proposed changes to risk management groups and areas of responsibility.

The report was noted.

## Updated Risk Management Policy

The Committee considered the updated Risk Management Policy.

The Committee considered the matter of risk appetite. The Committee noted the University’s risk appetite had not been reviewed since 2014 by the Council.

A reconsideration of the risk appetite by Council might be best undertaken at the Council’s Away Day. This will be discussed with Chair of Council.

## Clerk

The Committee approved the updated policy and recommended it to Council for approval.

# QUALITY AND COMPLIANCE

## Update on External Accreditation

The Committee received an update on the external accreditation of courses.

Progress in achieving accreditation with the Architects Registration Board and TIGA were noted.

The Committee received confirmation that there had been no case of the accreditation of one of the University’s courses having lapsed or being refused.

The Committee noted the report.

# EXTERNAL AUDIT

## H W Fisher External Audit Plan for 2022/23

The External Auditors introduced the plan and drew the Committee’s attention to the three areas of significant risk.

The Committee was briefed on the preparatory work for the External Audit. The materiality threshold had been set at 2% of revenue.

The External Auditors asked members of the Audit Committee to confirm that they were not aware of any cases of fraud or whistle-blowing that should be drawn to their attention. The Committee confirmed that they were not aware of any cases of fraud or whistle-blowing.

Members of the management team confirmed that breaches of compliance or regulations, including reportable events would always be drawn to the Committee’s or Council’s attention.

The External Auditor’s Audit Plan for 2022/23 was noted.

## H W Fisher – Audit engagement letters

The proposed liability cap contained in the External Auditors’ engagement letter was discussed. The cap was a change in the terms of engagement with which the University was familiar. The Director of Finance and Planning had consulted more widely within the sector and noted (i) a cap is not prohibited by extant regulation and (ii) there is a mix of practice on whether it is sought generally.

The Committee agreed that the terms of the External Auditors’ engagement letter should be drawn to the attention of Council, with the recommendation that the letter be approved.

## Chair of Audit

The Chair thanked the external auditors for their in-person attendance at the meeting.

# INTERNAL AUDIT

## Internal Audit Risk and Assurance Progress Report

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

Good progress had been made in completing the planned programme of audits. The report was noted.

* 1. **Final Report – Data Quality (Student Withdrawals and Terminations)** The internal auditors had undertaken a review of data quality on student withdrawals and terminations. The internal auditors had reached an opinion of significant assurance. Two low-level risks and associated recommendations had been identified and shared with management.

The Committee noted the report.

## Final Report – IT Business Continuity

The Internal Auditor had judged the area of one in which there was reasonable assurance. Two medium and three low-level risks had been identified and accepted by management.

The Committee noted the report.

## Final Report – Follow Up on Audit Recommendations

The data showed good progress.

For the future reports it would be useful if the risk level associated with each of agreed actions could be shown in the report.

## Internal Auditors

The Committee noted the report.

* 1. **Final Report – Management Information (Student Recruitment Cycle)** Following their audit the internal auditor had reached an opinion of reasonable assurance. They had identified one high-risk, three medium-risks and two low- risks.

The high-risk arose from the lack of a Marketing and Student Recruitment Strategy. The development of the strategy was currently being progressed by the University’s recently appointed Director of Marketing and Student Recruitment.

The strategy was expected to be completed in September 2023.

A medium-risk relating to the reporting of recruitment data to the governing body. The internal auditors had recommended that this should be improved.

The report was noted.

## Internal Audit Assurance Strategy and Annual Plan 2023/24

The Committee considered the draft Assurance Strategy and Annual Plan 2023/24.

A number of changes to the plan were discussed. The review of Human Resources would cover both staff recruitment and retention. The Framework for the Management of Student Housing would be included in the programme for 2023/24. The review of Marketing might be brought forward to 2024/25.

## Head of Internal Audit

The scope of the audit of safeguarding would benefit from being clarified. The Pro Vice-Chancellor (Student Experience) and Academic Registrar would meet with the Head of Internal Audit to clarify the scope of the audit.

## PVC (SE) and Head of Internal Audit

The Committee noted that it would be helpful if the individual internal audits could be shown in relation to the five areas on which the internal auditors were required to give the Committee an opinion on the adequacy and effectiveness of the institution’s arrangements.

## Head of Internal Audit

Subject to the amendments discussed, the Internal Audit Assurance Strategy and Annual Plan 2023/24 was approved.

# INTERNAL CONTROLS

## List of Donations Received May 2022 – April 2023

The Committee received a report on the donations received by the University.

Since the report had been prepared the University had been offered a further large donation. The suitability of the donor had been assessed and is expected to meet the University’s agreed criteria for accepting large donations. The donor did not want their identity to be made public. As a result, the donation would remain

anonymous (although known to senior management and Council members). The donation would be considered by the Committee when confirmed/finalised.

The Committee noted the report.

# HEALTH AND SAFETY

## Health and Safety Annual Report

The Committee considered the annual report on Health and Safety**.**

The Committee were informed that University was planning to establish a Health and Safety Committee.

The Committee received the Report.

# GOVERNANCE MATTERS

## Governors’ Expenses May 2022- April 2023

The Committee received a report on the expenses incurred by governors.

The Committee suggested that governors should be reminded that they are able to claim reasonable expenses in relation to their duties as a governor.

The Committee noted the report.

# ANY OTHER BUSINESS

## 9.1 Change in Committee title

To more accurately reflect the focus of the Committee it was agreed that its name should be changed to Audit and Risk Committee. The proposed changed would go to Council for approval.

**Chair of Audit**

# DATE AND TIME OF NEXT MEETING

The next meeting of the Committee will take place on Monday 30 October 2023 at 11.00, followed by a joint meeting of the Audit and Finance and Resources Committee commencing at 13.00