**Audit & Risk Committee – 16/02/2024**

# NORWICH UNIVERSITY OF THE ARTS

**Minutes of Audit and Risk Committee**

**Held on 16 February 2024 in the Boardroom, Cavendish House, commencing at 14.00**

**Present**

Mr T Wilson (Chair) Mr T Wood

## In attendance

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

Mr S Belderbos, Director of Finance and Planning

Mr J Smeeth, Chief Operating Officer Ms L Cox, Internal Auditors, Scrutton Bland

Mr N Gilmore, External Auditors, H W Fisher

Mr C Rudge, External Auditors, H W Fisher

Ms A Mulcairn, Deputy Clerk

Mark Humpherys, IT Services Manager (Item 5.6. only)

**Apologies** Ms C Bray Mr C Owen

Mr P Goddard, Internal Auditors, Scrutton Bland

# MINUTES OF PREVIOUS MEETING

The Committee approved the minutes of the Audit and Risk Committee held on 30 October 2023 and the minutes of the Joint Audit & Risk and Finance and Resources meeting held on 30 October 2023.

# MATTERS ARISING FROM THE MINUTES

Two items for future action were carried over the next meeting and all other actions were marked as completed.

# QUALITY AND COMPLIANCE

## Academic Assurance – University Annual Monitoring Outcome

The Pro-Vice Chancellor (Student Experience) & Academic Registrar introduced the report.

The Committee noted that Academic Board had considered the monitoring of all courses and that the report of the outcomes was now presented to Audit and Risk Committee. The Committee was satisfied with the assurance given to all courses by Academic Board.

The Committee noted the wide range of data presented in the paper and agreed that the key metrics were the nine continuation, completion and progression metrics that underpinned the Office for Students (OfS) annual monitoring of compliance with the conditions relating to quality and standards (B Conditions).

It was agreed that it was appropriate to present all of this data on an annual basis but that it would be helpful if a version of the presentation that was received in the Autumn term could be provided each year. This should also be provided as part of all new governor inductions.

## Clerk

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An update to the OfS B3 monitoring data would be presented to a future meeting once these were released by the OfS. The internal auditors would forward any examples of good practice on data presentation to audit committees in line with approaches taken towards academic assurance across the sector.

## Internal Auditors – Scrutton Bland

The Committee agreed that a briefing document explaining the expectations placed on Audit and Risk Committees by the HE Code of Governance in the area of academic governance and how these can be discharged should be presented at a future meeting.

## Pro-Vice Chancellor (Student Experience) & Academic Registrar

The Committee noted that this discussion was important to its purposes and therefore reclassified academic governance and assurance as an area of high importance.

## Statutory and Regulatory Reports

The Director of Finance and Planning introduced the report.

Data Futures would replace the previous HESA data return, and the Committee noted that this would be a return that would require internal audit in future years.

The Committee agreed that statutory and regulatory reports would be reviewed annually to identify potential new areas for auditing, and this should be added to the cycle of business for the committee.

## Clerk

The Committee noted that the HESA data return for staff should also be overseen by the committee, especially due to its role in league table data.

## Director of Finance and Planning

* 1. **UK GDPR Annual Monitoring Report**

The Pro-Vice Chancellor (Student Experience) and Academic Registrar introduced the report.

The Committee noted the progress made in getting staff trained on GDPR. The self-assessment undertaken against the ICO framework identified a number of areas for improvement, and the Committee noted that work was already underway in improving induction and refresher training, and securing new resources for data privacy impact assessments.

The Committee noted that there had been no significant breaches.

## 4.4. UKVI Basic Compliance Assessment

The Committee noted the report.

## 4.5. CMA Self-Assessment

The Committee noted that the internal audit on CMA self-assessment had recently been completed. The self-assessment was presented at this meeting but would be updated with lead responsibilities for the June meeting in response to

the recommendation from the Internal Auditors. There were two amber areas identified where website navigation required improvement.

The Committee noted the report.

# EXTERNAL AUDIT

## US Department of Education Loan Programme Review

The Director of Finance and Planning gave a verbal update.

The Chair of the Committee approved the loan report via email following approval of Committee members. The Committee approved the management letter of representation and assertion letter and noted the report.

The Committee noted that future October meetings would be pushed back by two weeks to allow for the review to be approved in the Autumn term.

# INTERNAL AUDIT

## Internal Audit Progress Report

The Committee noted that five audits had been completed including the CMA compliance audit. The Committee approved the progress to date.

## Internal Audit Management Recommendations

The Director of Finance and Planning introduced the report.

The Committee noted that there were no outstanding recommendations. The majority were closed and those that were still open were due to the nature of their end dates. The Committee would receive an interim report in June.

It was noted that a link to the audit action tracker would be sent to Committee members prior to each meeting in future.

## Director of Finance and Planning

* 1. **Budgetary Control and Cashflow Report**

The Internal Auditor from Scrutton Bland introduced the report. The overall judgement was significant assurance.

It was noted that there were good controls and oversight in place, and the recommendations sought to strengthen controls which were already in place. The recommendations included improvements to a new finance system and strengthening budget holder training once this system was in place. It recommended agreeing a materiality trigger, and for cashflow monitoring to include a forecast which could be used to identify reasons for any variance.

The Committee was assured that the priority areas were being addressed.

## Internal Audit Report – Office for Students Compliance

The Internal Auditor from Scrutton Bland introduced the report. The overall judgement was significant assurance.

The Committee noted that the Governance Effectiveness Review (GER) was overseen by a task and finish group of Governors, with the final report agreed by Council. The remaining actions from the GER related to strengthening Governor training and adopting a Schedule of Delegation.

The recommendations of the audit related to formalising processes which were already in place, such as setting out delegated responsibilities in Terms of Reference for Committees. The Committee noted that an accessible version of the Terms of Reference would be updated on the website.

## Clerk

The Committee would receive an overview of the governance framework for assuring OfS compliance at the next meeting.

## Clerk

* 1. **Report on Compliance Against the UUK/GuildHE Accommodation Code of Practice**

The Internal Auditor from Scrutton Bland introduced the report. The overall judgement was significant assurance.

The compliance review was undertaken against each area of the code, with two areas being identified for improvement. The recommendations were minor and did not constitute a breach of the code. These areas related to lighting checks and record keeping for external contractors DBS checks. The auditors confirmed that the University demonstrated full compliance with the Code.

The Committee approved the report on compliance against the UUK/GuildHE Accommodation Code of Practice.

## IT Infrastructure and Cybersecurity Report

The IT Services Manager joined the meeting for this item only.

The Internal Auditor presented the report. Of the 13 recommendations, eight had been implemented in full with the remaining five in progress. The audit found good use of software for cybersecurity and reflected best practice across the sector. There was one recommendation related to password management. The Committee noted that an annual risk assessment would be undertaken to identify the best opportunity to undertake this password update work.

The Committee received updates about ongoing and planned infrastructure work including the work to strengthen network connection at St Andrews and improve network resilience. A consultant would support the Microsoft Engine upgrade and the new front end portal, TopDesk, was already up and running.

The Committee discussed opportunities for using large language models, AI and other tools to support systems and reporting, and the IT Services Manager noted that this would be included in an overall strategy encompassing IT, data and security.

The Committee thanked the IT Services Manager and their team for the significant work undertaken on cybersecurity and IT infrastructure. The Committee noted that the progress was significant and reassuring and thanked all involved in the work.

# RISK MANAGEMENT

## Significant Risks List

The Chief Operating Officer delivered the report.

The updates to the list were minimal and the top three identified risks remained the same. Two new risks had been added including academic compliance with internal and external reporting, and governance requirements for grants. The Committee noted that the positive transformation of the risk rating made a significant improvement to the risk management oversight of the Committee.

The Committee noted that the list would be informally reviewed three times a year with oversight from the Senior Leadership Team. They noted that Nominations Committee would be overseeing a new governance risk register, which may be seen by Audit and Risk Committee.

The Committee noted that this discussion was vitally important to its purposes and therefore reclassified this item as of high importance.

## 7.2. Cyber Security Update

This item was covered in agenda item 5.6. - IT Infrastructure and Cybersecurity Report.

# ASSURANCE/INTERNAL CONTROLS

## Insurance Cover

The Director of Finance and Planning introduced the report.

There has been one payment for business interruption due to Covid, but overall insurance claims were low.

The Committee noted the report.

## Anti-Fraud Framework

The Director of Finance and Planning introduced the report.

The Committee noted the intention of the framework to build a culture of anti- fraud, ensuing that adequate policies and training were in place. The report included the Whistleblowing policy and brought together all existing measures to mitigate risk of fraud. The four key policies had been updated and signed off as current versions.

The Committee noted that the Chair of Council was not a member of the crisis response group. It was noted that in the event of a real or suspected incident of fraud, the Chair of Council would be automatically involved through the Reportable Events procedure if deemed significant by the crisis response group.

The Committee was assured that the measures and controls in place were appropriate and noted the updated framework for anti-fraud.

## Policy for the use of auditors for non-audit work

The Director of Finance and Planning introduced the report.

The policy had been reviewed and updated to note that as well as the main audit, HW Fisher would also review the University’s Teachers Pension Scheme End of Year Certificate and the US Federal Aid loan programme. This would fall into the wider statutory and regulatory work and demonstrate compliance with broader policies.

The Committee noted the report and approved the policy.

# ANY OTHER BUSINESS

There was no other business.

# DATE AND TIME OF THE NEXT MEETING

The next meeting of the Committee would take place on Friday 7 June 2024 at 2.00pm.