

BISHOP GROSSETESTE UNIVERSITY

**MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

**TUESDAY 27 SEPTEMBER 2016
10:30 AM IN ROOM 2, BG FUTURES**

Present

Mr David Clements (Chair)
Mrs Angela Crowe
Mr Richard Hallsworth
Rev'd Sally Myers
Dr Jim Smith

In attendance

Dr Anne Craven, Registrar & Secretary
Mr Stephen Deville, Director of Resources
Dr Grahame Killey, Planning & Performance Manager (PPM) (for item 10 & 11)
Professor Jayne Mitchell, Deputy Vice Chancellor
Rev'd Canon Professor Peter Neil, Vice Chancellor
Mrs Natalie Pickles (Minutes)
Mr Matthew Pitts, Governance, Compliance & Operations Manager (for item 12)
Mr Sean Ryan, Internal Auditor (Uniac)

1. Welcome

The Chair welcomed everyone to the first Audit Committee meeting of the new Academic Year.

2. Apologies

Apologies for absence had been received from Barrie Shipley (Head of Finance) and David Hoose (Mazars). Audit Committee had been notified that Richard Hallsworth was attending but would be arriving late.

3. Declarations of interest

Angela Crowe made a general declaration of interest which was regarding her position as Director and Trustee of United Learning, and which is hereby NOTED. It was also NOTED that the 'Financial Interests and Related Party Disclosures' Forms for the

current Academic Year were being given to every Council member that afternoon at Full Council, and that Angela could note the declaration on that form.

There were no other declarations of interest.

4. Membership & Terms of Reference

The Registrar & Secretary presented the 'Audit Committee Membership & Terms of Reference' to the Committee members' for their consideration, NOTING that they were the same as in the previous academic year, apart from one change to paragraph 11, in which the words '*deal with*' had been replaced with '*consider*' as follows:

*'The Committee is not authorised to **'consider'** any matters which are specified in the Instrument and Articles of Government as being the prerogative of the whole University Council or other committees or authorities.'*

After a full discussion, Audit Committee AGREED that the most appropriate words to use would be '*decide on*' and that the Terms of Reference should be amended as such.

Audit Committee further discussed Paragraph 9 and whether the sum of money specified to spend on outside legal or professional advice without prior approval of the University Council was a realistic amount. The spend limit was currently set at £3000. It was AGREED that this should be amended to £10,000.

Audit Committee discussed the content of the Terms of Reference and how it could review its effectiveness in each of the areas specified within the Terms, and also ensure that everything had been completed as necessary. It was AGREED that the Terms of Reference would be brought back to the Spring cycle of meetings for this purpose, leaving the Summer cycle to cover off any outstanding items.

Audit Committee also AGREED that the major relevant reports that are to be seen by Audit should ideally be issued as soon as they became available (following approval by SLT) rather than one week before Audit Committee meetings, if at all possible.

M Pitts/
Governance
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5. Minutes of the last meeting held on 16 June 2016

The minutes of the last meeting held on 16 June 2016 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

6. Matters Arising

(i) Action points

Members reviewed the matters arising table and NOTED the progress of actions arising from the previous meeting.

Item 15(i) Slides from Uniac Forum held March 2016

It was NOTED that S Myers had emailed the slides twice to the Governance Office. Governance Office would check and follow up. It was noted that the documents were large and this could be why the email had not been received.

N Pickles

(ii) Any Other Matters

Jim Smith noted that the vast majority of actions from meetings got picked up and completed via the Action Table, but expressed his concern as to whether there might be a very small number of actions that could get missed if they had to be carried forward or were the responsibility of a different Council Committee. The example in this instance was Item no. 6 on the previous minutes (Risk Register) regarding consideration for 'appetite for risk' and 'risk tolerance', which had not been listed as an action. The R&S reassured Audit that this was being dealt with and an update was actually going to be given on this later on in the meeting (under the Risk Register item). It was AGREED that if a general action was suggested in a meeting, it should always be recorded in the minutes, and who or which Committee was responsible, even if it was an action that would be designated to a different Committee or for Full Council, or which would otherwise be taken up by the Governance Office task list. (It was also mentioned in the discussion that if a particular responsibility was permanently moved from one Committee to another, it should be recorded in the Terms of Reference as well as in the Statement of Primary Responsibilities).

Governance
OfficeMinute 9 - OFFA (Office for Fair Access) Agreement

The Vice Chancellor highlighted to the Committee that there had been an issue with the setting of student fees, related to the OFFA Agreement. A paper on this was being presented at Council that afternoon. The Deputy Vice Chancellor confirmed that the April 2017 TEF result would feed into any decision taken next Spring about student fees. Traditionally, fees had been agreed and published in May/June and confirmed at the June Council meeting.

Minute 10(iv) - BIS Teaching Excellence Framework technical consultation

The DVC confirmed that an Expression of Interest had been submitted on 12th July 2016 and that the sector was awaiting the Government's final response, which was scheduled to be issued later in September 2016.

Minute 10 (v) - BIS Call for Evidence: Accelerated courses and switching University and Degrees

The DVC reported that BGU had submitted its response on 19th July 2016 and again was waiting for a formal response from Government.

Minute 15(ii) - Collaborative Outreach Programme

The DVC confirmed that a bid had been submitted for funding for a joint collaborative outreach programme, with BGU as the lead institution and also the lead on governance and financial arrangements. A further update on the outcome of the bid was being given at the Full Council meeting that afternoon.

7. Internal Audit

(i) Progress Report

Sean Ryan from Uniac, BGU's internal auditors, presented the Progress Report, noting that four audit reports had been completed: Collaborative Provision; Admissions; Treasury Management; Investments & Cashflow; and IT Governance. All conclusions had been a grade two or above ('reasonable' or

'substantial' assurance). A fifth report was awaiting approval and would most likely be graded 'reasonable' assurance.

Uniac Briefing Session

Within the Audit Progress report, there was an invitation to a Uniac Briefing Session on Legal Compliance on 5th October 2016. Audit Committee NOTED that its members would require more notice for these events, and it was AGREED that an annual event of programmes should ideally be provided in future. SR agreed that he would provide a summary to Audit members following the forthcoming Uniac event on 5th October.

Sean Ryan

Consumer Protection Law Benchmarking

In respect of Consumer Protection Law Benchmarking, SM asked about timely presentation of information and data for students and if there was anything BGU could be doing better. SR confirmed that the Audit review that was currently in the pipeline was around KIS data (Key Information Sets) which showed that the quality of data was good and 'Reasonable Assurance' was being given by the Auditors. Another key data return that might influence student decision making was the DLHE (Destinations of Leavers from Higher Education) Return. The DVC confirmed that the University was capturing all of the information required as well as looking forward and planning, in terms of how this might change and what types of data might need to be collected in the future.

[Richard Hallsworth arrived to the meeting at this point]

HEFCE's Changes to Quality Assessment : new assurances required from Governing Bodies

The DVC confirmed that an update was being given at the Full Council meeting later that day in respect of the new assurances required from governing bodies in relation to academic quality and standards.

(ii) Annual Report and Opinion

SR confirmed the good news that 'effective' opinions had been given by Uniac under the four HEFCE headings in the report; all work had been graded at the two highest levels, and BGU was the only institution this year to have been awarded this by Uniac. It was recognised that great deal of work had taken place at BGU to put structures in place to respond to challenges.

SR confirmed that the final version of this report would be brought to the November Audit Meeting.

S Ryan

A minor error in the report was NOTED by Audit Committee on Page 4 under the 'Opinion' section, para 3.4 'Arrangements for seeking value for money are effective'. '**Most**' should be replaced with '**all**' so that it reads:

*'As shown in Appendix A, we have given an opinion of 'substantial assurance' or 'reasonable assurance' in the report from **all** audits in 2015 16.'*

This would be amended for the final report.

S Ryan

Appendix C: Internal Audit Key Performance Indicators

SR reported that in addition to the KPIs listed, an independent external review was scheduled for Summer 2017; this would give a real measure of Internal Audit Key Performance Indicators.

The Vice Chancellor NOTED how pleased he was with the Audit Opinion and the great work being done by all of the teams involved.

The Chair of Audit Committee AGREED that this was a very good report and congratulated BGU on the assurance scales given by Uniac.

(iii) Review of Collaborative Provision

SR presented the above report noting that there were a number of observations but these were all minor. Overall, the report recorded 'substantial' assurance into BGU's collaborative provision related processes.

(iv) Review of Admissions

SR presented the above report. The following points were made and discussed by the Audit Committee:

- SM referred to the shorter than average length of service of people leaving and whether this was an Audit concern. The Director of Resources stated that from a HR perspective, staff were always given exit interviews and results from those were fed back to the appropriate individuals.
- Some concern was expressed by Audit Committee regarding Observation 4 (*'The Constructive Delay in Responding to Applicants is unusual. Its effectiveness should be kept under review'*) regarding the 10 day period set for responses. The R&S re-assured Audit Committee members that responses were up to 10 days, not set at 10 days. The DVC also confirmed that 'up to 10 days' was applied appropriately to each different type of course and depended on whether the decision was straightforward, for example, whether an interview or consultation with an academic member of staff was required. The timescale of returning a response was therefore relevant to the particular application. The decision on this policy was a result from the team's having benchmarked and looked at a range of practices in place at other institutions as well as taking other independent advice.

(v) Review of Treasury Management, Investments & Cash

SR reported that 'Reasonable Assurance' had been given in this review, with two observations, one regarding cash flow forecasting and the other regarding university cash balances.

Jim Smith felt that in previous years the University might have missed out on low interest rates. It was confirmed that this was the responsibility of the Finance Committee and University Council, but that this would be monitored closely going forwards. The Director of Resources confirmed that this year the University had taken several steps to move money around for better interest

rates and that the fund placings were at the maximum amounts (specified in the Policy) allowed in the areas where funds had been placed.

It was AGREED that the Observation in the Audit Review in respect of Cash flow would also be highlighted to BG (Lincoln) Ltd.

Steve Deville

(vi) Review of IT Governance

SR confirmed that 'Reasonable Assurance' had been given in the review and that the new I.T. Director at BGU had made a very good start.

Audit Committee was reassured that under Observation 2 (Review provision of Learning Technology), there was an interface between learning technology provision and the Centre for Enhancement in Learning & Teaching (CELT) to ensure that, as teaching, learning and assessment practices evolved, the technology was able to deliver on those academic developments.

(vii) MKI Audit Tracker Report

The Governance Officer presented the updated Audit Tracker Report to the Committee. Audit members were asked to consider approval of extensions to implementation dates for Actions (shaded blue) and also requests for Actions to be closed.

Audit Committee APPROVED all extension requests and Closure of Actions requests.

It was NOTED on page 5 that in the Update Notes of Observation 01027 there appeared to be a sentence cut off part way through. It was confirmed that the electronic copy did contain the full sentence even if the printout did not. This issue would be looked into in future, but it was confirmed that this particular action could be closed.

8 External Audit

(i) To receive an update on current progress (verbal)

The Director of Resources confirmed that the auditors had been at BGU and were happy with all the Limited Company accounts. The auditors were expected again on Monday 3rd October to commence the external audit of the University's financial statements.

9. To receive the Annual Report of Governance Disclosures

The Director of Resources confirmed that the above paper contained the draft disclosures for the three sections of the Annual Report for 2015/16; Strategic Report, Institutional Governance Statement, and Statement of University Council's Responsibilities. The following comments were made:

- On the page listing Council Members, it should be inserted that Mr R Walder was the 'Chair'.

- Page 3, under section C (Implement BGU's new Learning, Teaching & Assessment Strategy), the wording could be changed to take out the word 'perceptions'.
- Page 3, under 'Key Performance Indicators', the DVC noted that in future, richer information would be given on academic quality assurance.
- In respect of page 8 and the section regarding University Council constitution, the R&S confirmed that this was monitored via the Governance & Nominations Committee.

10. To receive and consider the Key Performance Indicators

The Planning & Performance Manager (PPM) arrived at the meeting to talk members' through the report. It was noted that there were two elements, the first was the KPI Dashboard providing an update on BGU's key performance indicators and the second was the underlying KPI Data Table. The following key points were highlighted and discussed:

- Recruitment
The data presented in terms of firm applications was taken as at 5th September and therefore didn't include post clearing numbers. The following month BGU would have figures including enrolment and re-enrolment. It was anticipated that BGU would attract around 30 fewer students than last year's figures overall.
- Student Satisfaction
BGU's highest ever overall student satisfaction rating in the National Student Satisfaction Survey had been achieved at 92%. Very positive indicators had also been achieved on other measures.
- Research
Four specific measures had been introduced under Research KPIs under the following headings: Increase no. of bids submitted (>23), Increase grant income (>£240k), Increase no. of staff producing peer reviewed outputs (>37), Increase doctoral registrations at BGU (>19).
- Reputation & Influence
The RAG rating for the above was flagged amber/green. The Communications Oversight Group (COG) was looking into the development of this KPI in more detail in the course of this academic year.
- Student Success
Positive data was presented on student progression and achievement. Recent Times' University League Tables had placed BGU at no. 95 this year (last year's position had been 112).

Audit Committee confirmed that it was useful to receive the underlying KPI Data Table and the PPM would therefore include it in his paperwork at future meetings.

G Killey

11. To Receive and consider proposed changes to the Risk Register

The PPM presented a short paper on changes to BGU's Risk Register for 2016/17, noting that any amendments agreed today would be included in an updated Risk Management Policy and Risk Register to be presented to Audit and University Council in November 2016. The following discussion took place-

- It was noted that the new template for the Risk Register did not include a Risk for 'Brexit', other than the impact this might have on recruitment. The DVC confirmed that the Corporate Leadership Team had looked at 'Brexit' and a SWOT analysis was part of this. A range of potential impacts because of 'Brexit' had been identified and these would be included in the Strategy Stocktake and discussed at the Council Strategy Away Day.
- J Smith expressed his concern that Ofsted was being removed from the Risk Register. It was confirmed by both the VC and DVC that this was being monitored at School level, and had been built into the structures of Academic Engagement Management. 'Live' Improvement and enhancement plans had been produced following the Ofsted inspection.
- It was NOTED that 'Risk Tolerance' had been an Action from a previous Council meeting. The Vice Chancellor confirmed that including 'Risk Tolerance' as part of Risk Management had been considered by SLT and would likely be included in the discussions on the Council Strategy Away Day.

P Neil

The PPM left the meeting.

12 To receive an update on the Safeguarding Policy

Matthew Pitts, the Governance, Compliance and Operations Manager (GCOM) arrived at the meeting to present this item. MP informed members' that he had met with Sally Myers at the end of the last Council cycle and had discussed the concerns around the existing Safeguarding Policy. Since then MP had been working on re-drafting the policy to address those concerns. This was at the final stage and a draft would be submitted in the next few weeks to the Local Authority who would be showing it to their Safeguarding Board. A revised draft would then be brought to Audit Committee for consideration.

M Pitts

13 Agenda suggestions

- Updated risk register
- Accounts (at the Joint Meeting with FE&GP)

14 Any Other Business

There was no other business to discuss.

15 Key Items for University Council

- Internal Audit Reports
- Updating of the Risk Register
- Terms of Reference amendments

16 Date of Next Meeting

The next meeting of Audit will take place on Monday 7 November 2016 at 14:00 in Hardy Seminar Room 4. Please note that this will be preceded by a joint working lunch with FE&GP Committee, starting at 13:00hrs, in Hardy Seminar Room 4.

Signed.....  Date..... 7/11/16

