

## BISHOP GROSSETESTE UNIVERSITY

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**MINUTES OF THE MEETING OF THE  
JOINT FINANCE, EMPLOYMENT & GENERAL PURPOSES COMMITTEE  
AND AUDIT COMMITTEE**

**WEDNESDAY 7 NOVEMBER 2018  
1:00 PM IN HARDY SEMINAR ROOM 1**

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**Present**

Mr David Babb (Chair)  
Mrs Jackie Croft  
Rev David Dadswell  
Mr Stephen Critchley  
Mr Richard Hallsworth  
Mr Stephen Lawrence  
AVM Gavin Mackay  
Rev Dr Sally Myers  
Rev Canon Professor Peter Neil  
Rt Rev Dr Nigel Peyton  
Mr Philip Wright

**In attendance**

Mr Stephen Deville, Chief Operating Officer  
Ms Stephanie Gilluly, Registrar (Clerk)  
Mr David Hoose, External Auditor (Mazars)  
Ms Silla Maccario (Uniac)  
Mr Barrie Shipley, Director of Finance  
Ms Emma Whiteley (Minuting)

		Action
<b>1.</b>	<b>To note the BG (Lincoln) Ltd. accounts 2017/18</b>	
1.1	Members NOTED the BG (Lincoln) Ltd. accounts for 2017/18. BS NOTED the historical arrangement between BG (Lincoln) Ltd. and the University that covered the catering provision, creating a £680k subsidy. It was NOTED that the Limited Company was in a much improved position and it had been a positive year in terms of performance with a £56k surplus being generated after adjustments for the historic subsidy.	
1.2	The Committee RECOMMENDED the 2017/18 Report and Financial Statements for APPROVAL to Council. It was also RECOMMENDED that the taxable surplus was kept by the Limited Company to give them a breathable cash flow.	SD/BS/UC

## **2. To receive & consider the summary accounts and variances 2017/18**


- 2.1 The summary accounts and variances for 2017/18 were RECEIVED, NOTING that they were consistent with what had been reported previously, and the financial position exceeding the budget by circa £230k once FRS102 pension adjustments have been taken into consideration. The summary accounts and variances for 2017/18 were APPROVED for submission to the OfS as part of the Annual Assurance Return.
- 2.2 In addition, BGU is required to report to the OfS any material changes in assumptions. Two changes are to be reported; changes in student numbers and teachers' pension contributions.

## **3. To receive & consider the draft audited financial statements**

- 3.1 The draft audited financial statements were RECEIVED. The following points were HIGHLIGHTED:
- 3.2
- The Committee NOTED that the Marketing Team had done a fantastic job and the document was much more engaging. BS NOTED that it had been updated in terms of the meeting the requirements of the OfS accounts direction.
- 3.3
- A full review of the fixed asset register had been recently undertaken. This had HIGHLIGHTED £2.3 million of disposals, the majority of which had been fully depreciated but a loss on disposal of £140k has been recognised. BS REPORTED that if an asset could not be identified then it was disposed of and this would be done bi-annually. SC queried whether this indicated that the depreciation policy needed to be changed. This was NOTED as being a one off housekeeping exercise that had not been done for a long time and when this was done on a regular basis we would be able to monitor it more to ensure the deprecation policy was appropriate. A separate asset register is maintained by IT to record all technology. SD also NOTED that the capitalisation limit had risen from £1k to £10k.
- 3.4
- SC REPORTED in his capacity of Chair of the Remuneration Committee that the Committee, who had met the previous day, had HIGHLIGHTED some points to enhance the report. Members of the Remuneration Committee had AGREED that justification of the Vice-Chancellor's salary increase was required to strengthen the story. It was felt that the process for this had been very thorough and did not relate solely to the Vice-Chancellor but the Senior Executive as a whole, with a benchmarking process being undertaken. It was also NOTED that the £100 bonus paid to the Vice-Chancellor was paid to every employee and it would be valuable to explain that this was paid across the board. SC also REPORTED that the Remuneration Committee would provide an annual report statement at their March meeting, however, the intention was for this to be done at their November meetings in order for it to be included in the annual report for future years.

**SD/BS**

3.5	Subject to the recommendations advised by the Remuneration Committee the Audited Financial Statements were RECOMMENDED for signing by University Council.	UC
4.	<b>To note the Audit Completion Report &amp; management letter of representation</b>	
4.1	Members RECEIVED the Audit Completion Report and management letter of representation. The following points were HIGHLIGHTED:	
4.2	<ul style="list-style-type: none"> <li>The LGPS long term pay assumption was slightly on the low side, however, this was not raised as an error and is consistent with all actuary assumptions for the Lincolnshire Pension Fund in the region. BS had included some sensitivity analysis around this and what the liability issue was for the University. It was NOTED that pension contribution implications was regularly in the FE&amp;GP Committee agenda for discussion.</li> </ul>	
4.3	<ul style="list-style-type: none"> <li>The requirement to flag how accounting decisions were put together in the annual report was NOTED.</li> </ul>	
4.4	<ul style="list-style-type: none"> <li>It was AGREED that the cover for the report would be provided by BGU rather than Mazars.</li> </ul>	SD/BS
4.5	<ul style="list-style-type: none"> <li>One low priority recommendation has been made to improve the system of internal control relating to the management and disposal of assets and in particular the need to ensure that any IT disposals are safeguarded against potential data breaches was highlighted. BS REPORTED that IT did now had a register that covered most of the university's attractive assets.</li> </ul>	
4.6	DH NOTED the very clean audit process. The joint Committee's ACCEPTED the Report for information and APPROVED the management letter of representation for signing by University Council.	UC

Signed  ..... Date 6/3/19 .....

Chair of Audit Committee

Signed  ..... Date 20/3/19 .....

Chair of FE&GP Committee

