

BISHOP GROSSETESTE UNIVERSITY COLLEGE LINCOLN

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

THURSDAY 27th SEPTEMBER 2012
2:00 PM IN ROOM 102, SKINNER BUILDING

Present

Mr Kevin Brown
Mr David Clements (Chair)
Mr Steve Deville
Mrs Julie McDonald
Mrs Bridget Starling

In attendance

Mr Jonathan Holmes, External Auditor (Tenon)
Mr Rob Jones (for item 9 (c))
Mr Steve Kirby, Head of Finance
Ms Vicky Mays, Clerk to Governors
Ms Haf Merrifield, Deputy Principal
Mr Chris Monk, Internal Auditor (UNIAC)
Dr Jenny Rees, Dean of School of Students & Academic Engagement (up until item 9)
Mr Michael Ritzman, Internal Auditor (UNIAC)
Ms Emma Smeaton, Minuting Secretary

Action

1. Welcome from the Chair

The Chair welcomed Chris Monk and Michael Ritzman to the meeting in the place of Sean Ryan who usually attended on behalf of UNIAC. Jonathan Homes of Tenon, in attendance for David Hoose was also welcomed and Jenny Rees, Dean of Students & Academic Engagement was in attendance for items 7 and 8 of the agenda.

2. Apologies

Apologies for absence were received from The Very Rev'd Philip Buckler. It was also noted that Professor Muriel Robinson would normally be in attendance but was off site at Canterbury Christ Church University on this occasion.

3. Declarations of interest

There were no declarations of interest.

4. Membership and terms of reference

Members received the terms of reference and confirmed the Audit Committee members for 2012/13 as:

The Very Rev'd Philip Buckler
Mr David Clements (Chair)
Mrs Julie McDonald
Mrs Bridget Starling

With at least three members needed for quoracy members noted that it would be helpful for the Governance & Nominations Committee to recruit a new member to sit on the Audit Committee. Others attending would normally include the Principal, Deputy Principal, Director of Resources, Head of Internal Audit, Head of External Audit and the Clerk. Dr Kevin Brown had moved over to the FE&GP Committee. The Chair reported Kevin's thanks to members for allowing him to participate on the Audit Committee during his time as a member.

5. Minutes of the last meeting held 14th June 2012

The minutes of the last meeting of 14th June 2012 were agreed as a true record of the meeting and the Chair was authorised to sign them.

6. Matters arising

(i) SLT health checks

Members noted that this had come back from the Remuneration Committee requesting an outline of the explanatory note. It was agreed that the Director of Resources would get an up to date quote on the key person insurance and circulate to members of the Committee within the next week. Julie McDonald reported that she had just been through the same process whilst setting up her academy and could pass information on to the Director of Resources if required. Following this a note that set out the two options together with a note from HR on the issue would be compiled.

SD

AS

7. Student data update

The Dean of Students & Academic Engagement reported on the aim to have a single data source for every student using the Agresso system. Members noted that an extensive number of returns to external bodies in terms of student numbers were required and although BG made these returns on time they were very time consuming and a lot more difficult than they should be. It was reported that BG were not in the position expected with the system and it was not doing what it needed to do. However, good appointments to boost resources had been made who have a good sense of the nature of what BG has and what BG needs. The project outlined what it is the University College needed to do, the scope, set up and staff. It was important to make

sure the processes were in place to keep the database up to date and returns accurate once the software had been set up. Progress was being made and data already held was being cleansed providing a better understanding of the system. There was still a need to identify what needed to be done and how this was achieved. The Dean of Students & Academic Engagement would put some milestones in place, working towards a two year time frame. The Chair thanked the Dean of Students & Academic Engagement for her update and noted that the Committee were looking forward to seeing how the process unfolds.

8. Data assurance framework

Members received the data assurance framework document which had been seen in the outlined stage at a previous Audit Committee meeting. The aim was to provide a document that would be valuable to the Audit Committee, making staff systems and processes easier. It was noted that although the document was not yet complete it had been developed and a lot of gaps filled in since it was last seen giving the Committee a sense of what had been going on. The Chair thanked The Dean of Students & Academic Engagement for the document.

9. Internal audit

(i) Final reports for 2011/12

(a) Review invoicing, income receipting and debt collection

Members received the report and noted that BG was averaging around £100K of debt out of £6m in tuition fees, with the £6m becoming £12m or more next year. It was reported that the Head of Finance was working closely with the Quality Team to make sure it was known what debt there was. All funding was based upon attendance confirmation returns from the Agresso system and this was set up for the PGCE enrolments earlier in the day ready for the January return. The Director of Resources felt relatively secure that systems were in place and would be watching very closely and although the data part was done there were small improvements to be made to the collection process. It was reported that the Finance Department were now back to full strength and were looking at online credit card payment options. A draft processes update would be submitted to the November meeting of the Audit Committee. It was noted that Conferencing and Events were looking at separate data, managing their cliental, customer base, etc.

SD

(b) Network security review

Internal Auditor, Chris Monk presented the report which members had received with the agenda. It was noted that IT security while maintaining user access without

compromising efficiency was undertaken by taking daily backup tapes and the running of a virtual server on to data systems.

(c) Review of costing (catering)

The Director of Enterprise attended for this item noting that the review of catering costs was already on a journey of change and development with the audit review picking up part way through. Members noted that Corporation Tax would be picked up when working through the Limited Company process.

10. External audit

(i) Update on year and accounts

It was reported that external auditors, Tenon would be with the Finance Department from Monday 1st October, the full accounts would be ready to bring to the Committee on schedule.

(ii) Update on FRS17 and unfunded pensions evaluation

A £1.2m deficit which had now become £3.3m was reported. Members noted that the LGPS wanted to make BG a scheduled body, ~~they did not refuse BG joining the pension scheme and BG did not refuse offering the scheme.~~ The proposal was to make BG a scheduled body in March 2013. The Deputy Principal and Director of Resources would draft a letter stating that we needed more time to consider the options. It was also noted that the Head of HR and the Payroll Officer would be attending the University College's Employers Association meeting.

HM/SD

11. Audit Committee annual report

(i) Draft annual report

Members received the draft annual report and confirmed that they were happy with the summary of what had been done up until the June meeting. They were content that the paper was an accurate record of the Audit Committee's work and thanked the Clerk for her work on this.

12. Update on Risk Management

→ The Deputy Principal presented the final addition of the institutional risk table used for the past year which included the additional risk of leadership change. It was reported that the Senior Leadership Team had a workshop on risks ~~at their last meeting to refresh, using a blank piece of paper they discussed what they considered as a risk.~~ The following areas of concern were raised:

Using a zero-based approach

- recruitment and retention, re fee and cash flow issues;

- leadership change;
- student data;
- ITT;
- business and professional organisational culture, re staff, staff moral;
- quality regulations.

Each risk was broadened out on the pages that followed the risk table.

13. Key items for the Governing Body

- Internal audit reports:
 - Review invoicing, income, receipting and debt collection
 - Network security review
 - Review of costing (catering);
- Student data;
- Internal audit;
- External audit;
- Management letter.


14. Any other business

Members noted that BG had been selected as one of the institutions to go through a pilot audit by HEFCE re the Key Information Set. It was also noted that an ERDF audit in respect of BGfutures was due to take place early in 2013, members wished colleagues well in both.

15. Date of next meeting

The Chair reported that he would be unavailable for the next scheduled meeting on Friday 9th November. It was therefore agreed to move the next meeting of the Audit Committee forward to the morning of Wednesday 7th November, e-mail confirmation of the date and time would be sent to members.

VM

Signed  Date 7/11/12

