

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

WEDNESDAY 26 SEPTEMBER 2018
9:00 AM IN LORIC BOARDROOM

Present

Dr Stephen Critchley
Mr Richard Hallsworth (Chair)
The Revd Dr Sally Myers
Rev Canon Professor Peter Neil
Mr Philip Wright

In attendance

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

1. Welcome

1.1 The Chair welcomed all in attendance to the first Audit Committee meeting of the 2018/19 academic year, and welcomed Philip Wright to his first meeting.

2. Apologies

2.1 Apologies for absence were RECEIVED from David Dadswell and Rachel Harvey - Director of Strategy and Planning, who would usually be in attendance.

3. Declarations of interest

3.1 There were no declarations of interest for this meeting.

4. Terms of Reference

4.1 The Chair NOTED further updates to the Terms of Reference since circulation to members. These changes mainly related to the change from HEFCE to OfS; point 21 was altered to read "the Committee to *deal with*"; and point 24 was amended to Registrar rather than Secretary.

4.2 It was NOTED that the Deputy Vice-Chancellor was invited to Audit Committee and was a member of University Council, however, under the new Instruments and

Articles, the Deputy Vice-Chancellor would no longer be a member of University Council. Any further changes to the Terms of Reference for Audit Committee would be reviewed at the same time the following year.

- 4.3 SM NOTED that she did not recall items f-h being reported to the Committee. The Chair CONFIRMED that he and the Chief Operating Officer met prior to each Committee meeting to discuss these areas. Any significant losses over the significant figure set by HEFCE would be brought to the Committee.

Restricted minute – commercial interest

- 4.4 The Committee ENDORSED the updated Terms of Reference.

5. Minutes of the last meeting held on 21 June 2018

- 5.1 The minutes of the last meeting held on 21 June 2018 were APPROVED as a true record of the meeting and the Chair was authorised to sign them, subject to the redaction of minute 16.1 NOTING that the minutes are made public.

**SD/Chair/
Governance
Office**

6. Matters arising

- (i) Action table

- 6.1 The Committee REVIEWED the matters arising action table produced by the Governance Office and NOTED the progress against actions.

- (ii) Any other matters

- 6.2 There were no other matters arising.

7. To receive and discuss key performance indicators

- 7.1 In the absence of the Director of Strategy and Planning, SD REPORTED on this item NOTING that RH had done all the work involved and that the paperwork supplied an indication of how we intended to report on the KPIs. The dashboard was used to explain the key areas across the institution; Student Experience; Valuing our People; Sustainability; Annual/External KPIs. In addition to the summary report, there was a report by exception, which was aligned to the Risk Register. It was NOTED that some indicators were monthly, some quarterly and some annually and all were discussed through VCEG. All AGREED that these would give a good indication of performance at BGU.

- 7.2 The Committee CONFIRMED that they were happy with the process and were keen to have the dashboard populated. SD NOTED that not all the indicators could be populated at this point, but that we would go as far as possible for the next meeting. SD would feedback to RH. The Committee also raised the issue of whether there was any way we could improve on the reporting of unsatisfied student's concerns and academic effectiveness as it would be useful to see these within the dashboard.

**SD/RH/
Next mtg.**

8. To receive and discuss the Risk Register

8.1 SD also REPORTED on this item in the absence of RH. It was NOTED that the Risk Register was a report by exception of high risks with option 1 having a greater element of the academic provision. The Risk Register had been updated and the risk around the OfS registration had been removed as we were now registered. With regards to pensions, it was NOTED that there was a small USS membership and the panel were proposing some alternative methods to value the scheme, this was being consulted on at present. The Teachers' Pension were also looking at the same kind of process for its valuation. It was noted that employer contributions may increase from 16% to 23%, which would have an impact in cost for BGU.

SD

All AGREED that this was a significant risk that needed to be added to the Risk Register. SD would keep the Committee updated on this issue and add the pension area to the Risk Register.

8.2 The Committee NOTED that Health and Safety was still on the Risk Register as red. SD REPORTED that we had now recruited a Health and Safety Officer who was due to commence on 7 October. They had previously worked in FE. The risk would remain red until the appointment and it was felt that appropriate processes were in place.

It was AGREED that the new Health and Safety Officer would be present to discuss this area in more detail at the March meeting.

March mtg.

8.3 SD REPORTED that whilst we did not have a set of Health and Safety near misses that pointed to potential risk we are weak from a paperwork perspective. It was NOTED that Lincolnshire Fire and Rescue had recently conducted an audit of the campus and highlighted things to implement. It was important that these were implemented and documented and a good set of policies and procedures were in place. It was a journey we were on and we would probably move to amber before turning to green on the Risk Register.

8.4 It was AGREED that SD would re-word the comment in the second column of item 14 to state that there are limited procedures on record for Health & Safety rather than none. It was NOTED that, whilst the Vice-Chancellor was ultimately responsible for Health and Safety, this was delegated to the Chief Operating Officer and then to the Head of Estates, who was responsible for the newly appointed Health and Safety Officer. The Committee NOTED that we were compliant and it was AGREED that in addition to the new appointment being asked to report to the March meeting they would be asked to prepare a summary report for the next meeting in November.

SD/
Next mtg.

8.5 Restricted minute – commercial interest

8.6 Restricted minute – commercial interest

8.7 It was AGREED that an explanation for why the risk appetite was anything other than low should be provided. This would be taken forward to either the next Council Away Day or the Strategy discussions.

SD/
Governance
Office

9. To note and consider internal audit reports

(i) Internal audit reports

a) Review of Cyber Security

9.1.1 SR of Uniac REPORTED on the Review of Cyber Security, noting that it was one of the main risks to an institution. A positive outcome was REPORTED. The training and continuing training for staff on GDPR was HIGHLIGHTED and the Committee NOTED the good work on the management of the risk by the Director of IT and his team. It was NOTED that IT/ Cyber security should be added to the Governor Skills Matrix.

b) Fee Setting Strategy

9.1.2 SR also REPORTED that the Fee Setting Strategy was a positive report with good structures in place. It was NOTED that it would be good to see bursaries and scholarships used and for the website to be enhanced to include financial information. It was NOTED that tracking of how student fees are spent is difficult as cross subsidies are involved.

(ii) HE Briefing notes

9.2 SR PRESENTED the HE Briefing notes, highlighting the key points.

(iii) Draft Annual Report and Opinion

9.3.1 SR PRESENTED the Draft Annual Report and Opinion, highlighting the key points in the report. It was NOTED that key finance systems had been audited and Uniac felt confident with how systems were developed and continued to be developed. All areas were REPORTED as adequate and effective.

9.3.2 The Committee requested a summary of the work that had taken place so far. **Uniac/SR** SR AGREED to provide this.

(iv) Audit Tracker Report

9.4 SD PRESENTED the Audit Tracker Report to the Committee. All were happy with the report and noted that updates were to follow.

10. External audit update

10.1 DH of Mazars provided a verbal update on current progress, NOTING that the timetable was the same as last year.

11. Materiality Report

11.1 The Committee RECEIVED and NOTED the Materiality Report.

12. To receive and discuss the Draft Audit Committee Annual Report 2017/18

12.1 Members RECEIVED the Draft Audit Committee Annual Report 2017/18 and recognised that, at the time of preparation, the external audit of the University’s financial statements and associated work was still being undertaken.

The Committee AGREED that reporting on Value for Money was a bit thin and could be strengthened. A more strategic broader statement rather than tactical on Risk Management, Control and Governance was also AGREED.

SD/GCOM

13. OfS Accounts Direction

13.1 The Committee RECEIVED the OfS Accounts Direction. BS NOTED that the summary was mainly around senior staff pay. It was NOTED that in summary we would be compliant.

14. To receive and consider the revised Code of Practice for Safeguarding Children and at-risk Adults

14.1 SG REQUESTED that the revised Code of Practice for Safeguarding Children and at-risk Adults be withdrawn to allow for further changes to be made prior to approval. It was NOTED that feedback from Senate to tie in research ethics into the policy was required.

Registrar

15. Agenda suggestions for future meetings

15.1 It was AGREED that an overview of Health and Safety would come to the November meeting and a full review to the March meeting, with the new Health and Safety Officer in attendance for the full review.

Governance Office

16. Agenda management and review

16.1 This item was not discussed.

17. Any other business

17.1 There was no other business to discuss.

18. Key Items for University Council

18.1 • Risk appetite discussion.

**Chair/
Governance
Office**

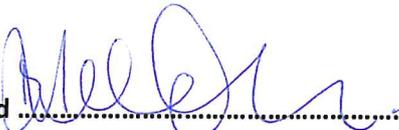
19. External Audit Tender

19.1 Restricted – commercial interest

19.2 Restricted – commercial interest

20. Date of next meeting

20.1 The next meeting of the Audit Committee would take place on Wednesday 7 November at 14:00 in Hardy Seminar Room 2. To be preceded by the annual FE&GP/Audit Committee lunch from 13:00-14:00 in Hardy Seminar Room 1.

Signed  Date 22-11-18

Mr R Hallsworth