

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE  
AUDIT COMMITTEE

MONDAY 17 JUNE 2019  
2:00 PM IN CSH15

**Present**

Dr Stephen Critchley  
Rev'd David Dadswell  
Mr Richard Hallsworth (Chair)  
Rev'd Dr Sally Myers  
Mr Philip Wright

**In attendance**

Miss Nadine Cook (Minuting Officer)  
Mr Stephen Deville, Chief Operating Officer  
Professor Scott Fleming, Deputy Vice-Chancellor  
Ms Stephanie Gilluly, Registrar (Clerk)  
Mrs Rachel Harvey, Director of Strategy & Planning (for items 9-12 only)  
Rev'd Canon Professor Peter Neil, Vice-Chancellor  
Mr Matthew Pitts, Governance, Compliance and Operations Manager (until after item 6.1 only)  
Mr Sean Ryan (Uniac)  
Mr High Swainson (Buzzacott)

**1. Welcome**

- 1.1 The Chair welcomed the Committee to the fourth Audit Committee meeting of the 2018/19 academic year.

**2. Apologies**

- 2.1 It was NOTED that Mr Barrie Shipley, Director of Finance and Ms Silla Maccario (Uniac) had sent their apologies.

**3. Declarations of interest**

- 3.1 There were no declarations of interest received.

**4. Minutes of the last meeting held on 6 March 2019**

- 4.1 The minutes of the meeting of 6 March 2019 were AGREED as a true and accurate record and the Chair was authorised to sign them.

**Action**

**R Hallsworth**

- 4.2 The Chair thanked the Governance Team for amending the referencing of redactions, in the last minutes.

**5. Matters arising**

**5.1 Action table**

- 5.1.1 The Action table was RECEIVED and NOTED by members.

**5.2 Any other matters**

- 5.2.1 The Chief Operating Officer, Mr Steve Deville, provided the Committee with an update on changes to personnel.

- 5.2.2 The Chair invited the Committee to comment on the risk posed generally by three core team members leaving the University and the impact on key work areas.

- 5.2.3 The Chair referred the Committee to the email correspondence between himself and Bob Walder, Chair of University Council regarding how the Audit Committee works and links with the FE&GP Committee. The Chair asked the Committee to send him any comments.

**Audit Committee/  
Next meeting**

**6 To note and consider Internal audit reports**

**6.1 MKI Audit Tracker Report**

- 6.1.1 The Governance, Compliance and Operations Manager, MP, presented the MKI Audit Tracker Report to the Committee for discussion. 19 updates were NOTED. Of these updates there were 11 requests for closure and 8 extension requests.

- 6.1.2 A change to the paper pack was NOTED 5<sup>th</sup> to item reference 01449. A specific extension date has been added just prior to this meeting of the 30<sup>th</sup> August 2019.

**Governance**

- 6.1.3 It was NOTED that item reference 01451 is to be closed at the request of the Director of IT and Systems Development.

- 6.1.4 The Chair approved these updates.

- 6.1.5 MP confirmed that the rationale is checked for each request to close or extend an item.

- 6.1.6 It was AGREED that a title and date would be added to the document (in future) to aid readers.

**Governance**

*Matthew Pitts left the meeting.*

**6.2 Internal Audit Progress Report and 2019/20 Audit Planning**

6.2.1	Uniac representative Sean Ryan, SR, presented the Internal Audit Progress Report. Progress updates were NOTED against areas of the plan.	
6.2.2	SR explained that the Audit Code of Practice ceases to exist on 31 <sup>st</sup> July 2019. The mandatory requirements moving forwards will be for the University to: have an internal audit function, produce an annual report and provide assurances on Value for Money (VfM). The Office for Students (OfS) will select a 5% sample from the sector and will want assurances as to what is under review. After this year, reports that were previously issued to Higher Education Funding Council for England (HEFCE) are not required by any external body. This gives more flexibility as to how internal audit is carried out and brings the Higher Education (HE) sector, more in line with the private sector.	
6.2.3	SR referred the Committee to the draft list of topics for Internal Audit coverage in 2019/20. The Committee NOTED that they would welcome items to be added to the list that focus on the University's operations. These could include topics such as the University's finance systems and IT arrangements.	Uniac/ S Deville
6.2.4	The Committee NOTED that they would welcome the opportunity to have the flexibility to adapt the list mid-year if required. This would allow new post-holders (forthcoming recruitment to Director posts) the ability to produce initial reports and to follow up with more detailed work later on in the year.	
6.2.6	The Committee discussed which items on the list were felt to be of particular importance (such as numbers 1-5, 11 and 12). The Committee discussed the possibility of merging some items (such as numbers 17 and 3). The Committee AGREED that a running order would be compiled.	S Deville/ R Hallsworth/ S Ryan
6.2.7	<b>HE Update – Augar Review</b>  SR referred the Committee to Uniac's update report on the Augar Review. It was NOTED that it is not yet clear which recommendations will be adopted by the Government. The Committee discussed the differences between approaches to HE. One approach emphasises HE outcomes in purely economic terms; another emphasises the wider social benefits of HE.	
6.2.8	One important message of the Review is the possibility of changes to qualification requirements. If adopted, these could allow more individuals to retrain or undertake second degrees (at the same level as their first); allow more people to dip in and out of Higher Education and increase the offer of shorter programmes.	
6.2.9	The Committee NOTED the Augar Review content in relation to costs of delivery in the HE sector (particularly the reported increased costs of delivering classroom based subjects).	

6.2.10	The Committee NOTED the Augar Review content in relation to VfM and AGREED with the University's approach of compiling our own definition.	
6.2.11	It was AGREED that a link to the Review would be circulated.  An update would be given to Council in July.	Governance
6.2.12	<b>HE Update - Initial Draft Framework on Value for Money (VfM) statements</b>  SR referred the Committee to Uniac's update report on the UUK Initial Draft Framework on VfM Statements. It was NOTED that VfM is high on the OfS's agenda and that providing accountability and transparency to students is important in this regard. The Committee discussed the initial draft framework published by Universities UK (UUK) and alternative approaches to a framework.	
6.2.13	The Committee AGREED that the University will work to create our own definition/framework that reflects what VfM means for us. It was confirmed that the next meeting of full Council will cover work on the student experience and VfM.	
6.2.14	The Committee discussed measures already in place that allow analysis of income and expenditure.	
6.2.15	It was AGREED that going forward, VfM would be an item to take to University Council.	Governance
6.2.16	The Committee discussed the different perspectives that exist around HE provision, the purpose of Universities generally and the political view. The University also takes a broader view around the social values of HE, transforming lives and the common good.	
6.2.17	It was AGREED that whilst the University will need to comply with OfS requirements for VfM, this work will be valuable for student recruitment, student engagement, benchmarking and transparency generally.	
6.2.18	The Uniac documents will be circulated before the next meeting of full University Council.	Governance
<b>6.3</b>	<b>To receive internal Audit reports</b>	
6.3.1	<b>Marketing Expenditure</b>  SR referred the Committee to Uniac's audit report - the Review of Marketing Expenditure.	



**6.3.2 NCOP National Collaborative Outreach Programme (NCOP) (LiNCHigher)**

SR referred the Committee to Uniac's audit report on the NCOP National Collaborative Outreach Programme (NCOP) (LiNC Higher). It was NOTED that the programme is OfS funded and the OfS required assurances on funds, value for money and data accuracy. NCOP has been audited in five different regions. LinCHigher was found to be the best of those in terms of administration, finance and data management. One finding resulted in a management action (relating to financial control processes). It was found to be a well-run programme.

**6.3.3 Student Number Planning**

SR referred the Committee to Uniac's audit report - the Review of Student Number Planning. It was NOTED that the review points out the improvements that have been (and continue to be) made, to relevant processes.

6.3.4 SR highlighted a theme around the role of academic Schools and the role of the Marketing department. Schools should play a greater part in recruitment and planning, to ensure the programme portfolio is appropriate for the University. SR emphasised the need for the Marketing department and Heads of Schools to be accountable for their input into the student recruitment process. This could include looking at how we deliver open days and how they link to conversion rates. It could also include looking at how we generate enquiries. ). Methods are already in place to track the application journey and recruitment statistics but there is scope to improve.

6.3.5 The Committee discussed the University's approach to offering places. The Vice- Chancellor PN, confirmed that the University does not make any 'pressure selling' types of offers, but does make unconditional offers. The University makes good contextual offers that take account of experience and merit – the OfS supports this approach. It was NOTED that the Director of Marketing is working on the student experience in relation to BGU's offer.

6.3.6 PN stated that the ownership of student numbers is clear – it is with Heads of Schools. Between now and 1<sup>st</sup> August, PN is meeting with academic staff members across the Schools. This is important and there will be greater clarity going forward.

6.3.7 SF confirmed there will be greater accountability for meeting targets in 2019/20 and increased transparency around target setting and delivery of outcomes.

**6.3.8 An interim report on Value for Money**

SR referred the Committee to Uniac's draft report – Review of Value for Money – Student Perspective.

**7. External audit planning arrangements year end 31 July 2019**

7.1	The Chief Operating Officer SD, was invited to present the item with support from Hugh Swainson HS, from Buzzacott. SD referred Committee to the report, <i>Bishop Grosseteste University and BG Lincoln Limited, External Audit Strategy</i> .	
7.2	SD confirmed discussions have taken place between himself, Buzzacott (HS), the Director of Finance, and the Financial Accountant about the timeframes of the audit. Some pressures were noted but the proposals were accepted.	
7.3	SD provided a summary of the issues of audit significance.	
7.4	It was AGREED that the Chair would be notified in the event of any significant problems, in relation to implementation of the audit plans.	S Deville
<b>8.</b>	<b>Charity Commission annual return</b>	
8.1	The Chief Operating Officer SD, was invited to present the item. It was NOTED that the University's annual return is a straightforward exercise with the deadline falling at the end of May each year. The return takes account of various information, including that provided by the Finance department and covers all University Trustees. This year's return has been submitted.	
8.2	SD clarified for the Committee that the University raises funds from the general public through several means. The University is Gift Aid registered and can receive donations – such as from alumni, or at events that allow donations to be made.	
8.3	It was NOTED that of the University was not in receipt of any correspondence from the Charity Commission about serious incidents.	
<b>9.</b>	<b>To review and discuss the Risk Register</b>	
	<i>Rachel Harvey joined the meeting.</i>	
9.1	The Director of Strategy and Planning, RH referred the Committee to the Risk Register for discussion. Members were asked to: <ul style="list-style-type: none"> <li>• consider whether alternative methods of treatment of risk are required and request further details; and</li> <li>• make recommendations for any required changes to the risk register prior to presentation to next Council meeting.</li> </ul>	
9.2	RH described the use of a more integrated reporting arrangement that brings together risk and performance. The current report reflects this. Risk is considered first and then Key Performance Indicators (KPIs). Managing risk should help improve performance.	
9.3	The Committee discussed the areas of performance that have not yet been allocated an outcome on the dashboard (poor, fair, good or excellent). RH confirmed that data gathering takes longer for some items but that all areas will be completed (with scores), by the next Council meeting.	
<b>10.</b>	<b>To review and discuss the Key Performance Indicators</b>	

- 10.1 RH presented the KPIs to the Committee for discussion. Members were asked to:
- receive the performance and risk update to April 2019 and the profile of current risks; and
  - review KPIs and any risks that are high (scoring a total of 8 and above for probability and impact on the risk profile).
- 10.2 Page 3 – shows two high risk areas, shown in red and carrying a risk score of 8 or higher. These are *Student Recruitment* (risk reference 017), showing a net risk score of 8, and *Portfolio fitness for purpose (new)* (risk reference 020), showing a net risk score of 12, 'very high'. In relation to Student Recruitment the picture is evolving. External factors will impact on projected figures for undergraduate recruitment. In relation to *Portfolio fitness for purpose*, significant work is being done as part of the University's strategy planning, which includes a review of the University's portfolio.
- 10.3 The Committee discussed the Amber areas of the Risk Register – where the risk has reduced from high to medium or low.
- 10.4 Page 4 – shows the risk for the *Student Record System* (risk reference 05), showing a net risk score of 6 (medium, down from 12). The risk has reduced following conversations with the provider, Unit4.
- 10.5 Page 5 - shows the risk for *Involvement in HESA Beta Pilot of Data Futures* (risk reference 06), showing a net risk score of 4 (down from 8). There has been a delay with the pilot for *Data Futures* and resources do not need to be allocated yet. It was NOTED that there has been a significant reduction in risk items 05 and 06, which is a positive result.
- 10.6 Page 5 – shows the risk for *Pension Liabilities* (risk reference 008), showing a net risk score of 4 (down from 6). It was NOTED that there are no mitigating actions in relation to this risk. The risk is accepted by the University.
- 10.7 Page 5 – shows the risk for *Data Capability* (risk reference 013).
- 10.8 Page 5 – shows the risk for *Health and Safety* (risk reference 014), showing a net risk score of 4 (down from 6). It was NOTED that there has been significant progress made, since the appointment of the University's Health and Safety Officer and issues are well managed and take account of mitigating actions.
- 10.9 The Committee NOTED the University's *Performance Dashboard – Report to the End of April 2019*, on pages 7-10.
- 10.10 RH confirmed that the themes relate to the University's two-year operational plan and current strategy. There are two areas (*Student Recruitment* and *Portfolio fitness for purpose*) that need further action. These are being dealt with through the Risk Register.
- 10.11 It was NOTED that matters around staffing – recruitment and retention, will be affected by the Voluntary Leaver's Scheme (VLS) and these will be identified in the next report.



10.12 The Committee discussed the means by which the underlying data feeding into the report is collected. Discussion included the option of building a data warehouse – however this would require specific skills, data and resources. The University’s performance information currently relies on use of live data. A preferable approach would be to use data that is held at a point in time.

**11. Risk appetite**

11.1 RH provided a verbal update on the University’s approach to risk appetite, and several points were discussed among members.

**12. To consider themes of risk**

12.1 RH initiated a discussion on the themes of risk. PN confirmed that financial risks are being managed through mitigating actions and that the University will highlight the actions being taken forward (to include VLS).

12.2 The Chair confirmed that scenario and budget planning will feed into risk management going forward.

*Rachel Harvey left the meeting.*

**13. Assurance framework**

13.1 The Registrar introduced this item for discussion. SG provided an update on the review of the University’s policies and policy schedules – as previously requested by the Committee. The document capturing this work is titled the Assurance Framework (excel document). This was shown on screen to the Committee.

13.2 It was NOTED that all the University’s Policies are available on our website. There is an internal process to manage reviews to the University’s Codes of Practice, Policies and Procedures that underpin all staff roles. Each of them have been classified. Colleagues have confirmed to SG that work is ongoing with regards to those requiring updates.

13.3 The Human Resources (HR) Department has a number of overdue items. SG has liaised with the (new) Director of HR on these and 7 out of 8 are ready for taking the next FE&GP Committee meeting.

13.4 The Committee APPROVED the format and style.

13.5 It was AGREED that the document will be added to SharePoint and SG can provide update on progress at the next meeting. Members were asked to raise any questions with SG about the Assurance Framework.

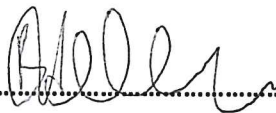
13.6 SG and members discussed areas of particular concern (over and above the audit perspective). These included:

**J Cheeseman**

**S Gilluly**



	<ul style="list-style-type: none"> <li>• two items relating to diversity and equality where there is a legal requirement for them to be up to date;</li> <li>• operational policies that are being prioritised for review; and</li> <li>• items affecting students that were due for review in 2017 that have been brought forward (to July 2019);</li> </ul>	
13.7	It was NOTED that strategy items will be dealt with alongside development of the University's overarching strategy.	
13.8	The Committee discussed the allocation of timeframes for review for different items. These will need to be appropriate going forward (annual reviews may not always be required for everything). Unforeseen events can and should inform schedules for review – review dates can be brought forward if required.	
14.	<b>Agenda suggestions for future meetings</b>	
14.1	The Committee were invited to suggest future agenda items. The Chair suggested a more detailed look at student recruitment and financial planning and this was AGREED by the Committee.	Governance
14.2	<p>The following standing items were AGREED for inclusion on the next agenda:</p> <ul style="list-style-type: none"> <li>• Risk Register</li> <li>• KPIs</li> <li>• External Audit Update</li> <li>• Draft Committee Annual Report</li> <li>• OfS Accounts Direction</li> </ul>	Governance
15.	<b>Agenda management and review</b>	
15.1	No comments were received by members on the effectiveness of the meeting and its supporting paperwork.	
16.	<b>Any other business</b>	
16.1	No other business was raised.	
17	<b>Key Items for University Council</b>	
17.1	Items for Council are as recorded, with a specific note that the Committee will focus on student recruitment and financial planning going forward.	R Hallsworth/ Governance
18	<b>Date of next meeting</b>	
18.1	The next meeting of the Audit Committee would take place on Tuesday 24 September 2019 at 2pm in CSH12.	

Signed  Date 12/11/19

