

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

THURSDAY 16 JUNE 2016
2.00 PM IN ROOM 102, SKINNER BUILDING

Present

Mr David Clements (Chair)
Rev'd Sally Myers
Dr Jim Smith

In attendance

Dr Anne Craven, Registrar & Secretary
Mr Stephen Deville, Director of Resources
Ms Jenny Harron, Internal Auditor (Uniac)
Mr Richard Hallsworth
Mr David Hoose, External Auditor, (Mazars)
Dr Grahame Killey, Planning & Performance Manager (PPM) (for item 5 & 6)
Professor Jayne Mitchell, Deputy Vice Chancellor
Rev'd Canon Professor Peter Neil, Vice Chancellor
Mr Sean Ryan, Internal Auditor (Uniac)

1. Apologies

Apologies for absence were received from Angela Crowe, Jackie Croft, Barrie Shipley - Head of Finance, and Matthew Pitts – Governance, Compliance and Operations Manager.

The Chair welcomed to the meeting Mr Richard Hallsworth, who attended as an observer; the G&N Committee had recommended Richard for appointment as a Council member and as Audit Committee member to Council, to be confirmed at the Council meeting of 28 June.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of the last meeting held on 8 March 2016

The minutes of the last meeting held on 8 March 2016 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

4. Matters arising

(i) Action points

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

Referring to item 5(ii) Safeguarding Policy on the matters arising table, the Registrar & Secretary confirmed that the GCOM had met with Sally Myers to discuss the Policy to address the concerns that had been raised by the Committee. SM reported that she had agreed with the GCOM that they would take some extra time to source advice from a key contact of hers in order to review the Policy in detail and bring it back to a future meeting.

**Matthew
Pitts**

(ii) Any other matters

There were no other matters raised.

5. To discuss the updated KPIs

The PPM presented the updated Key Performance Indicators dashboard. The following points were noted:

Financial Health

- BGU was rated green across all measures with forward arrows.

Human Resources

- Presented a similar picture.

Student Success

- Rated green across all measures. Provisional data from HESA so far showed positive outcomes from the destinations (DLHE) data submitted by BGU.

Reputation and influence

- Showing an amber/green flag.
- The Communications Oversight Group would be conducting a review of the underlying measures used to evaluate BGU's reputation and influence. It was NOTED that in addition to looking at BGU's media profile in terms of numbers of articles published and social media activity, the review could consider other indicators of success, for example where members of staff are contributing to national discourse.

**Anne
Craven**

Research

- A detailed audit of activity, capability and capacity on research was taking place across the university and the building blocks were in place to move forward with achieving outputs and outcomes.
- Tangible improvements had been made since the previous Sponsor Board's meeting – further supervisory teams had been approved by Leicester and 6 PhD students had been recruited.

Student Satisfaction

- Green rated. Grade 1 & 2 ratings of modules within programmes received a very high rating of >89% across BGU in the first semester.

Student Recruitment

- Continuing to show an amber / red rating.
- Real time data on application numbers and more intensive scrutiny of the dashboard of conversion rates by programme (rather than blanket rate) was enabling BGU to target specific intervention activities for applicants.
- Work was taking place in the School of Teacher Development to bring in subjects 'off the shelf' to make additional gains.
- The Portfolio Management Group was continuing to look at bringing in new subjects and exploring different markets.
- A review of the strategy, notably in terms of the target number of students by 2019, would commence by October.

6. To discuss and consider the Risk Register

The PPM highlighted key updates on the Risk Register presented:

- Ofsted and QAA had now been flagged as green with net risk score down to 2 (low).
- Government funding for ITT continued to show red with net risk score of 8. However the School of TD was continuing to work to develop partnerships with Schools and was updating its academic portfolio with new PGCE secondary programmes.
- Managing Change showed an amber flag. The future Leadership Foundation Programme discussed at the meeting was a joint, externally facilitated SLT/CLT Programme which was also tied into a revised Learning and Development Policy developed and refined to operate across the whole of BGU. This was also tied into Appraisal and Performance review processes and the delivery of staff development activity through either CELT and/or through Professional Services.
- Staff survey results were extremely positive with the institution's satisfaction rates improving. Capital, who carried out the survey, had indicated that there were a number of areas where BGU was the highest in terms of employee engagement and satisfaction, not just in HE but across the board.

Presentation of the Risk Register would be looked at in the future to articulate more clearly the appetite for risk and risk tolerance.

7. HEFCE

(i) To note HEFCE's Annual Assessment of Institutional Risk

The Registrar & Secretary (R&S) noted that HEFCE's annual assessment of BGU's institutional risk was issued in April/May each year. This year's outcome confirmed that BGU was meeting its accountability responsibilities from HEFCE's perspective, as well as giving assurance that HEFCE considered the institution as *not at higher risk* (standard HEFCE assurance statement indicating overall approval).

(ii) To note HEFCE's letter regarding its Institutional Visit to BGU on 8 March 2016

The R&S presented the letter from HEFCE regarding their 8th March 2016 visit for the Committee to note, highlighting the progress which had been made in improving data quality and which was now explicitly noted by HEFCE in the letter.

(iii) To note HEFCE Assurance Review of 15 March 016 – Draft Report

The R&S noted that following the above review HEFCE had concluded that they were able to *place reliance* on the accountability information provided by the University and have made no recommendations.

(iv) To note QAA HER Final Report and follow-up Draft Action Plan

The R&S reported that the HER Steering Group, which she chaired, had led the Action Plan preparation process and produced the Action Plan. This had been done with input from other key staff, including AEC (Academic Enhancement Committee) members. The Action Plan was in two parts; one was public and would be uploaded to the website, and the other was an internal part which was strictly for internal use only, assisting the University for moving ahead.

The Committee AGREED that the Action Plan should be amended clearly to reflect a named person who was assigned overall accountable for each action, and who would be responsible for implementation/operation.

(v) To note OFSTED Final Report and follow-up Action Plan

Following the Ofsted Inspection, the School of Teacher Development had produced an Action Plan to ensure continued success and to identify areas for development.

The Deputy Vice Chancellor (DVC) reported that these were 'live' improvement plans that would be maintained and updated through the School and Quality Assurance arrangements.

The DVC reported that a judgement on the ITE in FE provision was due that week.

(vi) To note the British Psychological Society (BPS) Accreditation Report and follow-up Action Plan

The DVC reported that BGU had seen growth in the application statistics to psychology courses following successful accreditation by the BPS.

The Action Plan had been developed in two parts, the first of which had now been submitted to the BPS who had confirmed that conditions had been fulfilled. The second part of the Action Plan relating to conditions around staffing and administration would be submitted by 31 August 2016. Some dedicated resource had been identified to meet these conditions and BGU was confident of approval by BPS.

Anne
Craven

8. To note the Charity Commission Return

The Committee RECEIVED and NOTED the Charity Commission Return, which had been submitted by the stipulated deadline.

9. To note the 2017/18 OFFA (Office for Fair Access) Agreement

Phil Davis, the Head of Student Support presented the document which had been submitted to OFFA for 2017/18, highlighting the following:

- The Agreement was organised in four main areas: Outreach/Access (engaging with Schools and Colleges in encouraging participation from disadvantaged groups), Student Retention & Success, Employability & Progression and Financial Support.
- One of the crucial parts of the submission was where BGU set out its fees for the given year. The financial information related to this was tabled for Committee Members and showed how much of the calculation of additional fee income (over and above the minimum fee) BGU would use to support disadvantaged students. Some adjustments had to be made following an initial submission regarding fees, and an executive decision had been made, due to OFFA's requirements and associated deadlines, that BGU included a fee of £9250 for 17/18. However, the increase amounted to only a modest increase in overall cost, due to the minimum fee figure having been increased to £6165. It was reported that the institution was now confident that OFFA requirements had been met.
- The DVC reported that HEFCE had recently launched a collaborative bid focussed on 'gap areas' with low participation in HE. BGU was leading the preparation of a proposal for this bid round for the Lincolnshire area.

10. Quality Assurance

- (i) To receive and discuss HEFCE's Revised Operating Model for Quality Assessment in Higher Education

The DVC provided a summary of the proposed revised operating model for quality assessment that had first been published in March 2016, and then updated in May 2016 by HEFCE.

The report presented also outlined some aspects of BGU's preparations to meet the revised requirements.

Notes had been presented to Committee Members as a PowerPoint presentation; the DVC talked members through this and highlighted some of the key points:

- There were seven main components to the revised operating model. The Institution would now establish how and to what extent it wished to participate in the pilot activities.
- Under the Baseline Regulatory Requirements, the HE Code of Governance would have a more prominent role in assurance around academic governance.

- The single gateway for entry to the HE system would lead to new providers entering the sector, which might lead to greater competition in the sector.
- In 2017–19 BGU would have to submit to HEFCE an ‘annual provider review’, verifying its own methodology and review processes. BGU would need to plan for and understand what this would. The Academic Health Report was a good basis for this.
- A re-focussed five-yearly Assurance Review visit would test the basis on which a governing body is able to provide assurances about the provider’s activities, including *“that academic governance is effective by working with the Senate... in order to maintain quality”*. Senate would be looking for assurance from Council about its role in this; and vice versa.
- To test the basis on which a governing body is able to provide annual assurance of academic governance, part of the ‘Annual Provider Review’ would have to show that the University continues to meet Part 1 of the ESG (European Standards & Guidelines) 2015. This is something BGU has not had explicitly to show in the past, but would now have to be explicit.
- Under one of the main seven components of the revised model, *“Strengthened arrangements for securing degree standards and their reasonable comparability across the UK”*, institutions would need to research and determine a ‘sensible range’ of classification algorithms and publish guidelines. A statement would be required from BGU about how it intended to use systems such as those related to grade point average.

Following the DVC’s summary, the Committee NOTED and AGREED the following:

- A considerable amount of work had been done, but there remained a substantial amount of work to do in preparation for the revised operating arrangements. However, it was noted that BGU was ‘adjusting’ from a strong position following the HER QAA review.
 - A review of the relationship between Senate and Council was required. The accomplishment of this would be monitored by the Council and, as appropriate, its committees in the coming Council cycles. The Governance Office would operate as a link, keeping the Council informed on developments.
- (ii) Higher Education White Paper: Success as a Knowledge Economy and
- (iii) Higher Education and Research Bill

The DVC summarised the headlines from the Government White Paper and also the HE and Research Bill in a PowerPoint presentation which had been included in Committee Members’ papers. The DVC noted the following:

- A number of things had been confirmed in the White Paper, one of which was the intention of the Government to create a single Office for Students (OfS) which would merge the learning and teaching functions

of HEFCE with the Office for Fair Access.

- A single research body would also be established, "UK Research and Innovation" (UKRI)
- The White Paper had confirmed plans for TEF and about the intention of giving institutions the ability to increase fees according to specified criteria (subject to Government approval).
- Passage of the HE & Research Bill through the Commons and Lords would be in Autumn 2016

The DVC reported that in order to prepare and meet the challenges ahead, 'think pieces' would be drafted to inform BGU's position and mid-term strategy stocktake. The DVC suggested to Committee Members that it would be useful to obtain Council's thoughts to assist with the drafting of these documents. Audit Committee AGREED that it would be advisable to encourage Council's participation, which would add a further dimension to the work. This could become part of the strategy stock-take process led by the Registry.

It was NOTED that there was a considerable volume of information which presented a challenge for Council to process. Audit also NOTED that it was important to ensure that Council Members were aware of their increased responsibility, in particular with academic standards, due to the changes taking place. The Governance Office would keep them updated.

(iv) BIS Teaching Excellence Framework technical consultation

It was NOTED that the University needed to make a decision as to whether it wanted to enter the pilot for the TEF in year two of the programme (the operation of TEF in future years would be subject to further consultation and evaluation of the outcomes of the Year Two methodological trial). The DVC reported that any institution that entered TEF trials for next year would automatically be awarded "meets expectations" judgement. It wouldn't attract financial gain, but it could hold reputational advantages for institutions. Given BGU's position in league tables in metrics where it didn't perform very well, it could be an advantage to showcase where BGU's strengths were, for example in retention, employability, widening participation, which were predicted to be some of the key measures for TEF. The judgement would last for a minimum of three years. There would be an option the following year to upgrade the judgement, but there would be another exercise to go through.

The DVC talked members through the timescales, NOTING that Expressions of Interest would need to be submitted by July 2016, with formal applications opening in October and closing in December 2016. It was also NOTED that SLT's recommendation was to submit an Expression of Interest in entering TEF Year 2. Audit Committee AGREED this was a sensible option.

(v) BIS Call for Evidence: Accelerated courses and switching University and degrees

R&S/
Planning
and Perf.
Manager/
David
Clements

The DVC reported that a response to this Call for Evidence was required by 19th July 2016. Audit Committee ENDORSED the approach taken by the Portfolio Management Group to take part in the Call for Evidence.

11 To note and consider Internal Audit Reports

(i) To note the 2015/16 progress report

Jenny Harron from Uniac summarised the report presented to Audit. It was NOTED that progress made against the 2015/16 internal audit programme was on schedule.

(ii) Internal Audit Payroll Report

Jenny Harron explained that the objective of this audit was to provide assurance over the design controls in the new payroll system. The system had gone live in April 2016 and the audit had tested the design of its control framework. The detail of this was included in the Appendix to the report but the outcome was "reasonable assurance".

The DoR expressed his thanks and congratulations to the Head of Finance and Head of HR for their contribution to the implementation of the new payroll system; it was NOTED that there had been no issues whatsoever in terms of paying people.

(iii) MKI Audit Tracker Report

The Governance Officer and P.A. to University Council presented the Audit tracker report.

Audit Committee APPROVED all requested revised implementation dates.

All requests for closure of Actions were APPROVED by Audit Committee.

It was NOTED that Actions 01173, 01174, 01175 and 01176 were highlighted due to the implementation date being in the past. The DVC confirmed that these actions had been superseded by a piece of consultancy work that had now been implemented. These actions were therefore APPROVED for closure.

(iv) To note the Draft Internal Audit Programme 2016/17

Audit Committee APPROVED the Draft Internal Audit programme for 2016/17.

(v) To receive a briefing note on Identity Fraud

Audit committee NOTED the briefing on identity fraud. It was also NOTED that BGU had good practices in place to protect against this.

12 External Audit

- (i) To consider for approval the Planning Arrangements for year ending 31 July 2016

Audit Committee NOTED and AGREED to the planning document including the approach and timescales for completion.

13 To note the University's Policy Updating & Approval Schedule

The Registrar & Secretary presented this item and explained that this was part of a bigger project, the majority of which had been completed in preparation of the QAA HER. It was NOTED that the Governance Office was working towards completing those few policies that were overdue for review (highlighted in red on the report). There would be further guidance in the coming year as to which committees the policies would be taken to. In addition, the Governance Office was looking at the sector to ensure that these documents and processes conformed to best practice. One of the key issues identified had been to develop student engagement in the policy reviews; it was reported that progress had already been made this in the current academic year by working with the Student Council and the whole student body. The work that had been planned would have some implications on the Schedule of Delegation, which might subsequently need to be reviewed again by Council in the coming academic year. BGU was hoping to work towards gaining the Plain English Campaign Crystal Mark for key policies.

Audit Committee NOTED that a 3 yearly review of policies should be the absolute minimum, but that timescales should be flexible to ensure that the fast changing sector developments were taken into consideration, and policies should be reviewed sooner if necessary. Additionally, due to all the Policy reviews that took place in 2015 in preparation for the QAA HE Review, there would currently be numerous policies to look at in 2018; therefore plans should be put in to place to look at these in a timely, effective and staggered manner. Audit Committee AGREED that the terminology on the chart should be changed to "Next Review to have taken place by" instead of stating "Date of Next Review", or to have an extra column.

Additionally, it was NOTED that it would be useful for the Audit Committee to be able to see which of the policies existed because of statutory requirements, along with latest developments in the law, and which Policies existed due to internal protocols. This would help with prioritisation.

14 To receive an update on BGU's Safeguarding Policy

This had already been discussed under Matters Arising.

15 Any Other Business

- (i) Uniac Forum held on 11th March 2016

Sally Myers reported that this Forum had been extremely useful. SM had asked the organiser for a copy of the slides and would send them to Natalie

Matthew
Pitts

Matthew
Pitts

Sally
Myers/

Pickles so that they could be uploaded on to SharePoint for Audit members.

**Natalie
Pickles**

(ii) Collaborative Outreach Programme

The DVC reported that HEFCE had released a call for county bids for applications for funding for a mutual collaborative outreach programme (also see Item 9 above). BGU was leading the consortia bid for Lincolnshire which would involve joint action by BGU, existing FE partners, new partners as well as the University of Lincoln. The DVC was seeking advice from Audit in respect of governance arrangements for the bid in terms of the financial aspects, and governance of the project overall. Financial Governance responsibility would lie with BGU (and that was the preference of HEFCE); however, the University of Lincoln had proposed that the operation and governance leadership would be shared and rotating – the first year this would be with UoL, year two with BGU, the third year back to UoL and the final year (four) with BGU. The concern with this proposal was how the lead institution (BGU) could satisfy itself that the programme was being delivered and reported appropriately during those times that the operation and governance was with UoL. HEFCE had indicated that should BGU take this option, the project would be subject to much closer scrutiny. Despite the concerns raised about sharing governance responsibilities, it was clearly stated that BGU wanted to be co-operative with the UoL.

Audit Committee's view was that it had some concerns over this arrangement, the members' preference being for BGU to keep the lead on operation and governance completely. However, other suggested options were as follows:

- Some form of Memorandum of Understanding with appropriate checks and balances in place.
- Different elements within the process taken on by the other institution but overall control with BGU.
- Ensure that right of audit access is obtained from the other institution as a fall-back position.
- Change the two-year cycle so that the first year is with BGU enabling it to make the necessary checks in year three with time to address any problems.

It was NOTED that it was BGU who instigated the bid.

16 To receive and consider suggestions for the next meeting


- Internal Audit Draft Reports
- Internal Audit Annual Opinion
- Feedback on the Collaborative Outreach Programme discussed at the meeting under AoB
- TEF – brief update as appropriate
- Policies – verbal update with more detailed paper at a future meeting

17 To recommend key items for the University Council

- Payroll Audit
- Proposed Audit Plan for 2016/17
- TEF

18 Date of next meeting

The next meeting of the Audit Committee would take place in September 2016, time and place TBC.

Signed  Date 27/9/16

