

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE  
AUDIT COMMITTEE

TUESDAY 11 NOVEMBER 2014  
2:00 PM IN ROOM 102, SKINNER BUILDING

**Present**

Mr David Clements (Chair)  
Mrs Angela Crowe  
Rev'd Sally Myers  
Dr Jim Smith  
Mrs Bridget Starling

**In attendance**

Mr Stephen Deville, Director of Resources  
Mr David Hoose, External Auditor (Mazars)  
Mr Joe Johnston, Internal Auditor (Uniac)  
Dr Grahame Killey, Planning & Performance Manager (for item 6 only)  
Mr Steve Kirby, Head of Finance  
Professor Jayne Mitchell, Deputy Vice Chancellor  
Mrs Katie Skilton, Clerk to the University Council  
Ms Emma Smeaton, Governance Officer & PA to the University Council

**Action**

**1. Welcome**

The Chair welcomed members to the second Audit Committee meeting of the academic year.

**2. Apologies**

Apologies for absence were received from the Reverend Canon Professor Peter Neil and Sean Ryan from Uniac.

**3. Declarations of interest**

There were no declarations of interest.

**4. Minutes of the last meeting held on 30 September 2014**

The minutes of the last meeting held on 30 September 2014 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

**5. Matters arising**

(i) Action points

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

(ii) Any other matters

There were no other matters raised.

**6. Risk Register**

The Planning and Performance Manger tabled the institutional risks paper following approval by SLT the previous day. The following points were REPORTED to and AGREED by the Committee:

- One task and finish group meeting had taken place.
- New guidelines would be reported to the Committee at the next meeting in February, which linked to the business plans and framework.
- The same KPI reporting system would be presented this cycle and the institutional risk register had not changed in terms of content.
- Business continuity would form part of the audit programme for the current academic year.
- Residual risk BGU7 should have been recorded as amber/red, this would be corrected following the meeting.
- Heads of departments will actively manage the operational risks within their areas and any changes would be escalated to the next level. The Audit Committee will receive the strategic institutional risks each term and would be made aware of increasing operational risks if necessary, reviewing these annually to ensure the plan is working.
- More detail would be included on the impact of the risks and progress against mitigating actions.
- The strategic planning framework will be shared with the Committee to provide assurance of overall responsibilities.

It was NOTED that the Planning & Performance Manager would feedback the Committee's comments to the SLT and Audit Committee would REPORT progress to the Council meeting on 19 November 2014.

**7. Internal audit**

(i) Audit programme

**Next meeting**

**P&P Manager**

**P&P Manager**

**P&P Manager**

The internal auditor presented the audit programme for 2014/15. The following points were considered:

- Discussion took place regarding the proposal to defer audits 17-22 until the next academic year. It was AGREED that the Committee and the University felt these items were secure and robust enough to be reported on in 2015/16.
- The Committee considered the two items, 36 and 49, which both referred to accommodation and discussed whether it would be appropriate to complete the audits in unison. It was REPORTED that both items reported on different aspects of accommodation.

(ii) Audit progress summary

The audit progress summary was RECEIVED and NOTED.

(iii) Summary of deferred work

The summary of deferred work was also RECEIVED and NOTED.

(iv) MKI audit tracker system

The Clerk, who was also appointed as the Institutional Administrator, REPORTED that training on the use of the MKI audit tracker system developed by UNIAC, had been provided to the responsible officers and a printout based on previous audit reports was circulated.

The following points were AGREED:

- Responsible officers had the option to input a closure date and the action would then be reported back to the Committee before being removed from the list.
- The table would be used as a management tool and progress updates would be provided to the Committee
- The table would be populated according to priority and a red/amber/green rating would be used to grade the risks with the highest being presented at the top.

Members thanked the Clerk on the production of the document and AGREED that a progress update would be brought to the next meeting in March.

**Next meeting**

## **8. External audit**

(i) From the accounts

The Head of Finance presented the accounts which had previously been reviewed by the FE&GP Committee at its last meeting. It was NOTED that pages 14-17 had not printed properly due to links not being imported

across. PDF copies of the correct accounts had been emailed to members prior to the meeting and hard copies were distributed.

The Committee AGREED that the FE&GP and Audit Committee meetings of this cycle next year would be scheduled for the same day, separated by a working lunch to prevent repetition of discussions.

The following was NOTED:

- 'With a maximum of two terms of office' would be added to the institutional governance statement on page 4.
- A discussion on investment reserves would be included on the agenda for discussion at the next meeting.
- The academic/administration staff ratio was highlighted. The investment in academic staff in accordance with the increase in student numbers was NOTED positively.
- The Committee will continue to monitor debt provision. The Finance Manager reported that the department was currently drafting a Fees Officer job description to assist with recovery.

(ii) Management letter/report

The external auditor presented the Audit Completion Report which included the management letter. The following points were NOTED:

- The University had recovered £575k rather than the expected £500k from HEFCE. The Director of Resources REPORTED that £425k of this related to the 2012/2013 submission and the remaining £150k to the 2013/14 submission. Because the £150k was less than 20% of the funding, the adjustment would be made and this money repaid, in March 2015.
- It was REPORTED that FE&GP Committee would recommend that an extra £250k loan facility, in addition to the original loan of £500k, should be provided to BG (Lincoln) Ltd. to Council on 19 December 2014. A loan agreement on commercial terms for the full £750k, including an interest holiday, was in the process of being formalised. It was expected that the Limited Company would move into profit from year four and following this date, interest would be charged. The University would also seek assurance that such a loan would not affect BGU's charitable status.

The Committee ENDORSED the accounts and the management letter, recommending them to Council for full approval.

**9. Students' Union accounts**

The Committee RECEIVED and ENDORSED the Students' Union NOTING that the change in presentation, moving the cost of sales into income, would take place

Clerk

Next meeting

Next meeting

University Council

Abi Rogers

following the Students' Union's move to unincorporated charity status.

**10. BG (Lincoln) Ltd. accounts**

It was NOTED that the same issue with the presentation of the papers had occurred and that PDF copies of the correct accounts had been emailed to members and hard copies were distributed. The Committee RECEIVED and RECOMMENDED the accounts to Council subject to the addition of a paragraph explaining the transfer of activity from the University to the Limited Company explaining the difference in reporting from the previous year.

**University  
Council/  
Head of  
Finance**

**11. Student data**

The Director of Resources gave a verbal update on student data. The following was NOTED in discussion:

- The Director of Resources had met with the new Registrar and Secretary who was in the process of reviewing documentation from the consultant.
- An Admissions Officer had been seconded to the data department for a period of six months.
- The team were looking at the data much earlier in the cycle than in previous years.
- The University was moving from the first phase of data cleansing and correction to the second phase of system improvement.
- The benefits would be realised when the annual data returns are completed next year.

**12. Policies**

(i) Money Laundering

The Committee RECEIVED and APPROVED the updated existing Money Laundering Policy, NOTING job title changes and changes in legislation.

(ii) Fraud

The Committee RECEIVED and APPROVED the Fraud Policy, NOTING that it was much more comprehensive and covered more areas than the policy previously in place.

**13. Audit Committee**

(i) Annual assurance return

The Committee APPROVED the annual assurance return which had been completed following receipt of the management letter/report. This would be signed by the Vice Chancellor following the Council meeting on 19

**Vice  
Chancellor**

November 2014.

(ii) Draft annual report

The Committee RECEIVED and ENDORSED the annual report which summarised the work of the Audit Committee and had been updated following the management letter/report. The Chair would sign the report following APPROVAL at the Council meeting the following week.

Chair

**14. Agenda suggestions**

- Internal audit report;
- Update on data and debtors;
- Update on cash flow following FE&GP discussion;
- Updated tracker system report.

**15. Any other business**

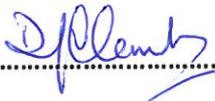
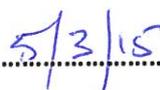
There was no other business to discuss.

**16. Key items for University Council**

- External audit management letter;
- Internal audit programme;
- Approved policies;
- Annual assurance return;
- Audit Committee annual report.

**17. Date of next meeting**

The next meeting of the Audit Committee would take place on Thursday 5 March 2015 at 2:00 pm in Room 216.

Signed .....  ..... Date .....  .....