

BISHOP GROSSETESTE UNIVERSITY

**MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

**THURSDAY 9 MARCH 2017
2.10 PM IN ROOM 102, SKINNER BUILDING**

Present

Mr David Clements (Chair)
Mrs Angela Crowe
Mr Richard Hallsworth
The Revd Dr Sally Myers

In attendance

Mr Jonathan Batty, Director of Marketing (for item 11ii)
Mr Stephen Deville, Director of Resources
Mr David Hoose, External Auditor (Mazars)
Dr Anne Jackson, Registrar & Secretary
Dr Grahame Killey, Planning & Performance Manager (PPM) (for items 6 & 7)
Professor Jayne Mitchell, Deputy Vice Chancellor
Ms Agnieszka Oczujda, Internal Auditor (Uniac)
Rev'd Canon Professor Peter Neil, Vice Chancellor
Mrs Natalie Pickles (Minutes)
Mr Sean Ryan, Internal Auditor (Uniac)
Mr Barrie Shipley, Head of Finance

1. Welcome

The Chair welcomed everyone to the meeting and NOTED that, prior to the meeting today, the Lay members of Audit Committee had met with the Auditors and there had been no issues of concern.

2. Apologies

There were no apologies from Committee Members.

3. Declarations of interest

There were no declarations of interest.

4. Minutes of the last meeting held on 7 November 2016

The minutes of the last meeting held on 7 November 2016 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

5. From the part of Audit Committee, to give approval to the minutes of the joint FE&GP and Audit Committee meeting held on 7 November 2016 (attached)

The minutes of the Joint FE&GP and Audit Committee meeting held on 7 November 2016 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

6. Matters Arising

(i) Action points

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

Action Point 10 – To Note the Policy Review Schedule

It was confirmed that a revised schedule would be presented to Audit Committee in the Summer Term.

It was AGREED that all the actions had been captured on the table.

(ii) Any Other Matters

There were no other matters arising.

7. To note the Annual TRAC (Transparent Approach to Costing) Return

Audit Committee NOTED the TRAC Return which was a requirement for all UK HEIs in receipt of grant funding from HEFCE.

The Head of Finance confirmed that, as agreed at the previous meeting, the Chair of Audit had approved the return on behalf of Audit Committee, and it had now been submitted.

8. To note the Annual TRAC-T (Transparent Approach to Costing for Teaching) Return

Audit Committee NOTED the TRAC-T Return, which had also been approved by the Chair on behalf of Audit Committee, and had now been submitted.

The Head of Finance confirmed that the Annual TRAC-T return was used to by the funding council to calculate the average cost of teaching at subject level, with the main aim of informing the public funding for teaching.

The DVC noted that BGU had selected “No” in answer to whether it produced a cost per student by department for use by institutional managers. The Head of Finance confirmed that for the next Return this would be a “Yes” answer.

The DVC reported that the Portfolio Management Group would now be putting together a “viability” report each time a brand new subject was proposed. It was

Registrar &
Secretary

NOTED that the portfolio was looked at as a whole by the School and at Institutional level. It was NOTED that the portfolio information would be organised in one place to enable comparison. It would also be presented alongside the Institution's strategy.

11 To note and consider Internal Audit Reports

(i) MKI Audit Tracker Report

Audit Committee AGREED to all the proposed closing of actions

Audit Committee discussed outstanding actions as follows:

Action 00302 – Debt Collection

The Head of Finance confirmed that a significant amount of work had been done since the original action had been triggered in 2013, when the debt collection was at £1.3m – this was now at £100k today. It was NOTED that debt agencies were not showing interest in the remaining level of commercial debt, however a last attempt was being made to see if any other agencies wanted to engage with this. The members were advised that at some point BGU would need to decide whether the debt should be written off. It was AGREED that the Head of Finance would continue to liaise with external collections agencies, and that he would also put together a Commercial Debt Collection Policy.

Head of
Finance

The requested new implementation date of 31/5/17 was APPROVED.

Action 00306 – Environmental Management Policy

The DoR reported that the Environment and Sustainability policy had recently been updated, and that the action could be amended accordingly. Audit Committee AGREED this action could be closed.

Governance
Office

Action -1180 – Students assigned to incorrect Module Outcome and Funding Completion Statuses

It was AGREED that this action could now be closed as, whilst linked to the Student Record System (SRS), it was separate to the current design, enhancement, and implementation of the new SRS. However, Audit Committee confirmed that there should be another mechanism for monitoring the new system and data. It was AGREED that this would be through the Risk Register; the detail would be captured and monitored through the student HESA return being compiled in late summer 2017.

Actions 01359 /01361 – Monitoring of Admissions / Enquiries Handling

Audit Committee AGREED the extension to deadlines, the new date for implementation should be 31/5/17 for both actions.

Action 01369 – Review provision of learning technology

Whilst there is a review of the Virtual Learning Environment currently taking place, it was agreed that the management action was actually a wider review. It was AGREED that the DoR would talk to the Director of IT & Systems Development (Barry Clarkson) and the Head of Learning Enhancement (Sue Cordell) for an update, and also to establish a realistic new deadline for this action.

Director of Resources

Action 001371 – Cash flow of BG(Lincoln) Ltd

Audit Committee AGREED a new deadline for implementation of 31/7/17.

Actions 01374 / 01375 – Course Web Page Information does not meet the HEFCE / HESA guidance

Audit Committee AGREED that both of these actions should have an implementation date of 31 May 2017, given that the CMA are still active in looking at this area, and are keen on prospective students making the minimum number of clicks to reach the relevant information.

Action 01376 – Mismatches between Accreditation information in the KIS and the University website

Audit Committee AGREED the new implementation date of 1 August 2017.

9. To receive and discuss the Risk Register

The Planning and Programmes Manager (PPM) joined the meeting for this item.

The PPM guided Committee Members through some of the key points and changes within the Risk Register.

BG(Lincoln)Ltd – this now had a higher gross and net risk score. The DoR reported that the company would not achieve profitability in the planned timescales, and would not be break even by the end of the financial year. This was primarily due to losses in the retail outlets. It was noted that the DoR had recently visited Newman University, which is of a similar size to BGU; Newman had reconfigured their retail offering following a review undertaken by an external consultancy. FE&GP had agreed the University would bring in an independent consultant to review BG(Lincoln)Ltd's current operations, the review would include the business model for retail, and how this impacts on the Limited Company as a whole.

The DoR reported that legal advice had been taken regarding the comments in Alice Hynes' Governance Effectiveness Review; this advice had confirmed that the structure of the Ltd Company was all in line with good governance practice.

The DVC reported that BGU13 (Capacity to meet Teaching Excellence Framework requirements) was still rated amber as the future implications for fees was unknown. The fees for 2018 would need to be set soon.

10 To receive and discuss the Key Performance Indicators

The Planning & Performance Manager (PPM) led members through the key points on the KPI Dashboard, which provided an update on BGU's key performance indicators.

The PPM left the meeting.

11 To note and consider Internal Audit Reports (continued)**(ii) Review of Student Recruitment**

The Director of Marketing joined the meeting for this item.

Sean Ryan from Uniac presented the piece of work they had undertaken and the resulting report on Student Recruitment.

The Members were advised that whilst there was a gap in student numbers, there was a strong argument to report positive achievement by BGU; the strategic plan had galvanised a lot of action in creating new programmes which had led to valuable recruitment; this could be labelled as a success story. Comparator institutions had not done so well in the demanding environment. The Members were advised that the recruitment of the new Director of Marketing was a positive step, it was noted that he had made significant progress so far, particularly with the early diagnosis of issues, and in defining next steps.

The Director of Marketing gave an update to Audit Committee on current recruitment activities and plans going forward.

SR confirmed that a follow-up piece of work would be produced on student recruitment next year. The Chair suggested that the Committee may wish to put a more formal piece of work on this in to the Audit plan for the following year's cycle, to look at the new processes.

(iii) Follow-up Review of Compliance with Consumer Protection Legislation

Audit Committee noted the report produced by Uniac. Substantial assurance was given by the Auditors in regards to progress and implementation of actions.

(iv) Draft Post-Audit Review

It was noted that Substantial Assurance was given on the University's tracking process for management actions arising from internal audit reports.

(v) Internal Audit Progress Reports

It was confirmed that Audits would be completed as follows:

For the June 2017 Audit Committee:-

SR / Audit
Cttee

Payroll
 Management of non-Pay Costs
 Catering, Residence & Conference Income
 ITT Return
 DLHE Return
 Preparation for the GDPR
 IT Change Management

For September 2017 Audit Committee:-

Health and Safety
 Use of Data

It was NOTED that Audit should consider commissioning a piece of work related to the "Payment Card Industry – Data Security Standards", in connection with the briefing note that had been issued with the papers. It was anticipated this would be a 1-2 day piece of work.

12 To note and consider student contention reports

(i) BGU Student Contention Overview 2015

Audit Committee NOTED the report provided detail of the University's complaints figures, which had stayed relatively steady over the past couple of years. The Registrar & Secretary reported, however, that the nature and complexity of complaints had become more time consuming, as students become more aware of consumer rights, it was NOTED that there were several cases this year from students requesting return of fees. It was also NOTED that the University may have to allocate more funding for complaints in respect of the possibility of legal advice being required.

It was NOTED that Appeals numbers were relatively stable, but there was a rise in and extenuating circumstances claims, – some of which related to mental health issues, which would need to be monitored carefully.

It was NOTED that Academic Misconduct figures had increased, this was linked to the introduction of Turnitin (plagiarism detection software). BGU was currently reviewing its Code of Practice for Academic Misconduct.

(ii) Admissions Complaints

It was NOTED that the figures were relatively comparable for the two years.

13 Prevent Duty Annual Report Outcome

Audit Committee NOTED the letter from HEFCE confirming that the University had demonstrated sufficient evidence of due regard to the Prevent Duty.

14 To note the HEFCE Assurance Review Final Report

Audit Committee NOTED HEFCE's conclusion that they are able to place reliance on the University's accountability information, and also the informal action table.

15 Agenda Management and Review

Richard Hallsworth stated that it would be useful to have some guidance as to how we approach these reviews, and noted the following:

- Knowledgeable and comprehensive updates had been given from the teams
- Well run meeting – open and inclusive at a good pace.
- Opportunity to ask questions
- Personal view that context behind some of the items talked about would be helpful, e.g. Ltd Co. cash flow – having a high level overview of the numbers to provide context would be useful – maybe just a one page brief summary.

16 Any Other Business

The DoR reported that there were two bids currently in for European Structural Innovation funding. The bids had been appraised and verbally approved, but the relevant contracts had not yet been received (currently with legal teams).

It was NOTED that there were additional costs to be added to the LORIC (Lincolnshire Open Research & Innovation Centre) project due to an increase in match funding requirements (originally staff costs could be used as part of the matched funding, but this was no longer the case). This was in the region of an extra £350k, some of which would be expended over a period of time, and some of which was revenue related. It was NOTED that further discussion on this would take place at SLT on 20 March 2017, once contracts were received. The DoR advised the members that subject to receiving the contracts, he hoped that a full update could be given to Council on 23 March 2017. It was NOTED that the building for LORIC had to be purchased and complete by the end of March 2017.

15 Key Items for University Council

- Internal Audit Reports

16 Date of Next Meeting

The next meeting of Audit Committee will take place on Thursday 22 June 2017 at 2.30pm in Room 102.

Signed.....



Date.....



