

BISHOP GROSSETESTE UNIVERSITY COLLEGE LINCOLN

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

WEDNESDAY 7 NOVEMBER 2012
9.30AM IN ROOM 103, SKINNER BUILDING

Present

The Very Rev'd Philip Buckler
Mr David Clements (Chair)
Mrs Julie McDonald
Mrs Bridget Starling

In attendance

Professor Muriel Robinson
Mr Steve Deville, Director of Resources
Mr David Hoose, External Auditor (Tenon)
Mr Steve Kirby, Head of Finance
Ms Vicky Mays, Clerk to Governors
Ms Haf Merrifield, Deputy Principal
Mr Chris Monk, Internal Auditor (UNIAC)
Mr Sean Ryan (UNIAC)
Mrs Helen Parkinson, Minuting Secretary

Action

1. Welcome from the Chair

The Chair welcomed colleagues to the second meeting of the Audit Committee for 2012/13 and passed on his thanks for the change of date.

2. Apologies

There were no apologies for absence. Professor Muriel Robinson reported that a new member of the Audit Committee had not yet been appointed.

3. Minutes of the last meeting held 27th September 2012

With alterations to the minutes of the last meeting of 27th September 2012 under the items as below, the minutes were agreed as a true record of the meeting and the Chair was authorised to sign them.

- 6(i) SLT health checks, Head of HR, Alison Smith (AS) to be added to action the final paragraph,
- 10 (ii) the first sentence to end at the word 'body';
- 12, second sentence to read '*it was reported that the Senior Leadership Team had held a workshop to discuss risks using a zero-based approach*'.

4. Matters arising

- (i) (Item 6(i) of the previous minutes.) The Principal reported that the Remuneration Committee had agreed there should be health checks put in place for members of the Senior Leadership Team, this would not result in any individual benefit or be eligible as a tax benefit for individual members. These health checks are to take place rather than the purchase of Key Personnel Insurance.
- (ii) (Item 4 of the previous minutes) The Principal confirmed that once Mr Jim Smith's appointment as governor had been ratified she had been mandated by Governance and Nominations to ask whether he would consider being a member of the Audit Committee. MR
- (iii) (Item 7 of the previous minutes) The Principal reported on her routine meetings with the Acting Dean of Students and Academic Engagement and confirmed that significant progress had been made on the accuracy of data but felt there was still work to be done to achieve better understanding and use of the system. The Deputy Principal confirmed that for the first time this year the Agresso system had been used to generate the student return to HESA.
- (iv) (Item 9 (a) of the previous minutes) The Director of Resources confirmed that online credit card payment options are currently on hold whilst a joint SIF bid with the Enterprise Hub is submitted. The outcome should be known by the spring term but a positive outcome is expected. SD
- (v) (Item 10 of the previous minutes) The Director of Resources reported that BG continues to be an admitted body within the LGPS, a comprehensive letter had been sent asking for more time whilst work continued on the limited company. The Head of HR and Payroll Officer would be attending the University and College's Employers Association meeting at the end of November. SD

5. Student Union Accounts

The acting SU Manager, Abi Rogers, joined the meeting for this item. The Chair welcomed Abi to her first meeting and following discussion it was agreed that current headings 'cost of sales' and 'overhead' should be renamed as 'activities' and 'support costs' respectively. The Deputy Principal reported that she was very grateful to Abi for picking up the SU work and for the smooth transition and completion of the Accounts. Abi reported the SU felt very confident and happy about the future and thanked the Director of Resources for the time he had given them in helping to prepare the accounts. The Chair thanked Abi for her attendance at the meeting.

AR

6. BG (Lincoln) Ltd Accounts

The Director of Resources introduced the BG (Lincoln) Limited Report and Financial Statements as at 31st July 2012. He confirmed that profits of the limited company had almost doubled due to increased conferencing, bed and breakfast and bar takings. Mr David Hoose (Tenon) confirmed that the audit had been straightforward.

Members discussed the fact that currently the Principal is the only partner in the limited company. The Principal confirmed that historically there had been no serious activity within the limited company and the two partners had always been the Principal and the Chair of Governors with no process in place to reappoint a director mid-year. Following discussion it was agreed the Audit Committee would recommend to the Governing Body that the current Chair of Governors should be added as a director and one further director should be appointed from the governing body; this should not be a governor currently serving on the Audit Committee. The Principal confirmed she would raise this issue at the FE&GP Committee meeting later in the day.

MR

7. Risk Register

The Deputy Principal reported that following discussions by the Senior Leadership Team the Risk Register had been updated with a number of different risks recorded. She highlighted under the risk '*BG fails to retain sufficient students*' the major change to funding this year where 50% of the fee from the Student Loan Company is triggered by the student still being on roll at the end of the academic year, making student retention extremely important. Academic teams are working to monitor this and an SLT sub group has an extending remit to consider retention.

The Chair asked about the implications under risk '*ITT no longer delivered through Higher Education*'. The Principal reported that the university college had done reasonably well and had been one of only eight institutions to get a new primary maths route. BG had secured a very positive response from schools within the new Schools Direct programme which had resulted in a better spread of partner schools and programmes. The Principal also reported that the two acting

Deans were engaging well. The Acting Dean of Students and Academic Engagement had confirmed she would be able to carry on after Easter if necessary to ensure a smooth transition. Both appointments were having a positive impact on their staffing teams.

8. Internal audit

(i) Internal Audit Timetable

Mr Chris Monk outlined the 2012/13 Internal Audit Programme with a suggested 40 days of internal audit time for the year and asked whether there were any questions. Bridget Starling asked whether there were other potential audit subjects which had not been looked at before. Mr Sean Riley confirmed there were and reported that one possibility to cover these was for a member of BG staff to report on any outstanding areas for the current year. Following discussion it was agreed that, as many areas are covered elsewhere by internal groups and committees, the next audit programme list should be made more comprehensive by cross referencing to those other monitoring groups.

CM

Following this discussion the committee was happy to agree that the 2012/13 Internal Audit Programme be recommended to governors for approval at their next meeting.

VM

(ii) Draft Internal Auditor's Annual Report

The committee considered this report prior to submission to HEFCE. The Principal confirmed she was comfortable with the report and the committee agreed to receive this for submission to governors at their next meeting. They passed on their thanks to Mr Riley and his colleagues.

VM

(iii) Reports

Students' Union post audit review report (tabled paper)

Mr Chris Monk reported that this tabled report followed the audit in June. He confirmed he had worked with the Acting SU Manager and the SU President and could now report that the majority of the issues raised were being satisfactorily addressed. Internal controls were proving effective and actions to take these forward had been agreed. The Chair asked about time scales for the revised management responses and the Deputy Principal confirmed that in her liaison role with the SU she would work to identify time scales and report back on these. The committee agreed to receive the Students' Union Post Audit Review (final report).

HM

Audit Committee Briefing, Internal Audit Professional Developments (tabled paper).

Mr Sean Riley introduced this briefing paper highlighting recent key themes including the demand for continuous auditing. It was agreed that the current programme of audit would not need to be changed as with a smaller institution such as BG it was easier to adapt to changes within the yearly cycle if necessary.

9. External audit

(i) From the accounts

- Cover

The committee accepted the Principal's Report.

- Governors and Contents

It was agreed that the charitable object should be added on page 6. SD

- Accounts

The committee agreed to receive these accounts for recommendation to the governing body. VM

(ii) Management letter/report

It was reported there were no outstanding issues and that this had been a very positive audit, thanks were again passed to the finance team.

The Chair passed on his thanks to David Hoose and his colleagues for their work on the external audit and to the Director of Resources' team for their work in preparing the accounts to a point where no adjustments had to be made.

(iii) Annual reappointment

Mr David Hoose left the meeting for this item.

The Director of Resources confirmed he would be happy to reappoint and felt that continuity of staff on site had been beneficial and something he hoped could continue. The Head of Finance reported that the number of days and audit staff had worked well and he would not want to see this reduced to any less time. The Director of Resources also reported that the audit would be brought forward a week next year so that it did not coincide with the annual student registration. Following discussion it was agreed that the Director of Resources would check to see whether, according to BG internal processes, retendering had to happen this year and if not the auditors would be reappointed for 2013. SD

| | | |
|-----|--|-------|
| | <p>Mr David Hoose returned to the meeting and the Chair reported that it would not be possible to make a decision at the meeting but once the Director of Resources had checked the university college's internal processes he would confirm the decision of the committee.</p> | SD |
| 10. | <p>Audit Committee</p> | |
| | <p>(i) Annual Assurance Return</p> <p>The Principal confirmed that Annex E Annual assurance return would be completed showing the answers 'yes', 'no', 'no', to the three questions in Part 1</p> | MR/VM |
| | <p>(ii) Draft annual report</p> <p>The Principal thanked the Clerk to the Governors for her work in completing this annual report which outlined the work of the committee in relation to the previous financial year, including any significant issues up to the date of the report. It was asked that year date be included under paragraph 7 (i) for the annual accounts and November meeting. Subject to these additions the report can be signed by the Chair ready for report at the Governing Body meeting.</p> | VM |
| 11. | <p>Conflict of interest</p> | |
| | <p>The Principal introduced this paper recently introduced by the Quality Assurance Agency and asked whether the committee considered BG should be producing similar guidelines. It was felt this would be a very useful document if tailored to BG and the Chair asked that the Senior Leadership Team consider this. The Deputy Principal to take this to an SLT meeting for discussion.</p> | HM |
| 12. | <p>Agenda suggestions</p> | |
| | <ul style="list-style-type: none"> Treasury management – revisit proper stewardship of our assets, Director of resources to bring the current policy to the meeting and discuss this with Cathedral and Diocesan personnel; consideration of a sub-committee to include outside members. | SD |
| | <ul style="list-style-type: none"> Consideration of assurance, independent of the Internal Audit. | HM |
| | <ul style="list-style-type: none"> Student data transfer, the Acting Dean of Students and Academic Engagement to be asked to attend for this item. | VM |
| | <ul style="list-style-type: none"> Update on which businesses are going through the trading company. | SD |
| | <ul style="list-style-type: none"> Conflict of interest. | |

13. Key items for the Governing Body

- Audit reports and annual audit report
- Risk register
- BG(Lincoln) Limited directors
- SU post audit review

VM

14. Any other business

There were no items raised.

15. Date of next meeting

The next meeting of the Audit Committee will take place on Wednesday 6th March at 2pm.

Signed



Date

6/3/13

