

BISHOP GROSSETESTE UNIVERSITY

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

**TUESDAY 5th NOVEMBER 2013
2:00 PM IN ROOM 103, SKINNER BUILDING**

Present

The Very Rev'd Philip Buckler
Mr David Clements (Chair)
Mr Stephen Deville, Director of Resources
Rev'd Sally Myers
Mrs Bridget Starling

In attendance

Mr Jamie Caress, Students' Union President (for item 5)
Mr Steve Charlfont, External Auditor (Baker Tilly)
Mr Jonathan Holmes, External Auditor (Baker Tilly)
Mr Rob Jones (for item 10 (i))
Mr Steve Kirby, Head of Finance
Mr Michael Ritzman, Internal Auditor (Uniac)
Mr Sean Ryan, Internal Auditor (Uniac)
Ms Abi Rogers, Students' Union Manager (for item 5)
Ms Emma Smeaton, Minuting Secretary
Ms Katie White, Interim Clerk to the University Council

1. Welcome from the Chair

The Chair welcomed Mr Steve Charlfont to his first meeting of the Audit Committee and also welcomed Ms Katie White to her first meeting in her interim role as Clerk to the University Council following the departure of Ms Vicky Mays. There were no declarations of interest for the agenda ahead.

2. Apologies

Apologies for absence were received from Rev Professor Peter Neil, Vice Chancellor who was on annual leave. It was noted that Ms Haf Merrifield, Deputy Vice Chancellor (Strategy & Performance) would normally be in attendance but was off site at the GuildHE Annual Conference on behalf of the Vice Chancellor. The Committee also noted that at its last meeting the Governance & Nominations Committee had agreed for Mr Jim Smith to move from Audit Committee to FE&GP Committee for the interim period until new University

Action

Council members were appointed.

3. Minutes of the last meeting held on 30th September 2013

The minutes of the last meeting held on 30th September 2013 were agreed as a true record of the meeting and the Chair was authorised to sign them.

4. Matters arising

(i) Environmental issues

Rev'd Sally Myers confirmed that she had spoken with a possible volunteer to assist the University in improving its position in the Green League Table and would continue to liaise with the Director of Resources regarding this outside the meeting.

SD/SM

(ii) Data Security: mobile devices

The Director of Resources reported that the above issue was in hand with the IT department.

5. Student Union accounts

The accounts for the year ended 31 July 2013 were received and the Students' Union Manager and Students' Union President joined the meeting for this item. It was reported that it had been a good year with a surplus of almost £11K, noting that the deficit the previous year was due to the work on the Student Common Room. The Students' Union Manager reported that they had been careful with expenditure, working towards a surplus in preparation for becoming an independent charity. It was agreed that for future reporting it would be helpful to have all income listed under the income heading and likewise for costs.

The Students' Union Manager noted that they were striving to identify new ways to generate income and were working closely with the NUS towards their aim to have a strong profit and be financially independent. The Chair thanked the Students' Union Manager and Students' Union President for their helpful reporting on this item.

6. BG (Lincoln) Ltd accounts

The BG (Lincoln) Ltd accounts were received for information with no changes made since last reporting. The Committee were happy to accept the accounts to take to the FE&GP Committee with the inclusion of the amendment to the date at the bottom of page 4 to read November 2013.

FE&GP

7. Risk Register

Members received the summary of institutional risks noting the top two; 'BG fails to recruit sufficient students' and 'BG fails to retain students', recognising that although student recruitment was a serious risk there were aspects of these items not within BGU's control. The Committee agreed that it would be helpful to

also receive the full list of institutional risks on an annual basis to compliment the top seven currently reported to council each term. The Chair informed members that specific comments following the meeting could be reported to the Deputy Vice Chancellor (Strategy & Performance) via Emma Smeaton.

KW/HM

8. Internal audit

(i) Draft Internal Auditor's annual report

The annual report, being a requirement by HEFCE, was presented to the Committee by the Internal Auditor. It was reported that all four of the opinions were positive with good arrangements in place for each area. The report also included summary conclusions of the auditors work previously undertaken within that year. It was noted that each year the auditors grappled with identifying meaningful KPIs and so were open to suggestion for items to measure from the Committee. A questionnaire would also be piloted to obtain more feedback.

Members agreed that it would help for the Auditors to use software which populates by date every stage of the audit from initiation through to completion to capture the actions and follow up progress. This action would be picked up by the Auditors in due course. The Committee were happy to receive the report as final to take to Council.

UC

(ii) Reports

- Review of fundraising

The Director of Enterprise attended for the Committee to formerly receive the Review of Fundraising noting that the issues raised were issues that they were already aware of. A £90K deficit for last year was reported and an expected deficit of £80K this year was anticipated with the three year plan ensuring that we break even next year and move into profit the following year.

The structure, system and governance progress was reported but it was noted that the University had no scale or rich alumni and there was a need to get people to understand what BG were raising funds for. It was agreed that something the University wanted in the next three years but could not afford needed to be established for a campaign to begin.

The Committee agreed to flag up the deficit to University Council noting that the Senior Management Team were happy to continue for another year after which they would be well placed to know the position in terms of progress. It was also agreed that a business plan outlining the purpose and strategy for fundraising would be prepared for the FE&GP Committee and would be e-mailed to members of the Audit Committee.

RJ

- Finance system audit

The Review of the Finance System was received and the additional controls to be put in place were noted. The Finance Manager agreed that the short term deadlines were possible, most of which were already now in place. The Committee congratulated the Finance Team for the excellent report.

9. External audit

(i) The accounts

Members received the accounts noting that there were a few housekeeping tweaks to be made before they were submitted as final. The Director of Resources reported that he would be talking through the figures to the FE&GP Committee the following week but in general he was happy with them. The external auditors reported that they would feedback any comments on the accounts by the end of the week. The Committee were happy to recommend these to the FE&GP Committee.

FE&GP

(ii) Management letter/report

The final version of the management letter/report was circulated to members at the meeting noting that the overall summary confirmed there were still no independent issues. There were no restrictions to the scope of the audit and the reviewed accountant policies were acceptable and applied appropriately with no adjustments made. The Committee were happy to receive the management letter/report and the annex to submit to Council subject to the replacement of the word 'governors' to 'Council members' wherever it appeared.

UC

(iii) To discuss tender process for external audit

The external auditor's left the meeting for this item. Members agreed that it was a good time to go out to tender and that an ideal time for the presentations would be in the morning prior to the next Audit Committee meeting on 4th March 2014. The Director of Resources would prepare the tender documents for circulation before Christmas with a view to going out to tender early in the new year. Internal Auditor, Sean Ryan agreed to pass on the details of some company names who work in the HE field to the Director of Resources outside the meeting. The Committee agreed that each presentation would be given half an hour with an additional 15 minutes for question time and there would be no more than three tenders selected to present with presentations available to members of the Audit Committee before the day.

SD

SR

10. Audit Committee

(i) Annual Assurance Return

The Committee confirmed that they were happy for the Vice Chancellor to sign the HEFCE Annual Assurance Return subject to the correction to the

year of start date to 2013 for the current Chair of University Council.

(ii) Draft annual report

The Committee were happy to receive and forward to Council the Annual Audit Committee Report subject to the following amendments:

- The Vice Chancellor (Designated Officer) to be altered to the Vice Chancellor (Accountable Officer);
- Governors to be amended to Council Members and Governing Body corrected to University Council throughout;
- A statement on the data protection issue that happened in the year and how it was dealt with would be included.

11. Agenda suggestions

- An update on fundraising;
- An update on data.

12. Key items for University Council

- Internal reports received;
- External audit management letter/report;
- External audit tender;
- Annual Audit Committee Report
- Internal audit timetable.

13. Any other business

The Internal Audit Annual Plan 2013/14 was received and would be reported to Council.

UC

Internal Auditor, Sean Ryan reported that Uniac were to hold an annual audit event in Manchester from 10:00 am to 3:00 pm on Monday 25th November and all were invited to attend. An e-mail flyer would be circulated to the Committee and the Senior Management Team via Emma Smeaton outside the meeting.

SR/ES

14. Date of next meeting

The next meeting of the Audit Committee would take place on Tuesday 4th March 2014 at 2:00 pm. It was also agreed that the morning of Tuesday 14th March be held for the external auditor tender presentations and members were asked to confirm their availability for this as soon as possible.

All

Signed  Date 4/3/14.

