

BISHOP GROSSETESTE UNIVERSITY COLLEGE LINCOLN

DRAFT MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

THURSDAY 1 MARCH 2012
2:00 PM IN ROOM 102, SKINNER BUILDING

Present

Mrs Judith Babb
The Very Rev'd Philip Buckler
Mr David Clements (Chair)
Mr Steve Deville
Mrs Bridget Starling
Dr Kevin Brown

In attendance

Ms Vicky Mays, Clerk to Governors
Ms Haf Merrifield, Deputy Principal
Mr Sean Ryan, UNIAC
Mr Steve Kirby, Head of Finance
Mrs Helen Parkinson, Minuting Secretary

1. Declarations of interest

There were no declarations of interest.

2. Apologies

Apologies were received from Professor Muriel Robinson, Mrs Julie McDonald and Mr David Hoose, Tenon.

Mr David Clements (Chair) welcomed Mr Steve Kirby, Finance Manager, to his first meeting.

3. Minutes of the last meeting held on 10 November 2011

Mr Sean Ryan questioned the wording of minute 8(ii) Review of Governance with regard to the conclusion of the Audit called into question and reported that he had met with the Principal to discuss whether there had been a misunderstanding on this point. The Deputy Principal suggested that she should discuss this further with the Principal for possible amendment to the minutes; it was agreed therefore that the minutes would be signed at the next meeting.

Action

MR/HM

4. Matters arising

- (i) SLT Health Checks – The Director of Resources reported that he had looked at key person health checks for the Senior Leadership Team and confirmed that there were no reporting requirements under P11D if periodic medical checks or health screenings were offered once a year.

Dr Kevin Brown asked whether provision for other members of staff had been considered and asked that his concerns be registered that if this benefit were to be offered to the Senior Leadership Team it should also be offered for the staff as a whole.

SD/VM

To be referred to the Remuneration Committee for a decision.

- (ii) BG Limited company opportunities – The Director of Resources reported on his recent visit, with the Head of HR and Director of Enterprise, to the University of Essex as a scoping exercise in relation to the moving of commercial business to the limited company. He summarised the visit by informing the committee that existing staff at the university had been moved across under TUPE regulations on their current terms and conditions and pensions. New staff however, would be employed on commercial contracts at market rates which was likely to be at a considerably lower rate than their current staff. In view of the protection of current staff, this had been supported by the unions. The Director of Resources also reported that one of the main reasons for the University of Essex moving their commercial business across had been due to their having to make a decision on their unprofitable nursery provision, options being to close it, outsource it, or move it to the limited company in the hope of making it more profitable.

The Director of Resources concluded by saying that he would now prepare a more detailed paper for full discussion by governors at the next round of meetings; he felt this had been a very useful visit.

SD

5. Past audit reviews progress report

The Director of Resources highlighted areas under:

- Review of investments and treasure management – all items were posted weekly but the bank reconciliations were completed on a monthly basis;
- Review of investments and treasure management – previous CHAPS payments are now made securely on the internet by the Director of Resources or the Head of Finance negating the risk previously posed by CHAPS payments.

The Clerk to the Governors confirmed that this review encompassed the previous year but would now continue to be reported as a rolling programme. The committee agreed the report was very useful and asked that in future a date is added as a header or footer.

VM

The Deputy Principal confirmed that under Diversity and Equality actions with regard to job advertisements she would be taking forward a proposal at the next meeting of the Diversity & Equality Committee for the university college to become a member of the Network of Black Professionals in order to build up networking and exchange opportunities

HM

6. Draft data assurance framework

The Clerk to the Governors outlined this suggested template for future annual report to the Audit Committee in order to capture data assurance processes at the University College as part of the Audit Committee's responsibility to report to HEFCE on good data assessment. She confirmed that she had worked with Lorraine Russell, the new Head of Quality Assurance and Student Data in order to create a framework in which to capture data. Mr Sean Riley confirmed that the seven suggested headings would cover the areas data is used and where assurance would be needed and also reported that one of his colleagues, with a special interest in data, would be very interested to discuss this further with the Head of Quality Assurance and Student Data and report back to the committee if necessary.

The Clerk to the Governors explained that the data was related to students and the results from collecting this data were demonstrated as successful by the statistical returns the university college had to make on a routine basis.

Following discussion it was agreed that the Clerk to the Governors would prepare a more detailed report on one section of this framework for discussion at the next meeting.

VM

7. TRAC – Transparent Approach to Costing

The Director of Resources outlined the changes in figures from the 2009/2010 report under '*infrastructure adjustment*' and '*return for financing and investment adjustment*' and the 2010/2011 report where the figures were slightly higher. He confirmed that the figures had been circulated to the committee prior to them being submitted to, and accepted, by the funding council.

8. Internal Audit

- (i) Internal Audit Plan – Mr Sean Riley introduced the two reports of and highlighted:
- (ii) Review of Compliance with the Universities UK / Guild Higher Education Code of Practice for the Management of Student Housing – this Code of Practice requires an audit very three years and Mr Riley outlined the Principal Observation of -
 - the ratio of residents to kitchens as being too high and the agreed Management Response with a programme in hand to extend and remodel existing halls and a review of plans for extending residencies in Constance Stewart Hall;

- (iii) Review of reimbursement of expenses to staff and students – the principal observation from this report related to the occasional use of expenses claims by staff to procure items, rather than the required procurement routes. The Director of Finance confirmed that there were instances when, for last minute purchases, items had needed to be purchased this way but he reported that the new expenses policy would be rolled out to staff reminding them of the correct procedures. He confirmed that sanctions were in place should this policy be ignored but felt that on the whole systems were understood by the staff. Budget holders would be reminded of their responsibility to ensure that their staff did not use their own credit cards to purchase goods on behalf of the university college for claim-back under the expenses system.

The committee also discussed the observation under '*Transparency relating to a specific expense claim*'; the Director of Resources informed the committee that although, in the case of this claim, the correct procedures had not been followed, he felt that this had not been intentional. The Finance Manager confirmed that the new expenses policy framework would allow for more searching questions to be asked.

9. Risk Management

- (i) Updated table of major risks – The Deputy Principal outlined the paper '*Summary of Institutional level top risks*' and highlighted the only significant different element relating to risk rating on '*ITT no longer delivered through Higher Education*'; she reported that the allocation of ITT places by Government had remained reasonably stable this year although hostility towards HE providers still remained. She confirmed that senior staff had continued to contribute to lobbying and influencing activity.

The Chair thanked the Deputy Principal for this report.

10. Agenda suggestions

Bribery Act - Dr Kevin Brown asked about reference to this Act and the Director of Resources confirmed that it would be included in the revised Anti Fraud policy he was currently working on.

11. Any other business

No further business was discussed.

12. Key items for the Governing Body

- the two internal audit reports and outcomes
- the updated risk factors and mitigations and slight changes

13. Date of next meeting

The Chair asked if the next meeting of the Audit Committee, planned for the 14th June 2012, could have a slightly later start of 2.30pm. Agreed.

Signed *D. Clements* Date *27/9/12*

