

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE

TUESDAY 30 SEPTEMBER 2014
10:00 AM IN ROOM 102, SKINNER BUILDING

Present

The Very Rev'd Philip Buckler
Mrs Angela Crowe
Rev'd Sally Myers
Dr Jim Smith
Mrs Bridget Starling (Acting Chair)

In attendance

Mr Stephen Deville, Director of Resources
Mr David Hoose, External Auditor (Mazars)
Mr Joe Johnston, Internal Auditor (Uniac)
Mr Steve Kirby, Head of Finance
Professor Jayne Mitchell, Deputy Vice Chancellor: Academic
Rev Professor Peter Neil, Vice Chancellor
Mr Sean Ryan, Internal Auditor (Uniac)
Mrs Katie Skilton, Clerk to the University Council
Ms Emma Smeaton, Governance Officer & PA to the University Council

1. Welcome

The Chair welcomed members and welcomed Angela Crowe to her first meeting of the Audit Committee.

Jim Smith noted that he had returned as a member of the Audit Committee following his secondment to the FE&GP Committee for the last academic year.

2. Apologies

Apologies for absence were received from the Chair of the Committee, David Clements. Bridget Starling was acting Chair for the current meeting.

3. Declarations of interest.

There were no declarations of interest.

Action

4. Membership and Terms of Reference

Membership for 2014/15 was confirmed as the following:

P Buckler
D Clements (Chair)
A Crowe
S Myers
J Smith
B Starling

Others attending would normally include: the Vice Chancellor, Deputy Vice Chancellor, Director of Resources, Finance Manager, Head of Internal Audit and the Clerk.

Members AGREED the Terms of Reference subject to the following amendments:

Item 5 – Attendance at meetings

The Deputy Vice Chancellor (Strategy) would be amended to 'The Deputy Vice Chancellor'.

Item 12 – Duties

Point 'h.' would be completed to read:

To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the Chair of Audit Committee, Vice Chancellor and the HEFCE accounting officers have been informed.

Clerk

5. Minutes of the last meeting held on 18 June 2014

The minutes of the last meeting held on 18 June 2014 were APPROVED as a true record of the meeting and the Chair was authorised to sign them subject to the following typo amendment:

Item 7 (i) – External audit

The last sentence would be corrected to:

'The Memorandum was APPROVED by the Committee.'

6. Matters arising

(i) Action points

Members received the matters arising action table NOTING the progress against each point. The Director of Resources REPORTED that the Engagement letter would be sent to the Chair to sign following the meeting.

DoR

- (ii) Any other matters

It was NOTED that training for budget holders was underway.

7. Internal audit

- (i) Final reports for 2013/14:

- (a) IT Service Strategy Review

Members RECEIVED the IT Service Strategy Review internal audit report NOTING the overall conclusion was that there was a need for tightening controls when aligning the IT Strategy with the overarching Strategy.

It was also NOTED that a more formalised approach was required for reporting progress to the University.

The IT strategy was APPROVED by the Committee.

- (ii) Annual opinion

Members RECEIVED the UNIAC 2013/14 Internal Audit Report and Opinion NOTING the positive opinions in all five areas of the report. The following points were highlighted:

- A reliable internal control system was in place.
- The University has an effective approach to risk management and highlighted the right areas to the Audit Committee and Council.
- Effective governance arrangements were in place.
- Processes were streamlined and good systems were in place to ensure value for money.
- Issues with data were identified and the University's response had been very robust. Arrangements were in place to ensure data returns were effective.

The following points were NOTED by the Committee:

- The reference to Section 4.1 in the second paragraph of 3.2, 'Risk Management is effective', was incorrect. The reference should refer to Sections 3.4 and 3.5. The auditor would amend this following the meeting.
- It was REPORTED that from 2014/15, questionnaires would be sent out at the end of the audit to identify Internal Audit KPIs. This would be reported on throughout the year and in the annual opinion at the end of

SR

Future
meetings

the current academic year.

- A discussion took place around the current number of days allocated for the audit programme. It was AGREED that the 2014/15 audit programme of 40 days would be kept under review. The Director of Resources and internal auditor would consider increasing the number of days to 45 for the next two years and report back to the Committee at the next meeting in November.

**SD/SR
Next
meeting**

(iii) Progress update

The 2013/14 Audit Programme and Current Progress table was RECEIVED. It was REPORTED that the internal auditor had met with the Deputy Vice Chancellor and Director of Resources to discuss gaps in assurance and prioritisation of audits.

(iv) Draft Internal Audit Plan for 2014/15

The Committee RECEIVED the Internal Audit Plan for 2014/15 and NOTED the following:

- The University was undertaking an internal audit of processes, regulation and compliance. In order to avoid duplication of work conducted in the Academic Regulatory Compliance Review by UNIAC, it was agreed both parties would work together.
- It was REPORTED that processes would be in place regarding portfolio diversification and development to provide an 'early warning system'. The University will consider early data on marketing and recruitment activities designed to encourage applications. The work would be ongoing and short narrative progress reports would be provided at each Audit Committee followed by a final report at the end of the process.
- It was REPORTED that the payroll audit would be deferred until 2015/16. There was currently a vacant post for a Payroll Officer within the Finance department and consideration was also being given to the possibility of moving to an external payroll system which was linked to the HR system. It was NOTED that the payroll audit would be more appropriate following any changes.

**Future
meetings**

The Committee APPORVED the proposed programme, subject to the consideration of the increase in the number of days and an update at the next meeting on the 2013/14 audits which were selected with asterisks but conclusion grades had not been presented.

**SR – Next
meeting**

(v) Benchmarking Report

The Benchmarking report was RECEIVED by the Audit Committee. It was REPORTED that on average an Audit Committee met for 10 hours per year and in that time, considered an enormous breath of activity. In summary, it was REPORTED that the Committee had a clear understanding of risks facing

the institution and that the Committee works effectively.

(vi) The Committee RECEIVED the following briefing notes for information:

- (a) Sector update 2014;
- (b) Risk Management 2014;
- (c) Accommodation Code of Practice 2014;
- (d) TRAC update 2014.

(vii) Uniac Forum invitation

Members NOTED the invitation to the Uniac Forum on 18 November 2014 in Manchester. This was an annual forum for audit committee members and senior staff, providing good networking opportunities.

The Clerk would look into specific training on how BGU relates to the rest of the sector, reporting back to the Committee.

Clerk

8. External audit

The Committee RECEIVED a brief update on the year end accounts and current progress noting that the final audit visit commenced the day prior to the Audit Committee meeting and the findings would be presented at the next meeting.

Next
meeting

9. Student data

The Director of Resources gave a verbal update on student data. The following points were REPORTED:

- The correct data was resubmitted in July.
- The University had calculated that BGU was likely to reclaim £550k, but have cautiously budgeted in the accounts for £500k.
- The HEFCE Board decision will give the official outcome in October.
- The University was still working with the external consultant, who was contracted for 2-3 days per month. The consultant would attend an SLT meeting on 6 October to discuss the current return. In addition to student data The external consultant would also work with HR on the staff HESA return which would be a coordinated process.
- The current HESA return was due for submission at the end of October but had been submitted a month early and could be de-committed to deal with queries. The official sign off was for mid-October.
- It would take 12-24 months to get the right processes in place for some areas to ensure the returns were as accurate as possible. This year's data would be submitted by the deadline and would be around 99% accurate.
- The appointment of a Registrar / Secretary had taken place and would be in

post for the new calendar year. The Director of Resources will discuss these issues with her upon her arrival.

- A new strand had been added to the Strategy concerning data and information systems. This recognised the importance of data systems to the University. It would be headed by the Registrar and would work across the institution.
- The data issue had cost the institution tens of thousands of pounds to correct with a lot of staff time invested, however the consequences of not getting it right were far in excess of what had been spent. The cost of resubmitting the data was £2k.
- Staff now had a deeper understanding of data implications for the classification of courses. This was built in more strongly into the academic planning cycle with requirements to be signed off by Recruitment, Admissions and Data teams before the portfolio stage.
- The current software used by the University was fit for purpose but needed to be deployed correctly. The element of general human error would be addressed by the training of staff to capture the correct data. It was also noted that the provider of the Student Records System was committed to its future development and many institutions were still using it.
- An extra effort had been made this year to ensure that data capture at recruitment and enrolment was thorough.

The Committee were content that the gravity of the situation had been appreciated and that the appropriate measures had been taken by the Institution. The Committee thanked staff and the Vice Chancellor for the sustained effort on this work.

10. New institutional approach to managing risk

The Vice Chancellor REPORTED that risks had previously been identified at the top level and then filtered down. This meant that the appropriate staff were not always directly in charge of risk in their areas. A task and finish group had been created, including members of SLT and CLT, to consider a new method of identifying and reporting risk. A revised approach to risk would be presented to the Committee at its next meeting in November.

**Next
meeting**

11. Audit Committee Annual Report

Members RECEIVED the first draft of the 2013/14 Audit Committee Annual Report to note the progress so far. The following was NOTED:

- Item 2 – Membership: Jim Smith was seconded to FE&GP not Governance and Nominations Committee.
- Item 5 – Internal Audit: This was all now complete and would be updated.
- Item 7vi – Value for Money: The question mark would be removed after the

External Audit Tender Process.

The Committee would receive the Final report for approval at the next meeting in November.

**Next
meeting**

12. Agenda suggestions

- Annual accounts;
- Risk register;
- Money Laundering and Fraud Policies;
- Update on HEFCE's decision which will have taken place in October.

13. Any other business

The restricted minutes from the last meeting were APPROVED subject to some minor handwritten amendments on the signed copy.

14. Key items for University Council

- University data update;
- Agreed audit schedule for 2014/15;
- Internal audit opinion for 2013/14.

15. Date of next meeting

The next meeting of the Audit Committee would take place on Tuesday 11 November 2014 at 2:00 pm in Room 102.

Signed  Date 11/11/14

