

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

THURSDAY 12 JUNE 2025

2:00PM IN CSH 15 and MS TEAMS

Present

Alison Brown
 Dr Stephen Critchley (**Chair**)
 Walter Leschenko
 Jaidip Sen
 Lisa Smith (*from agenda 6.2 to 14*)

In attendance

Leanne Chancellor, Head of the Vice-Chancellor’s Office (*Minutes*)
 Carolyn Dean, Senior Planning Officer
 Tom Dannatt, Deputy Vice-Chancellor (Operations) & University Secretary
 Professor Andrew Gower, Vice-Chancellor and Chief Executive
 Hugh Swainson (Buzzacott)
 Allison Webb, Director of Business & Community Engagement (*item 6.2*)
 Richard Young (Uniac)

| | | Action |
|-----------|--|--------|
| 1. | Welcome | |
| 1.1 | Dr Stephen Critchley, Chair, welcomed members to the fourth Audit Committee meeting of the 2024/25 academic year. | |
| 1.2 | The Chair welcomed Richard Young, Uniac to his first meeting. | |
| 2. | Apologies | |
| 2.1 | Apologies were received in advance of the meeting from: <ul style="list-style-type: none"> • Peter Rought – <i>invited member</i>; and • Kunal Mistry – <i>invited member</i>. | |
| 3. | Declarations of interest | |
| 3.1 | There were no new declarations of interest for the committee meeting. | |
| 4. | Minutes of the last meeting held on 4 March 2025 | |
| 4.1 | The minutes of the Audit Committee meeting held on 4 March 2025 were APPROVED as a true and accurate record of the meeting and the Chair was authorised to sign them. | |

5. Matters Arising

5.1 Action Table

5.1.1 The action table was RECEIVED and progress against actions was NOTED.

5.1.2 University's Cyber Insurance (Refers to minute 5.1.2 of the last minutes)

The Deputy Vice-Chancellor (Operations), Tom Dannatt (TD), NOTED that the cyber insurance cover that the University currently has in place gave limited cover in its approach to cyber.

TD NOTED that to further enhance our cyber security posture, we have gone out to market for a modern Cyber Insurance Policy that takes account of our Cyber Essentials accreditation and will provide us with comprehensive coverage and protection, following a cyber security incident, for both first party and third-party loss and expenses (i.e. Ransomware).

TD NOTED that the limits of liability and coverage were currently being negotiated with insurers as part of the tender process, which is in its final stages.

Members RAISED their concerns about what would happen if the University faced a cyber-attack, especially for our financial systems and the Student Records System (SRS) and NOTED that they would feel more comfortable once the appropriate insurance is put in place.

5.1.3 Regular Deep Dives in Risk Areas (Refers to minute 5.1.3 of the last minutes)

Members NOTED that an additional area that they would like to add to the deep-dive list was 'data landscape'.

5.1.4 Support for Windows 10 (Refers to minute 6.1.5 of the last minutes)

TD PROVIDED further detail on the implementation of Windows 10 and the Extended Security Update (ESU) system. He EXPLAINED that a budget of £200k had been ringfenced for IT infrastructure.

TD NOTED that there would be a phased approach to upgrade IT infrastructure, by targeting:

- In year one, the teaching rooms and spaces first (57 units);
- In year two, student facing areas; and
- In year three, staff.

TD NOTED that by July 2028, Windows 10 would be fully decommissioned, and the University would be compliant.

Members ASKED what the actual cost would be if the University upgraded to Windows 11 in its entirety and whether the approach could be reduced within our current finances, as there were concerns about the security element and protection?

- TD NOTED that he would investigate this for members.

5.2 Any other matters

5.2.1 No other matters were raised.

TD

TD

6. Risk

6.1 Update on Risk Register

- 6.1.1 Members RECEIVED and NOTED the Strategic Risk Register and Summary Report at the end of Q3, which provided an update on the risk management process.
- 6.1.2 The Senior Planning Officer, Carolyn Dean (CD), NOTED that the Institutional Risk Register comprised of 34 risks at the end of Q3:
- One is rated as dark red (risk score of 25);
 - 15 are rated at red (risk score of 16 to 20);
 - Five are rated as amber (12-15);
 - 10 are light green (6-10);
 - Two are dark green (1-5); and
 - Four have been closed this quarter.
- 6.1.3 CD NOTED that as a result of the risk management audit, all red, objective risks have now been removed from the institutional risk register. It was NOTED that these risks are tracked separately on the objective risk register.
- 6.1.4 CD NOTED that at the end of Q3 there was one risk which sat outside of the stated risk tolerance level and two risks with increased risk scores. These risks were:
- *Risk 19* – Student outcomes, retention, at partner institutions; and
 - *Risk 11* – Failure to manage on-going issues with data landscape and governance.
- 6.1.5 CD NOTED that Risk 11 had been included because the risk score had increased this quarter due to two different factors:
1. Student Record System and its fitness for purpose; and
 2. Partnerships data.
- 6.1.6 CD REASSURED members that the issues were not due to a deterioration of conditions, but for better oversight in terms of mitigating actions related to this – the data strategy and the IT strategy would both be key in supporting the mitigating actions for Risk 11.
- 6.1.7 CD PROVIDED members with a Q3 update for each of the risks above, along with the mitigating actions in place, which had been written by the risk owner in consultation with their teams where relevant and appropriate.
- 6.1.8 Members RAISED the following comments:
- Whilst noting the amount of work going into risk management, members would feel more comfortable if they could see an ‘easy to read’ plan of action on how we are rectifying issues and who the accountable/responsible person is, along with the timescales for completion/delivery.
 - CD NOTED that she would look into this for members and also NOTED that as a result of the risk management audit, the plan is to turn all mitigating actions into SMART actions, which will help with the clarity of the plan requested.
 - Concerns were raised around the Student Record System – are we still convinced that trying to work with the software that was selected is the best approach, or should conversations start to take place about looking into a better product, noting that it may be costly?
 - CD REFLECTED on her experience using the Student Record System and NOTED that from her perspective that teams were quite far advanced in

CD

using the system and there would be a lot of risks associated with retrenching and bringing in a new record system.

- CD NOTED that there are mitigating work-arounds that have been put in place using a system called 'Alteryx', which helps unify data from different sources. It was NOTED that this was an additional cost to solve some of the issues, but it is working well.
- CD's OPINION was that currently this did not feel like the right time to change, and therefore to continue with the current Student Record System at this stage.

6.2 Risk Number 19: Active Mitigation – Partnerships

6.2.1 Members RECEIVED and NOTED the Partnership Quarterly Monitoring Report, prepared by the Director of Business and Community Engagement, Allison Webb (AW), which provided members with an overview of BGU's partnerships noting the following for each Partner:

- List of programmes being studied.
- Enrolled students.
- Finance and projected income.
- Governance and operations.
- Update on recruitment process.
- Update on academic quality, standards, student success and student experience data.
- Marking, Exam Boards and outcomes.
- Bursaries.
- Any Prevent issues.

6.2.2 AW INFORMED members that BGU was currently working with five Partners:

1. Lincoln College (validated)
2. Stamford College (Inspire Education Group) (validated)
3. Grantham College (franchise)
4. ICON College of Technology and Management (validated)
5. The Language Gallery (TLG) (franchise)

6.2.3 AW PRESENTED her PowerPoint presentation and provided members with an overview of working with our local Partners, who have been working with BGU for a number of years and ICON College, which it was noted had an aspiration to grow their portfolio into further areas, such as Tourism, which could potentially be incorporated into our business delivery.

6.2.4 AW SUMMARISED the student distribution across Partners and income trends from TLG and ICON.

At this point of the meeting, Lisa Smith joined the meeting

6.2.5 AW NOTED the new Partnerships governance structure which had been established was working well, efficiently and effectively with Partners.

It was also NOTED that AW meets regularly with University Council Link Member for Partnerships, Julia Chippendale, who also attends the Partnership Operations Group.

6.2.6 AW then concentrated on the TLG partnership, as this Partner was a higher risk, and HIGHLIGHTED the following areas:

- The tracking of student cohorts from the June and November 2024 intakes.
- The outcomes of the 25 April and 23 May 2025 Exam Boards.

- Noted was the high rate of non-submission (up to 60% across both TLG campuses) in the April Exam Board.
- It has been recommended that students with no submissions and no engagement will not be offered resit opportunities, unless there are valid extenuating circumstances or later evidence of engagement.
- During the May Exam Board, TLG confirmed that 100 support sessions had been delivered for students.
- The May Exam Board highlighted the importance of encouraging the students to submit, noting that only one submission opportunity remains.
- The next Exam Board was scheduled for 27 June 2025.
- TLG will be delivering from November 2025 the Level 5 Diploma in Higher Education as a progression from the Level 4 CertHE in Business Management.
- AW visited TLG on 16 May 2025 and observed TLG's admissions interview process.

6.2.7 AW HIGHLIGHTED the six areas for improvement and went through the mitigation actions for:

- Notification of students who withdraw/break in learning.
- Higher Education Statistics Agency (HESA) data return.
- Reconciliation of data to match BGU's Student Record System.
- Student Loan Company (SLC) processes for sub-contracted provision working for registration and attendance confirmations.
- Student Support Services.
- Academic standards, University review of marking.

6.2.8 Members NOTED that they were glad to see that the framework in relation to governance was starting to take shape and working effectively.

6.2.9 Members were CONCERNED about the risks around franchise provision and NOTED that they would be interested in knowing the financial contribution that franchise and validation partnerships were making – to confirm that the activities were financially worthwhile at a future meeting.

6.2.10 The Chair THANKED AW for her update on partnerships.

6.3 Update on Internal Audit Tracker

6.3.1 Members RECEIVED and NOTED the updated Internal Audit Tracker since the last meeting.

6.3.2 CD HIGHLIGHTED the following:

- There were currently 12 open actions – all due for completion between the end of July 2025:
 - Four are aligned to the cyber security audit (2024/3 to 2024/6).
 - Two are aligned to the financial sustainability and resilience audit (2024/26 and 2024/29).
 - Two are aligned to the risk management audit (2025/31 and 2025/32).
 - One is aligned to the student wellbeing audit (2025/31 and 2025/32).
 - One is aligned to the BG Lincoln Ltd audit (2023/1)
 - One is related to the agile compliance audit (2024/14).
 - One is related to the safeguarding audit (2024/19)

- In this quarter, five actions are being recommended to be closed by the Audit Committee:
 - Four are related to the safeguarding audit (2024/16, 2024/20, 2024/21 and 2024/22).
 - One is related to the risk management audit (2025/30)
- Four of the extended actions, as agreed at the last meeting, are due for completion by the end of July 2025.
 - One is aligned to the student wellbeing audit (2022/1).
 - One is aligned to the BG Lincoln Ltd audit (2023/1).
 - One is related to the agile compliance audit (2024/1).
 - One is related to the safeguarding audit (2024/9).

6.2.3 The Chair and members were CONTENT for the five recommended items above to be closed.

7. To Note and Consider Uniac’s Internal Audit Reports

7.1 Internal Audit Strategy and Plan 2025/26

7.1.1 Members RECEIVED and NOTED the Internal Audit Strategy and Plan for 2025/26.

7.1.2 Richard Young (RY), Uniac, NOTED that discussions regarding the internal audit planning for 2025/26 had taken place with the Vice-Chancellor, Professor Andrew Gower (AG) and his Executive Team, and also the Chair of Audit Committee. Discussions included consideration around the risk register, sector themes and past audit coverage to inform the identification process.

7.1.3 RY CONFIRMED that the internal audit plan had been endorsed by the University Executive Group (UEG) and the Chair of Audit Committee.

7.1.4 Members were CONTENT with the internal audit strategy and plan for 2025/26.

7.1.5 RY also HIGHLIGHTED from the report the following:

- The summary of internal audits planned for 2025/26:
 - Collaborative Provision – The Language Gallery franchise provision.
 - Student Recruitment.
 - Portfolio Management.
 - Timetabling.
 - Agile Compliance 1: Core Financial Systems.
 - Agile Compliance 2: Student HESA 2024/25.
- Changes to the Institute of Internal Auditors (IIA) and Global Internal Audit Standards (GIAS).
- The draft Internal Audit Charter and Mandate.

7.2 Internal Audit Progress Report 2024/25

7.1.1 Members RECEIVED and NOTED Uniac’s Internal Audit Progress Report 2024/25, which provided an overview of progress made since the March 2025 Audit meeting, along with the current audit days positions and forecast for the remainder of 2024/25.

7.1.2 RY HIGHLIGHTED the following from the Internal Audit Progress Report:

- Two audits have been completed for the 2024/25 programme:
 - Key Financial Controls - Payroll.
 - Agile Compliance 2 – Post Audit Review.

- The following was noted on the remaining 2024/25 audits:
 - Following review with Management, it was decided that implementation and impact of the Workload Allocation Model would add greater value than to audit the management of the transition to the new Strategic Plan. Therefore, the internal audit of Management of Strategic Plan Transition is not to progress, and instead a planning meeting with the Executive Dean of Faculty, Dr Nick Gee, will be arranged, with the audit of the Workload Allocation Model completed in the next two months.
- Two briefing notes have been prepared, covering Treasury Management and Ethical Investment and Export Control.

7.3 To Receive Internal Audit Reports

7.3.1 Members RECEIVED and NOTED the following Uniac Internal Audit Reports:

- Payroll; and
- Post Audit Review.

7.3.2 Payroll

7.2.2i RY NOTED that as a result of sample testing, data analytics, and review of supporting evidence, Uniac concluded with 'Substantial Assurance', the system of internal control and governance relating to Payroll at BGU is designed adequately and is operating effectively, efficiently and economically.

7.2.2ii RY NOTED that this audit did highlight a couple of issues relating to our testing of leavers:

- One with the system, whereby holiday pay entitlement for leavers was not being accurately calculated and therefore the Payroll and HR teams had to manually calculate and enter the correct value into iTrent; and
- One with the process, whereby leavers who were paid a stipend for an additional responsibility (e.g. Shift Allowance) were being paid for the full month, even in the event of them leaving part way through the month.

7.2.2iii RY NOTED that discussions with staff also highlighted that there had previously been a check on the number of hours worked by Hourly Paid Lecturers (HPL) and University Based Mentors (UBM) against contract but that, at the time of fieldwork, was no longer the case. Accordingly, Uniac have raised three Low Risk Findings.

- Lack of pro-rata adjustment for leavers' additional responsibilities stipend;
- Issues with iTrent undercalculating Leavers' holiday pay; and
- Absence of formal checks for HPL and UBM pay against budgets.

7.3.3 Post Audit Review

7.3.3i RY NOTED that Uniac concluded with 'Substantial Assurance' over the post-audit review process.

7.3.3ii RY NOTED that upon review, the sampled actions selected for testing consisted of a mix of those which had been closed as they were implemented and those which had been closed because they had become superseded.

7.3.3iii RY NOTED that as part of a refresh of the action tracking process at the University during 2024/25, an exercise was undertaken to review and where appropriate close legacy actions which had remained open for an extended period of time. This coincided with a period of reorganisation and change for the institution through the Critical Path and

Critical Path 2 programmes. RY NOTED that these factors likely explained the volume of those which have been noted as superseded within this audit.

7.3.3iv The Chair NOTED that he was very encouraged with audits that had taken place.

7.4 To Receive Internal Audit HE Briefing Notes

7.4.1 Members RECEIVED and NOTED the following internal audit briefing notes:

- Export Control; and
- Treasury Management and Ethical Investment.

8. To Note and Consider Buzzacott's External Audit

8.1 External Audit Strategy

8.1.1 Members RECEIVED and NOTED Buzzacott's External Audit Strategy (year ending 31 July 2025), which confirmed the arrangements for their forthcoming work on BGU's financial statements for the year ending 31 July 2025.

8.1.2 Hugh Swainson (HS), Buzzacott, INFORMED members that a new manager, Harry Ward, would be assisting HS acting as 'Senior Statutory Auditor'.

8.1.3 HS INFORMED members that they are required by auditing standards to communicate on the potential risks of fraud and the mitigating controls in place within the University. It was NOTED that these matters had been discussed during the initial planning meeting

8.1.4 HS HIGHLIGHTED the following key audit issues which would be considered as part of their audit work, and which should be considered by BGU in relation to drafting the financial statements and preparing for the audit:

- Financial sustainability and going concern assessment;
- Property transactions and lease accounting;
- Income recognition;
- Management override of controls;
- Accounting estimates; and
- BG Lincoln Ltd.

8.1.5 The Chair ENQUIRED if the BG Lincoln Ltd Board Meeting could be delayed so it meets in between the Audit Committee and University Council in November, to enable Audit Committee to review the BG Lincoln Ltd accounts before they are signed off by the Directors – because in past years the accounts have been presented to the committee when they had already been approved.

- TD and HS NOTED this and agreed that this would be amended.

8.1.6 HS NOTED that an audit timetable had been agreed between Buzzacott and management (appendix 1 of the External Audit Strategy document), which had already commenced.

8.1.7 Members RAISED the following comment:

- Was management content with the proposed fee?
 - TD CONFIRMED that UEG was content with the fee and had been factored into the forthcoming budget.

8.2 Buzzacott Letter of Engagement

8.2.1 Members RECEIVED and ACKNOWLEDGED Buzzacott's Letter of Engagement, which states

TD/
Buzzacott

how the audit work will be conducted.

9. Any Other Business

9.1 There was no further business to discuss.

10. Key items for University Council

10.1 The following key items to HIGHLIGHT to University Council at its next meeting on 2 July 2025 from this agenda are:

- To note the deep dive in Risk 19; Active Mitigation – Partnerships;
- To share the end of Q3 Risk Register Overview Report; and
- To share the Internal Audit Strategy and Plan for 2025/26

11. Date of Next meeting

11.1 The next meeting of the Audit Committee will take place on Tuesday 23 September 2025 from 2:00pm-4:00pm in person.

12. Closed Session of Audit Committee with Internal Auditors

12.1 The Chair formally closed the meeting and INVITED members to a closed session of Audit Committee to discuss any internal audit matters with the Uniac representative.

Signed A. R. Giechly Date 23 - 09 - 2025