

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

THURSDAY 13 JUNE 2024

2:00PM VIA MS TEAMS

**Present**

Alison Brown  
 Dr Stephen Critchley (Chair)  
 Walter Leschenko  
 Jaidip Sen  
 Lisa Smith

**In attendance**

Leanne Chancellor, Head of the Vice-Chancellor’s Office (*Minutes*)  
 Tom Dannatt, Deputy Vice-Chancellor (Operations) & University Secretary  
 Jonathan Lidster, Director of Corporate Information System (CIS), Strategy & Performance  
 Hugh Swainson (Buzzacotts)  
 Peter Rought (Uniac)

	<b>Action</b>
<b>1. Welcome</b>	
1.1 The Chair, Dr Stephen Critchley, welcomed members to the fourth Audit Committee meeting of the 2023/24 academic year.	
<b>2. Apologies</b>	
2.1 Apologies were received in advance of the meeting from: <ul style="list-style-type: none"> <li>• Professor Karen Stanton – <i>invited member</i>;</li> <li>• Kunal Mistry (Buzzacotts) – <i>invited member</i>; and</li> <li>• Dave Tomlinson (Uniac).</li> </ul>	
<b>3. Declarations of interest</b>	
3.1 There were no new declarations of interest for the committee meeting.	
<b>4. Minutes of the last meeting held on 11 April 2024</b>	
4.1 The minutes of the Audit Committee meeting held on 11 April 2024 were APPROVED as a true and accurate record of the meeting and the Chair was authorised to sign them.	
<b>5. Matters Arising</b>	
5.1 <u>Action Table</u>	
5.1.1 The action table was RECEIVED and progress against actions was NOTED.	

5.1.2 The Deputy Vice-Chancellor (Operations) & University Secretary, Tom Dannatt (TD), NOTED that actions had either been completed or were on the agenda for discussion.

5.1.3 From the action table, members ASKED for further clarification on the risks where the inherent risk was the same as the current risk score (minute 6.2.4 of the last set of minutes).

- The Director of Corporate Information System (CIS), Strategy & Performance, Jonathan Lidster (JL), NOTED that scoring methodology should state that risk should have an initial risk score identified, and a risk level that is desired to reach by a set due date. If that risk goes below the overall desired risk level, then the desired risk should also lower to that level as if it stays the same – it suggests the mitigation action has worked, but we are not confident it will be retained as a controlled risk.
- JL NOTED that in the new framework, the risk tolerance of an area will provide the benchmark for where a risk level is required to be.

5.2 Any other matters

5.2.1 No other matters were raised.

**6. Risk**

6.1 Strategic Risk Register

6.1.1 Members RECEIVED and NOTED the Strategic Risk Register and Summary Report, which provided a summary of key points, mitigations, and actions for each of BGU's strategic risks.

6.1.2 JL NOTED that the Strategic Risk Register was comprised of 16 risks at the end of Q3:

- Three risks were rated as 'green' – Risks 7, 8 and 12.
- Five risks were rated as 'amber' – Risks 13, 14, 17, 18/19 and 21.
- Eight risks were rated as 'red' – Risks 1, 2, 3, 10, 11, 15, 16 and 20.

6.1.3 JL PROVIDED further clarification on the eight risks which were rated red and their mitigating actions:

- *Risk 1 – Achievement of student numbers is not in line with business plan projections.*
  - There was no change in scoring this quarter. The main areas of concern currently were Foundation Degrees (FdA), Level 6 top-ups and PGCE Primary. All of these have seen low volumes of applicants this cycle and therefore are unlikely to meet their targets. To some extent this will be offset by recruitment to other programmes exceeding targets. To further mitigate this, marketing has adjusted their activity to try and encourage more applicants to the programmes that are under-performing.
  - Work was ongoing to create a forecast report, linked to budget setting and target setting. This allows for closer monitoring operationally. The revised model which incorporates firm accept and clearance data was completed by the end May 2024.
  - The Critical Path Portfolio review had started this quarter, aiming to impact on 2025/26, but if any quick wins are identified for 2024/25.

- *Risk 2: Failure to ensure the financial sustainability of the University.*
  - Deficit has declined slightly over the last three months. Securing the bank facility has been ensured protection at the cash low points.
  - Mitigation through regular monitoring of accounts. Cash flow forecasting updated and monitored daily and reported to management colleagues.
- *Risk 3: Failure to maintain quality of teaching and learning.*
  - There was no change in scoring this quarter – most of this risk comes from franchised partners. BGU is in the process of seeking assurance from partners such as ICON College regarding their learning and teaching quality metrics.
  - Ensure strong oversight through renamed Teaching Excellence Committee overseeing all aspects of learning, teaching and academic student experience and outcomes. This revised committee will receive and monitor all B3 metrics, own and drive student retention, receive recommendations from Graduate Outcomes Group (Graduate Outcomes, Graduate Attributes and Educational Gain) as well as monitoring student voice including module emulations, student surveys and annual monitoring review. It will at all times ensure positive outcomes for all and alignment to revised APP. This group will also need to ensure quality of student experience and outcomes off-campus as new volume partnerships are on-boarded to ensure that B3 metrics are not negatively skewed.
- *Risk 10: Failure to implement key financial controls.*
  - Discussions were taking place with Uniac around the potential for improvements to financial controls that can be implemented towards the end of 23/24 and moving into 24/25.
  - Finance system has controls/levels of authorisation to mitigate the risk of fraud. Finance regulations have been updated to reflect the new job descriptions.
  - Risk score remains high due to business continuity risks of staff numbers in the finance team.
  - Segregation of duty does mitigate this risk to a large extent; however this is counterbalanced by limited staff numbers in the finance team.
- *Risk 11: Maintain Infrastructure*
  - Actions during 2022/23 have effectively maintained the estate and enabled quality provision of learning and teaching. The capital budget allocation does/potentially makes maintaining this in 2023/24 onwards a risk and therefore the risk score remains high. Work is starting to forward plan and look at the viability of assets on campus – this would form part of the new Estates Strategy.
  - Capital budget has been identified for current and future years (and links to risks 1 & 2 above).
  - The budget is being prioritised on need, with a view to increasing the budget when possible. A risk analysis is being undertaken of areas requiring attention to inform future decisions.
- *Risk 15: Failure to accurately understand and mitigate any gaps in equality of opportunities for students at BGU.*
  - The internal team is working on drafting the new Access and Participation Plan (APP). The main challenges are limited knowledge and understanding within the APP team (but an external consultant has been brought into support), lack of resource based on other competing priorities within the Data Team, and limited scope outlining the data

- requirements. This means that data collection, analysis and dashboard creation is behind schedule as limited knowledge was applied earlier to determine the potential time required to implement these new data sets. Until these new data dashboards are approved, the APP team are unable to ensure that interventions are tailored to meet the needs of the right groups/ intersections of cohorts, and therefore the risk of delayed submission to the Office for Students (OfS) is possible.
- Meetings are continuing between Planning/Data team to try and escalate the development of this data reporting to progress with APP project and provide supporting evidence for suitable interventions.
  - Members NOTED that the Academic Assurance Committee were monitoring the progression of the APP.
- *Risk 16: Overdue updating and review of policies and procedures*
    - A Working Group has been established to review all policies and Codes of Practices. The aim is to have all documents required for renewal are and are signed off en-masse.
    - Review of process, and improvement to the management of policies has been implemented. The Vice-Chancellor's Office will now oversee policy management and configuration of documentation, ensuring that policies for review are highlighted by departments and policy owners.
    - A review of all policies and procedures would seek out opportunities to remove or consolidate, minimising the number of policy documents across the University – this is in line with a streamlining of committee structures within the University.
  - *Risk 20: Failure to manage on-going issues with data landscape and governance.*
    - Data availability continues to be a challenge for the University. Progress has been made in achieving statutory and regulatory returns, and a significant advancement in the quality of data submitted. A reset and re-positioning of BGUs data landscape and governance is required to ensure an holistic approach, not one which is driven by short term ideals. The demands of BGU need to be balanced and fit for purpose of a university our size, and one that reflects the portion of investment needed to be made to it.
    - Colleagues are working closely with Ellucian to mitigate issues rising with Student Record System (SRS).
    - JL was working with departments to determine fall back processes to mitigate the risks associated with the issues highlighted.
    - Data colleagues were developing thoughts to create a new Data Governance Strategy for 2024 onwards, with the formation of new Data Governance Committee to oversee university processes and data compliance to ensure data quality is improved.
    - Reviewing all of the data reporting to understand university requirements, mitigating the level of data reporting and therefore better utilisation of resources. Plans for additional staff in the 2024/25 budget to increase capacity of team and resources.
    - JL was working with Chief Technology Officer to understand what requirements are needed to change the internal infrastructure of the University to effectively enable a good data landscape.

#### 6.1.4 Members RAISED the following questions and comments:

- The 'heat map' was a good addition but NOTED that it would be helpful if there was a key, so that it was easier to see which risk is which, e.g. a number linking the circle on the heat map to the risk register may be helpful.

- What would be useful to include is an indication of how many of the risks were actually outside of our risk appetite. If they were within our risk appetite then members did not necessarily need to discuss them in great detail during the meeting, as they are already being effectively managed.
- Re: Risk 10 (Failure to implement key financial controls) – concerns were raised around the statement ‘financial controls would be controlled if BGU recruited more staff’.
  - TD CONFIRMED that he was satisfied that the fundamental financial controls were in place, including adequate levels of segregation of duty.
  - TD NOTED that clearly financial controls were on the audit schedule for 2024/25 and the additional staffing that was being considered has not been confirmed yet.
- Re: Risk 11 (Maintain Infrastructure), TD NOTED that he has commissioned a campus-wide Condition Survey – this would inform the asset plan that was being developed moving forward into the next financial year. Priority in this will be Wickham Hall, as the first building to be subjected into the sale and leaseback proposal (which was being put together for FE&GP members). It was important to note a risk around our capital allocation for 2024/25, which was the same as 2023/24 at £200K.
 

TD NOTED that the Condition Survey on Wickham Hall came back ‘clean’ with only superficial works required to the boiler.
- When would members see the Estates Strategy?
  - TD NOTED that there were three strands to the Estate Strategy: the physical condition (including mechanical and electrical), utilisation and whether spaces are fit for purpose.
  - TD NOTED that there was a ‘facelift’ type project on the Hardy Building commencing in the Summer – which was of minimal cost of approx. £15-20K.
- The £200K set aside for Estates Infrastructure, did this include the maintain of the IT infrastructure, and making sure our systems are robust – in terms of cyber-attacks and back-ups?
  - TD CONFIRMED that the £200K did include the IT infrastructure.
  - TD NOTED that BGU had recently received accreditation for Cyber Essentials, which was positive.
- It was felt that the IT Infrastructure should be addressed separately on the Strategic Risk Register and not included within Risk 11.

**7. BGU Internal Audit Tracker Report**

- 7.1 Members RECEIVED and NOTED the updated Audit Tracker Report.
- 7.2 TD and JL CONFIRMED that BGU had recently taken back ownership of the Internal Audit Tracker.
- 7.3 The Chair NOTED that the Internal Audit Tracker required some updating and housekeeping.
- 7.4 Members RAISED the following question:
  - Was there an underlying issue as to why original deadlines are not being met? It was NOTED that there can be a tendency to be over optimistic in terms of implementation dates sometimes, but the recommendations should be reviewed

to ensure that BGU is able to commit to the deadline, instead of asking for extensions.

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- 7.5 The Committee APPROVED the closure of the following actions:
- 1521, 1529, 1615, 1642, 1648, 1656, 1664, 1672, 1678, 1680, 1685, 1686, 1688, 1689, 1690, 1691, 1712, 1719, 1721, 1722, 1725, 1726, 1727, 1728, 1730, 1731, 1732, 1733, 1734, 1735.

- 7.6 The Committee APPROVED the 24 actions with the following extensions:
- Two actions extended to December 2024 (1617 and 1618).
  - 13 actions extended to August 2024 (1638, 1641, 1643, 1644, 1645, 1698, 1700, 1701, 1702, 1703, 1704, 1705, 1706).
  - Eight actions have been extended to June 2024 (1713, 1714, 1715, 1716, 1717, 1718, 1736, 1737).

- 7.7 Members NOTED that there were four open actions (1679, 1681, 1720 and 1729) which had been updated in Q3.

- 7.8 The Chair REQUESTED that in the next reiteration of the Internal Audit Tracker, only the currently open and new recommendations that are added to the tracker between now and the next meeting need to be reported on to members.

DVC(Ops) /  
DoCIS, S&P

## 8. Uniac Audit Schedule for 2024 onwards

- 8.1 Members RECEIVED and NOTED UNIAC'S Internal Audit Programme proposed for 2024/25.
- 8.2 Peter Rought (PR), Uniac, NOTED that as part of the annual internal audit planning process, Uniac have met with senior staff and the Chair, to discuss the potential audits for inclusion in 2024/25 internal audit programme, with the risk register, sector themes and past audit coverage informing the identification process.
- 8.3 PR NOTED that the plan was designed to align with the University's assurance requirements over key risks and compliance obligations.
- 8.4 PR NOTED that the Internal Audit Plan aims to deliver five audit reviews – which equated to 50 days:
1. Financial Sustainability and Resilience;
  2. Strategic Plan Transition;
  3. Risk Management;
  4. Key Financial Control – Payroll; and
  5. Agile Compliance Reviews.
- 8.5 PR NOTED that there was also a 'reserve' list considered for 2024/25, or alternatively ones to consider for 2025/26, which consisted of five audits:
1. Student Complaints and Appeals;
  2. Data Governance;
  3. Freedom of Speech;
  4. Safeguarding; and
  5. Institutional Agility.

- 8.6 PR NOTED the Internal Audit Charter, which sets the framework for internal audit to discharge its responsibilities effectively. Members were asked to consider and agree to the Charter.
- 8.7 Members RAISED the following questions and comments:
- The Internal Audit Plan looked to be a well-rounded plan – with links that could be seen to the current risk profile of the University.
  - There was some confusion regarding the Agile Compliance Review element ('dip-tests') – could Uniac clarify what exactly will they be doing and how many 'dip test' would the University get for six days?
    - PR NOTED that the sector was going through the same challenges in terms of financial sustainability, so dip tests/deep dives into some sample areas of compliance, provide members with high level assurance and allows Uniac to make the best use of their coverage.
    - PR NOTED that the University would probably get two or three 'dip test' reviews.
  - Was the management team comfortable with the annual fee figure and the coverage being proposed by Uniac?
    - TD CONFIRMED that he was content with the coverage and the fee.
    - TD NOTED that the overall days have been decreased from 70 hours to 50 hours – which seemed to be more appropriate.
  - In Section 2 (Strategic Plan Transition) it referred to reviewing the ongoing change management process and providing an assessment of it – what standards were Uniac going to use to review that?
    - PR NOTED that this would come from best practice that have been seen within the sector and within other organisations that they work.
    - JL NOTED that BGU did not have a formal change management methodology, but there was one for the Student Record System. It was something that was starting to be raised in discussions across the institution around our new Vision, Mission and Social Purpose and what methodology/approach to use in terms of change agents/change sponsors.
  - Why was the Data Governance audit on the reserve list and not the primary list? Was this because it was deemed too early for the audit considering all the work that was currently being done?
    - TD CONFIRMED that UEG had discussed the reserve list, and it was agreed that Data Governance was too early in the cycle – an audit would be examining an area that was just starting to get going.
- 8.8 The Chair NOTED that the 'reserve list' looked interesting and gives us some ideas to the areas that may be reviewed in 2025/26.
- 8.9 Members were CONTENT to ENDORSE the Internal Audit Plan for 2024/25, along with the Internal Audit Charter.
- 9. To Note and Consider the Internal Audit Reports**
- 9.1 Internal Audit Progress Report
- 9.1.1 Members RECEIVED and NOTED Uniac's Internal Audit Progress Report outlining an up-to-date view of where Uniac was with progress against the agreed internal audit programmes for 2023/2024.

- 9.1.2 PR HIGHLIGHTED the progress made since the last committee meeting in April 2024.
- The draft 2024/25 internal audit annual plan has been prepared (which was discussed in item 8 of this agenda).
  - Noted the remaining progress to be made on the remaining 2023/24 audits:
    - Cyber Security – fieldwork was progressing well, with the report due to be drafted.
    - Health & Safety – Terms of Reference have been agreed and the fieldwork commenced in May 2024.
    - Partnerships (Quality Assurance arrangements) – a planning meeting is due to be scheduled for fieldwork in June/July 2024.
  - Two briefing notes had been prepared and were included on the agenda:
    - Modern Slavery Act 2015; and
    - Risk Management in HE.

## 9.2 Internal Audit Briefing Notes

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

- Modern Slavery Act 2015; and
- Risk Management HE.

9.2.2 The Chair NOTED that as BGU's turnover was below the £36m limit, the institution was not required to publish a Modern Slavery Statement.

## 10. **To Note and Consider Buzzacotts External Audit Strategy**

10.1 Members RECEIVED and NOTED the External Audit Strategy from Buzzacotts, which confirmed the arrangements for their forthcoming work on BGU's financial statements for the year ending 31 July 2024.

10.2 Hugh Swainson (HS), Buzzacotts 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 performance and going concern;
- Riseholme Student Village Development;
- Income recognition;
- Management override of controls;
- Accounting estimates; and
- BG Lincoln Ltd.

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

10.4 Members RAISED the following questions and comments:

- Clarified whether the comparative fee table should state 2022/23 actual, instead of 2023/24 actual.
  - HS CONFIRMED it should state 2022/23 and would make sure the document was amended.
- Was management content with the proposed fee?
  - TD CONFIRMED that he was content with the fee.



