

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

MONDAY 21 OCTOBER 2024

1:00PM 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*)
 Carolyn Dean, Senior Planning Officer
 Tom Dannatt, Deputy Vice-Chancellor (Operations) & University Secretary
 Jonathan Lidster, Director of Corporate Information System (CIS), Strategy & Performance
 Kunal Mistry (Buzzacott)
 Peter Rought (Uniac)
 David Tomlinson (Uniac)

	Action
1. Welcome	
1.1 <u>Deputy Chair</u> As the Chair, Dr Stephen Critchley, was slightly delayed, members were CONTENT to appoint Walter Leschenko (WL), as Deputy Chair, and opened the meeting.	
1.2 The Deputy Chair (WL) welcomed members to the first Audit Committee meeting of the 2024/25 academic year.	
2. Apologies	
2.1 Apologies were received in advance of the meeting from: <ul style="list-style-type: none"> • Hugh Swainson – <i>invited member</i>. 	
3. Declarations of interest	
3.1 There were no new declarations of interest for the committee meeting.	
4. Terms of Reference for 2024/2025	
4.1 Members RECEIVED and NOTED the draft Terms of Reference (ToR) for the Audit Committee 2024/2025.	

- 4.2 WL ENQUIRED with David Tomlinson (DT), Uniac, if the ToR's were in line with the national standard in their perspective working with other institutions.
- DT NOTED that the ToR were typical with the sector, although most committees now call themselves an Audit and Risk Committee.
 - DT NOTED that there was not anything missing in the ToR's in terms of roles and responsibilities and clearly sets out Audit's roles in the effectiveness of risk management.

4.3 Members were CONTENT to APPROVE the ToR's for 2024/2025.

5. Minutes of the last meeting held on 13 June 2024

5.1 The minutes of the Audit Committee meeting held on 13 June 2024 were APPROVED as a true and accurate record of the meeting and the Chair was authorised to sign them.

The Chair, Dr Stephen Critchley, joined the meeting – and the Deputy Chair handed the meeting over him.

6. Matters Arising

6.1 Action Table

- 6.1.1 The action table was RECEIVED and progress against actions was NOTED.
- 6.1.2 The Deputy Vice-Chancellor (Operations) & University Secretary, Tom Dannatt (TD), NOTED that the actions regarding Risk and the Internal Audit Tracker had either been completed or were on the agenda for discussion.
- 6.1.3 TD INFORMED members that he had been in regular contact with Rachel Gwynne, Shakespeare Martineau with regards to BGU's application for Exempt Charity Status. TD CONFIRMED that Shakespeare Martineau received confirmation that the Privy Council had granted BGU with the Exempt Charity Order on 9 October 2024, which would come into effective from 31 October 2024.
- 6.1.4 TD NOTED that a Reportable Event had been submitted to the Office for Students (OfS) on 11 October 2024 requesting a change to the OfS Register.
- 6.1.5 TD NOTED that Shakespeare Martineau would be sending through guidance for next steps to be carried out.
- 6.1.6 The Chair ASKED if a return would need to be submitted to the Charity Commission for the period of 1 August to 31 October 2024?
- TD NOTED that he was awaiting confirmation on this from Shakespeare Martineau – the institution may have to prepare accounts for that period, or it may not be necessary.

6.2 Any other matters

- 6.2.1 No other matters were raised.

TD

7. To Note and Consider the Internal Audit Reports

7.1 Internal Audit Progress Report

7.1.1 Members RECEIVED and NOTED Uniac's Internal Audit Progress Report.

7.1.2 Peter Rought (PR), Uniac HIGHLIGHTED the following from the Internal Audit Progress Report:

- Preparation of the draft 2023/24 internal audit annual opinion.
- Two internal audits completed from the 2023/24 programme:
 - Cyber Security.
 - Health & Safety.
- One internal audit was remaining 2023/24 audit:
 - Safeguarding audit – which replaced Partnerships, and fieldwork was underway to complete safeguarding, which will be reported to the November 24 Audit Committee.
- Update on progress on the 2024/25 audits:
 - CMA Compliance Report had been finalised.
 - Fieldwork was underway on Financial Sustainability and Resilience audit.
 - Planning meetings had been scheduled for three of the remaining four audits.
- Two briefing notes to be included on this agenda:
 - Asset Management.
 - Corporate Governance Failures in Accountability and Ethical Decision Making.

7.1.3 Members RAISED the following questions:

- Was there any reason why the Partnership Review was replaced with Safeguarding?
 - PR NOTED that Uniac had already completed a Collaborative Partnership Audit and agreed that there could be an overlap of work.
 - TD NOTED that the Quality Team had recently conducted an internal Quality Review of BGU's largest partner, ICON College, in terms of quality and the relationship – this review was presented to the Academic Assurance Committee in June 2024.
- What was the scope for the Safeguarding Audit?
 - DT NOTED that the audit would consider the following key areas of scope:
 - Framework and governance arrangements for safeguarding.
 - The systems, policies, and procedures to implement requirements across professional services and relevant academic departments and partners, and collaboration with Student Union.
 - The effective identification, actioning and reporting of safeguarding concerns.
 - Training and guidance on safeguarding provided to staff, students, and governors.
 - Safeguarding clearance and training of staff and students in contact with children and at-risk adults, particularly through placements.
 - TD NOTED that the rationale from the Executive Group to add this audit, was due to the change in key personnel following the recent Senior

Leadership restructure and the structural change to the way the institution deals with contention and safeguarding.

7.2 Internal Audit Annual Report 2023/24

- 7.2.1 Members RECEIVED and NOTED the draft Internal Audit Annual Report 2023/24.
- 7.2.2 DT NOTED that this report was currently draft, and the final report would be presented to the Audit Committee in November 2024.
- 7.2.3 DT NOTED that based on the work completed during 2023/24, Uniac concluded with 'reasonable assurance' for BGU's approach to risk management, governance and internal controls – they were adequate and generally operating effectively and efficiently.
- 7.2.4 DT NOTED that he would be circulating to members (and the Executive Group) a survey to complete, which would help to inform their key performance indicators that they would be including in their Internal Audit Annual Report.

Uniac /
Council
Office (LC)

7.3 To Receive Internal Audit Reports

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

- Cyber Security;
- Health & Safety; and
- Agile Compliance – Consumer Protection.

7.3.2 Cyber Security

- 7.3.2i DT NOTED that Uniac concluded that an overall risk assurance of 'reasonable', based on there being a broadly defined cyber security posture that is pro-actively managed to reduce cyber risk. This is ensuring a practical and proportionate control framework, which continues to mature in line with the direction of the University.
- 7.3.2ii DT NOTED that the technology team were proactively engaging internal colleagues to further develop cyber controls and working closely with sector providers and agencies to inform practice and gain insight. The university should seek to develop its overall understanding around cyber risk to inform its ongoing investment in advancing its cyber security posture.
- 7.3.2iii DT NOTED that whilst there were several areas BGU was striving to get to an improved maturity position, the Uniac review identified a focus on four areas where there was a need to take action to address a moderate degree of risk, which would provide consistency across the breadth of the National Cyber Security Centre (NCSC) 10 Steps:
1. Risk Management;
 2. Supply Chain Security;
 3. Data Security; and
 4. Logging and monitoring.
- 7.3.2iv Members RAISED the following comments and questions:
- Acknowledged that this was a positive report set against a good standard – the NCSC, and what was required was just a tightening up on documentation.
 - Noted was BGU's success in gaining the Cyber Essentials Certification, but what level was this based on – assessment based on internal self-certification or accredited externally?
 - TD NOTED that BGU opted for the internal accreditation, as the external accredited certification was currently financially prohibitive – the team

were developing a strategic plan around the institutions technology and an external accreditation would be built into this in the longer term, but currently was not an immediate priority.

- DT CONFIRMED that the Cyber Essentials Certification that BGU has achieved, was the first level and has the full scope of universities activities.
- Lisa Smith (LS) NOTED that in her experience there were not many universities in the sector that she works with that have Cyber Essentials – so the fact the BGU had gained it was a great achievement.
- Noted that for some members, that this was still an area of concern and should be monitored more regularly and would be interested to see further progress made to obtaining the external accreditation.

7.3.3 Health & Safety

7.3.3i PR NOTED that Uniac concluded a rating of ‘reasonable’ risk assurance. The governance framework, policies and processes are generally adequate; however, the audit identified some findings around strengthening these controls.

7.3.3ii PR NOTED that BGU was comparatively low risk given the nature of undergraduate courses delivered, but incident management processes are structured, clear and understood across all interviewed stakeholders. Processes for external contractors have been implemented and are managed well within the Estates team, however compliance outside this team is not where the University would like it to be resulting in an increased level of risk exposure.

7.3.3iii PR HIGHLIGHTED three moderate risk findings:

1. Suppliers/Contractors engaged outside Estates.
2. Enhancing Reporting – Incidents.
3. Enhancing Reporting – Training.

7.3.3iv PR HIGHLIGHTED the following two elements of good practice which were noted during Uniac’s fieldwork:

1. First Aid Training.
2. Building Inspections.

7.3.3v Members AGREED that this was a very encouraging report.

7.3.4 Agile Compliance – Consumer Protection

7.3.4i DT PROVIDED a background to this audit and NOTED that universities must comply with consumer protection laws in their interactions with current and prospective students. In addition, OfS condition C1 requires providers to give “due regard” to sector guidance issued by the Competition and Markets Authority (CMA) in 2015. To comply with the law and CMA guidance, providers must ensure that their contracts with students are clear, and that students are aware of potentially surprising or important terms.

7.3.4ii DT NOTED that as part of the agile compliance approach, Uniac tested a sample of undergraduate course pages on the BGU website and prospectus, to assess compliance with key information requirements. Uniac also reviewed information relating to additional costs, terms and conditions, complaint handling processes, and verified the assurances provided to relevant governance committees as part of annual OfS (C conditions) compliance reporting.

- 7.3.4iii DT HIGHLIGHTED two high risk findings in relation to course related information, roles and responsibilities for CMA requirements and student terms and condition:
1. Roles and responsibilities for CMA related work:
 - there was a lack of clarity regarding overall ownership/direction of CMA related work. Staff feedback indicates that this may have been impacted by the recent restructuring in the University.
 2. Areas that need to be addressed to improve compliance:
 - Information on course-specific additional costs.
 - Information on the way courses are taught.
 - Information on optional modules.
 - Information on assessment.
- 7.3.4iv The Chair NOTED that he found this a very valuable report.
- 7.3.4v The Director for Corporate Information Systems (CIS), Strategy & Performance, Jonathan Lidster (JL) NOTED that following the SLT restructure, he now had oversight of this area and was currently overseeing a planning process for this, as there was quite a considerable number of stakeholders across the institution involved in this – it was not just one department doing one thing, but several departments doing different things at different times.
- 7.3.4vi Members RAISED the following questions:
- Were there any risks from OfS with this area, and was the deadline of July 2025 too late?
 - JL NOTED that there were no risks to the OfS as this is not a regulatory oversight.
 - TD NOTED there were risks regarding if BGU receives a complaint regarding lack of CMA compliance.
 - TD NOTED the reason for the deadline being July 2025 was because BGU was already mid-cycle.

7.4 Internal Audit HE Briefing Notes

- 7.4.1 Members RECEIVED and NOTED the following internal audit briefing notes:
- Asset Management; and
 - Corporate Governance Failures in Accountability and Ethical Decision Making.

8. External Audit Update Year-End 31 July 2024

- 8.1 Kunal Mistry (KM), Buzzacott, PROVIDED members with an update on the external audit, the results of which would be presented at the meeting in November 2024.
- 8.2 KM HIGHLIGHTED the following:
- The external audit was 95% complete and was just in the review stages of the accounts, subsidiaries accounts and the draft of the post-audit management report.
 - There is scheduled an audit clearance meeting with management on 29 October 2024, to go through some of the key findings.
 - There were no major issues to come out of the external audit when it comes to any control .
 - The key point of discussion is around ‘Going Concern’ in the future, but the fact that BGU had an asset sale post year end is adding further weight to the

argument that BGU will remain a 'Going Concern' for at least the next 12 months.

9. Risk

9.1 Update on the Strategic Risk Register – Q4

- 9.1.1 Members RECEIVED and NOTED the Strategic Risk Register and Summary Report at the end of Q4, which provided an update on the risk management process.
- 9.1.2 The Senior Planning Officer, Carolyn Dean (CD), NOTED that the way the risk process is reported had changed in format and now reviews any increasing risks as well as any risks currently scored outside the associated risk appetite as set by the University Council.
- 9.1.3 CD NOTED that at the end of Q4 all of the current risks across both the strategic risk register and the CP2 risk register are within the associated risk appetite levels. It was NOTED that following the review of risk processes at BGU, any red risks on the updated CP2 risk register have been added to the strategic risk register; these can be distinguished by the inclusion of CP in the risk reference number.
- 9.1.4 CD HIGHLIGHTED the following position across the risks on the Strategic Risk Register:
- 11 risks were rated as 'green' – Risks 7, 12, 13, 14, 17, 18/19, 21, 22, 24, 25 and JC CP2.
 - 11 risks were rated as 'amber' – Risks 3, 10, 15, 16, 20, JC CP2, CT CP2, JL CP2, 3 and 4.
 - Three risks were rated as 'red' – Risks 1, 2, 11 and 23.
- 9.1.5 CD NOTED that two additional columns had been added to the risk register, to show the direction of travel of the risk score and whether the risk is scored outside of tolerance.
- 9.1.6 Members RAISED the following questions and comments:
- Noted that they like the way the information was being presented because it makes it more concise and if there are any questions they can just 'deep-dive' into those.
 - A concern was raised that all of the risks were within the risk tolerance, which feels counterintuitive.
 - CD NOTED that you would need to view these on the full Risk Register document and on the first tab are the BGU objectives – then it is important to look at the actual risk to the stated risk appetite, which will then add more context.
 - The first tab also has all the Critical Path 2 (CP2) themes.
 - Regarding the CP2 theme of portfolio or planning and strategy – how does that link to each of the risks? For example, in terms of planning and strategy there is 'open', 'open', 'eager' – how can there be three tolerance statements for planning and strategy?
 - CD ACKNOWLEDGED this and NOTED that she would review this again and try and make it clearer – specifically how the institution got from 'point A' to 'point B' for the next quarter.
 - Agreed that it was useful providing a summary, as it was helpful to step away from the detail and look at the overall picture. However, on the summary table, does it make sense that the university objective is being quoted instead of the risk – as there are several risks related to one university objective? A suggestion

CD

would be to have a second column in the summary table for a short summary of what the risk is.

CD

9.1.7 The Chair NOTED that there was a bit of lag in reporting as Q4 was the end of July 2024, and therefore felt a bit dated and it was not helpful looking at risks from three months ago.

- CD and JL NOTED that these discussions were already taking place, as the reporting is dictated by the timing of committee/Council meetings.

9.1.8 The Chair NOTED that he would have a conversation outside of the Audit Committee meeting with CD and JL regarding some thoughts on how this could be managed, as essentially it is an administrative matter.

Chair/CD/JL

9.2 Board Assurance Framework

9.2.1 Members RECEIVED and NOTED the Board Assurance Framework proposal.

9.2.2 CD NOTED that the assurance framework aims to provide members and all senior stakeholders with assurance to how risk management, governance and internal controls are functioning and, just as important, the aspects that need to improve and actions that need to be taken. It was NOTED that assurance helps to judge whether or not it is focusing on the most significant issues in relation to achieving the institution's objectives and whether best use is being made of resources.

9.2.3 CD NOTED that in the Board Assurance Framework proposal, has been developed to ensure BGU's compliance with the OfS conditions of registrations.

9.2.4 CD NOTED that the assurance framework would be reviewed and updated on an annual basis, to highlight and mitigate any gaps in assurance, changes in policy, changes in ownerships and to ensure associated risks are well managed. It was NOTED that the 'lines of defence' were:

- First line of defence: Owns and manages risks/risk owners/managers.
- Second line of defence: Oversees risks/risk control and compliance.
- Third line of defence: Provides independent assurance/risk assurance.

9.2.5 Members RAISED the following questions and comments:

- Did BGU colleagues think this structure was going to be useful in terms of informing their decisions and informing management rather than this being an obligation?
 - TD NOTED that the value of information lies in its ability to inform decisions and quite often, as a small university, it has to comply with all the regulations of the larger institutions.
 - TD NOTED that the team has been adapting our systems, including management accounts, so that we can see what the issue is and have a plan of action to do something about it – this is where the board assurance framework is an example of that.
- Concerns were raised regarding the risk of duplication with this framework and the Strategic Risk Register, as there are many topics in the framework table that were also covered in the Risk Register.

9.2.6 Members were CONTENT with the proposal of the Board Assurance Framework.

9.2.7 The Chair NOTED that he would like to the first iteration at the Audit Committee in June 2025.

CD/JL

9.3 Risk Management Framework Policy – for approval

9.3.1 Members RECEIVED and NOTED the updated Risk Management Framework Policy.

9.3.2 JL NOTED that the policy was last reviewed in July 2021. It was NOTED that a new iteration had been written and updates to this policy sets out the University's responsibilities, and those working for or on behalf of the University, in observing and upholding the University's newly created and implemented Risk Management Framework.

9.3.3 Members RAISED the following questions and comments:

- Were comfortable with the new direction of the policy.
- The policy refers to 'Open Opportunities Register' as well – was this something that would come to the Audit Committee – or would it be an internal document?
 - JL NOTED that it could do – it will obviously look at risks, but the associated upside of risk rather than the downside of risk.
 - JL NOTED that it would probably exist more in the scope of PESTLE analysis.
 - JL NOTED that the team would be using it extensively from an internal perspective to make sure that the direction of travel, even in the short term and as part of our strategy, is informed by that.

10. **BGU Internal Audit Tracker Report**

10.1 Members RECEIVED and NOTED the updated Audit Tracker Report.

10.2 CD NOTED that since the last report in Q3, the audit tracker has continued to be scrutinised and actions progressed towards closure.

10.3 CD NOTED that there were:

- No open actions – the four outstanding actions had been closed (1679,1729,1736 and 1737).
- There were ten actions which currently have extensions attached to them, all of which are due to be actioned during this calendar year.

10.4 The Chair NOTED that the audit tracker was still not in a format he was comfortable with.

10.5 The Chair SUGGESTED that he has a conversation with CD outside of the meeting to discuss how the audit tracker could be reported better to members, as he felt more housekeeping was required.

Chair/CD

11. **Any other business**

11.1 There was no further business to discuss.

12. **Key items for University Council**

12.1 The following key items to HIGHLIGHT to University Council at its next meeting on 22 November 2024 from this agenda are:

- Audit's Approval of the Risk Management Policy;
- Approval of the Board Assurance Framework proposal; and
- The update of the Risk Register.

13. Date of Next meeting

13.1 The next meeting of the Audit Committee will take place on Monday 11 November 2024 from 2:00-4:00 pm via MS Teams.

Signed *A. R. Cicely*

Date 11-11-2024