



Minutes of the electronic meeting of the Audit Committee (AC) held at 1630hrs on 10 November 2022.

Present	Alison Davies (Chair)	Peter Walker	Mark Woods	
In Attendance	Joanne Ulyatt (Governance Director/Company Secretary)	Lee Glover (Haines Watts)	Liz Knight (UCP AD)	Rachel Nicholls (IEG CEO)
	Louise Perry (CFO)			

1/22 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. No apologies were received.
- b. No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and there had been no interests declared.
- c. There were no requests for urgent business.

The information was received and noted;

2/22 STANDING ITEMS

- a. The Minutes of the last meeting held on 26 May 2022 were confirmed for electronic signature. **(Action 1)**
- b. There were no matters arising.
- c. Outstanding Actions. Actions from the last meeting were considered; all had been completed.

See referenced minute for full detail.		Status
Action 1	19/21. Last minutes (03.03.22) confirmed for signature.	Complete
Action 2	22/21. IAS Plan for 22/23 to be suggested by IAS.	

**The information was received and noted;
Actions had been noted. (Register at end of document)**

3/22 TERMS OF REFERENCE (ToR)

- a) The Committee Terms of Reference were provided. The document had been reviewed by the Governance Director and no amendments were proposed on this occasion.
- b) Regarding the duties of the Audit Committee;
 - (A) UCP Audit Committee members to be invited to the June IEG Audit Committee where the overall audit plan is discussed, including specific references to UCP. The audit plan will also be circulated for questions out of committee (as meeting scheduling does not fit the timings of the audit plan approval) in order that all members are able to ask questions or raise any concerns.
 - (B) the Governance Director will ensure that all UCP Audit Committee agendas provide the option to discuss any matters with the auditors that either party may wish to, in the absence of management where necessary.
- c) Audit Committee members approved the Terms of Reference and they will be reviewed again next year.

The information was received and noted.

4/22 INTERNAL AUDIT SERVICE REPORTS

- a. Three audit reports were presented; HESA Data; Application to Enrolment; and, Follow Up Report.
- b. Substantial Assurance was given for each report along with areas for improvement to be addressed.
 - HESA Data - two recommendations arising were outlined.
 - Application to Enrolment – one observation identified and management response provided.
 - Follow Up – recommendation tracker in place and was reconciled to completeness. Five actions reported as completed were verified as correct. No recommendations arising.
- c. The sampling methodology was explained as the small number in one of the samples was queried. The report should have included a total population number which was missed; this will be added in future to give greater context. Whilst sample size could affect how severe an issue appears to be, ultimately any control point identified remains flagged for improvement if identified in even one of the sample.
- d. In the last paragraph of the Executive Summary for Application to Enrolment, it refers to loss of data as a result of a recent data breach. It was felt that the wording of this paragraph seemed to dismiss without explanation a serious matter which was reported to both the ICO and OfS. To any external individual who does not know the background or outcome of the incident, this could give the wrong impression. The wording is also incorrect as no data was lost or taken by hackers, it was lost because it was encrypted so can no longer be accessed. LG agreed to update the paragraph with more appropriate wording and re-issue the report to reflect this feedback. **(Action 2)**
- e. Recommendation Tracker provided.

The information was received and noted.

Actions had been noted. (Register at end of document)

5/22 INTERNAL AUDIT PLAN 2022/23

- a. The draft audit plan for 2022/23, based on discussions held with IEG and UCP senior management, was provided and represents the 8-day budget put in specifically for UCP.
- b. Four audit days were proposed to cover the priorities identified for the wider group because UCP also relies on those services. This will see additional testing for UCP samples and will allow the provision of a summary report as to whether any recommendations arising impact on systems on which UCP is reliant. Three audit days plus one management day would then be used for Academic Records suggested for 2022/23. HE Data Collection and Reporting will be scheduled for 2023/24 since the HESA Data audit has just been undertaken.
- c. Concern was noted about the balance between the two parts of the audit as it was felt that UCP is completely compliant with the processes of IEG. LG explained that whilst UCP is compliant with IEG processes, this is not about testing that compliance, but rather about testing UCP to give assurance that there are key controls in place for UCP specifically, and how IEG is performing for UCP. It is an efficient approach because it looks at the whole systems and then sub-divides to include UCP samples, and this then provides the level of comfort to give explicit assurance for UCP. H&S, HR, Finance and IT disaster recovery are big ticket items so there is a reluctance to take time away from those, and with three days allocated to the Academic Records audit and only circa 700 learners, it should be sufficient time. Increasing the budget or adding contingency days was discussed but LG reiterated that he is comfortable that they will complete within the timeframe. Lines of communication remain open if any issues of timing arise.
- d. LG noted an oversight in not forwarding the UCP Annual Report; this will be sent following the meeting and LG assured the committee that it is a positive report in respect of assurance and controls. JU to circulate to members. **(Action 3)**

The information was received and noted;

Actions had been noted. (Register at end of document)

6/22 RISK REGISTER

- a. The BAF and Risk Register were presented.

- b. The risk of a major sub-contractor exiting arrangements with UCP was discussed and is clearly flagged as a risk captured under HE income. It was noted that it would be an OfS reportable event and would take 2 years to end the agreement with a robust teach-out agreement in place to protect learners, and so the impact would not be felt immediately. UCP have offered to increase fees for the HNC/D but are unable to offer the FdA course because this would be a third-party subcontract arrangement. Recruiting a new partner is not always easy nor without risk so this loss would lead to an impact on the financial position going forward. It is not felt that the overall impact would be sufficient to raise the risk score so the 3 key scores have remained the same.
- c. Enrolment targets have not been met for September but some new courses will be starting soon so income still cannot be forecast at this stage.
- d. Staffing continues to be incredibly difficult; UCP continue to lose staff to private sector and ARUP but it is recognised that this is no different to the situation that other similar institutions face. Residual risk scores have not moved as a result but are not at target.
- e. Risk 261 was discussed in detail and it was agreed that the termination element of the risk should be split out to be managed at a higher level by LK or the IEG EDBD, leaving the operational risk in terms of due diligence and Teaching & Learning as it currently is. **(Action 4)**

**The information was received and noted;
Actions had been noted. (Register at end of document)**

7/22 ACCOUNTS UPDATE

a. Financial Statements Update

It was hoped that the draft set of accounts would be available for the meeting but unfortunately, they were not released by the auditors in time. They will now be presented to the UCP Council instead.

b. Audit Committee Annual Report

The draft report was presented. Amendments to be made concerning dates of employment and to update to include the overall opinion of the UCP Annual Report once received; Governance Director to action. **(Action 5)**

**The information was received and noted;
Actions had been noted. (Register at end of document)**

8/22 URGENT BUSINESS

No urgent business was requested.

9/22 NEXT MEETING

The next meeting is to be held on Tuesday 21 February 2023 at 16:30.

ACTION TABLE

See referenced minute for full detail.		Resp	Date
Action 1	2/22a. Last minutes (26.05.22) confirmed for signature.	Sec	wie
Action 2	4/22d To update last paragraph in Exec Summary of Application to Enrolment report with more appropriate wording	LG	wie
Action 3	5/22d LG to send UCP Annual Report; JU to circulate.	LG/JU	wie
Action 4	6/22e To split the termination element out of Risk 261 and assign to senior management as owner	LP/LK	wie
Action 5	7/22b AC Annual Report to be updated to reflect employment dates and overall opinion of the auditors	JU	wie

The meeting closed at 17:25