UCEM | UNIVERSITY COLLEGE OF ESTATE MANAGEMENT

AUDIT COMMITTEE
14 NOVEMBER 2024
REDACTED MINUTES FOR PUBLICATION

A meeting of the Audit Committee was held via Zoom video conference from 10.00-11.20am on Thursday 14 November 2024.

Present:		
	Prof. N Braisby (NB)	
	Mr C Costigan (CC)	(Chair)
	Mr J Gill (JG)	
	Dr S Jackson (SJ)	
	Prof. M Jones (MJ)	
	Ms. E Shipp (ES)	

In attendance:		
	Ms H Al-Katib (HAK)	(for item 2.1 only)
	Mr D Balme (DB)	(Chief Operating Officer)
	Mr G Edwards (GE)	(for item 4.1 only)
	Mrs J E Fawkes (JEF)	(UCEM University Secretary)
	Mr R Higgins (RH)	(for item 4.2 only)
	Mrs L Hughes (LH)	(Note taker)
	Mr A Wheaton (AW)	(Vice Chancellor)
	Mr K Wilkinson (KW)	(for item 2.2 only)

Apologies for absence:

1) GENERAL MEETING GOVERNANCE

1445   **1.1/ DECARATION OF ANY CONFLICTS OF INTEREST**

1446   There were no conflicts of interest reported.

1447   **1.2/ APOLOGIES FOR ABSENCE AND WELCOMES**

1448   There were no apologies for absence.

1449   The Chair welcomed the Jyotveer Gill and the new External Representative to the Committee, Emma Shipp, to their first meeting of the Committee. David Balme was also introduced to the Committee as UCEM's new Chief Operating Officer.

1450   **1.3/ MINUTES AND REDACTED MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 23 MAY 2024**

1451   The minutes (and proposed redactions) of the Audit Committee meeting held on 23 May 2024 (as included at paper 1.3) were **APPROVED** as a true record and signed by

the Chair of the Committee. The redacted minutes will be published on the UCEM webpage after the meeting.

1452   **1.4/ MATTERS ARISING AND ACTIONS SUMMARY**

1453   The summary showing the outcome of actions from the meeting held on 23 May 2024 (paper 1.45) was taken as read with the Committee noting that two actions remain ongoing (full implementation of **all** actions from the review into Ethical Risks noting that there is now only one small element still outstanding, and the action to give more consideration to whether responsibility for Business Continuity Planning should now reside with IT rather than FM, which will be considered more fully when the COO takes forward business optimisation and productivity work I 2025).

1454   **1.5/ AUDIT COMMITTEE ANNUAL REPORT 2023-24**

1455   The Committee reviewed the draft Audit Committee Annual Report for 2023-24 as presented at paper 1.5.

1456   The Committee commented that it was clear it had continued to meet its terms of reference throughout the year with a continued focus on risk management. There will be further work to come on the potential establishment of an internal audit function at UCEM in the next year. The Committee also welcomed the updated format which is succinct and focussed on decisions and impact which gives a good sense to new members of the Committee of the work that has been undertaken.

1457   The Committee **PRE-APPROVED** the Audit Committee Annual Report 2023-24 for submission to the Board of Trustees on 4 December 2024 for final approval.

> **ACTION:**   **Present the Audit Committee Annual Report 2023-24 to the Board of Trustees for approval on 4 December 2024. [LH]**

2) RISK MANAGEMENT

1458   **2.1/ UCEM RISK OVERVIEW**

1459   The Chair welcomed Hannah Al-Katib to the meeting.

1460   The Audit Committee considers risk at each of its meetings and accordingly reviewed the updated UCEM Risk Register at paper 2.1 and 2.1a. HAK advised that UCEM has been maturing its risk management approach over the last three years and making incremental changes to reporting.

1461   HAK advised the Committee that writing a paper on risk is currently challenging given the dynamic external environment at the current time with a new Labour Government in place. The latest iteration of the Register presented was reviewed by the Senior Leadership Team in October. The key movements are in strategic risks as a result of the new government policies that may adversely impact UCEM, such as changes to apprenticeships funding. There are also some key operational risks linked to Tribal, a key UCEM supplier of systems. REDACTED

1462   The Committee discussed the ongoing risks in Cyber Security where UCEM records a relatively modest impact is likely to occur. This is slightly at odds with the sector-wide perspective that this risk is only increasing.

ACTION: Review the risk scores on cyber security. [HAK]

1463 The Committee also commented on risk R13 relative to loss of EPA income where the net risk is rated higher than the gross risk. HAK commented that this was an error that will be amended in the next update to the Register. The same potential error between net and gross risk should also be verified on risk R15 – government policies adversely impacting UCEM.

ACTION: Verify the scores on risk R13 and R15 and confirm back to the Committee. [HAK]

1464 The Committee otherwise endorsed the latest version of the Register as appropriate. There is scope to review risks collectively and overlay the potential impact of multiple convergent risks, particularly those with a financial impact. HAK will ensure this is provided to the next Committee meeting.

ACTION: Provide some scenario analysis of multiple convergent risks on the institution. [HAK]

1465 The Committee discussed the fluidity of government policy currently but that the Secretary of State's letter announcing an increase in student fees gave six areas of focus and UCEM could usefully review its approaches in these areas, noting that this will remain limited until greater detail emerges.

1466 The Committee discussed risk R27 on the creation of an Employer Portal and apprenticeships tracking system, querying why work was stopped on development of this system. The issues were around a lack of joined up approach and shared aims for the project. The business optimisation work to support UCEM's evolution into a bigger and more mature institution that can better deliver change management which will help avoid such challenges in the future.

1467 The Committee **NOTED** the updated risk register and **AGREED** with the identification of the risks presented and the mitigations put in place where required, recognising that risk is being managed dynamically currently given the broad policy changes being implemented.

1468 The Chair thanked HAK for her contribution and invited her to leave the meeting.

1469 **2.2/ RISK DISCUSSION ITEM: IT, SYSTEMS AND CYBER SECURITY**

1470 The Chair welcomed Kevin Wilkinson to the meeting.

1471 KW introduced paper 2.2, which provided an update on risks associated with UCEM's IT, systems and cyber security.

1472 REDACTED

1473 REDACTED

1474 The Committee noted the outstanding action to consider where Business Continuity Planning responsibility should lie within the institution and that the new COO would be considering this.

ACTION: **Bring an update on Business Continuity Planning to the next meeting of the Committee, with a specific focus on IT, systems and cyber security. [DB/KW]**

1475   KW then outlined progress with some of UCEM's systems projects currently underway. REDACTED

1476   REDACTED

1477   REDACTED

1478   The Committee **NOTED** the progress on addressing REDACTED at UCEM and the ongoing work to develop an institution-wide, coordinated, digital strategy.

1479   The Chair thanked KW for his contribution and invited him to leave the meeting.

3) AUDITS

1480   3.1/ AUDIT PLANNING

1481   The Committee discussed audit planning at UCEM, reviewing the existing approved Audit Schedule and the potential to create an internal audit function at UCEM in the next financial year (paper 3.1 & 3.1a).

1482   JEF reported that UCEM had undertaken a Governance Review earlier in 2024 to help the three strands of UCEM governance (Board, corporate and academic) to mature. This review made a recommendation that UCEM should look to establish a more formal Internal Audit function to take on responsibility for audits in the future. The intention is for JEF to fully explore the options for this function and then to return to the Committee with a firm proposal in early 2025 for how this might work for UCEM. Budget and resource would be required for this function to be successful. In the meantime, work on the regular Audit Plan would be paused (as none of the planned audits are considered mission critical right now) but regular updates on the cyber security and IT risks will continue through this period.

1483   The Committee commented that their instinct would be to commission an external firm to undertake this service and not internal staff, but this will emerge in the firm proposal to be discussed in early 2025. Whilst there are no specific requirements for an internal audit function by the OfS, the experience of the Committee is that an Internal Audit service is vital in demonstrating the assurance, oversight and control that the OfS expects to see so the proposal is welcome.

1484   The Committee **AGREED** to pause work on the currently agreed audit schedule and to hold an exceptional meeting in early 2025 to discuss a formal proposal to establish an internal audit function at UCEM.

ACTION: **Prepare a full proposal for how Internal Audit should operate at UCEM, with the support of the Chair of the Committee, and present this to an exceptional meeting of the Committee in early 2025. [JEF]**

1485   The Committee considered a proposal to undertake an external assurance review into EFSA funding compliance to report to the May 2025 meeting of the Committee, regardless of the pause on all other audits for the immediate future. This work was one of the first areas Audit Committee investigated but has not been revisited now for some years and given the importance of this funding to UCEM the institution would benefit from testing its processes and overall compliance.

1486   The Committee **APPROVED** an external assurance review be undertaken into ESFA funding compliance which will report to the May 2025 meeting of the Committee.

    ACTION: **Commission an external assurance review into ESFA funding compliance to report its findings to the May 2025 Audit Committee. [JEF]**

4) OFFICE FOR STUDENTS COMPLIANCE

1487   **4.1/ EXTERNAL DATA RETURNS**

1488   The Chair welcomed Gethin Edwards to the Committee.

1489   Gethin Edwards presented an update on UCEM's compliance with OfS conditions of registrations in terms of external data returns (paper 4.1).

1490   GE reported that UCEM's confidence in its data and reporting is increasing year on year and UCEM is meeting all deadlines and all compliance obligations, including the Data Futures Student Record Return which was in the last month and which many providers have failed to submit in time. It has taken significant time and resource due to its complexity and an unreliable HESA platform but UCEM's competency has been exemplary. GE has concerns that UCEM could lose talent in this area in the future, and this is a risk he will be managing going forwards.

1491   The Committee **NOTED** that UCEM has thus far met all deadlines for sign-off of all external data returns and complimented GE and his team for their work in delivering this achievement.

1492   The Committee **NOTED** the areas of enhancement set out to continuously improve UCEM's data accuracy.

1493   The Chair thanked GE for his contribution and invited him to leave the meeting.

1494   **4.2/ SAFEGUARDING AND PREVENT DUTY COMPLIANCE**

1495   The Chair welcomed Richard Higgins to the Committee.

1496   RH presented paper 4.2 to the Committee which provided an overview of UCEM's work to meet the Prevent Duty in 2023-24 and its ongoing work in 2024-25 to continue to meet OfS requirements. The report also covered Safeguarding due to UCEM's responsibilities as an institution regulated by Ofsted. There were a number of formatting and semantic issues and one data issue that have been corrected since the paper was published to the Committee and the revised version will be circulated when the Board is asked to give its sign-off to the Return in the next week.

ACTION: Re-circulate the corrected Safeguarding and Prevent Report to the Committee. [LH]

1497   RH reported that safeguarding cases had increased in number of the last year but that the context for this in an increase in cases/referrals being driven by the new mitigating circumstances portal and there are spikes in the data that align with second assignment submission periods in February and July. The majority of the increased caseload is therefore welfare cases and considered low risk, rather than a significant increase in severe safeguarding cases. They were all responded to within UCEM's SLA (one working day) and overall UCEM students are safe and well-supported. The higher volume is however, putting strain on the UCEM team in terms of resourcing. This is being mitigated by greater sophistication in data recording of cases and by increased frontline staff training for the lower risk cases. Some new Safeguarding Officers are also being recruited to the team.

1498   With regards to Prevent, UCEM continues to be a low-risk institution in terms of events held and the lack of physical campus. Just one case was referred to the Prevent Coordinator in the last year, which was cautionary, and no further action was taken. UCEM is confident its Prevent provision remains effective and it has issued refresher training for all staff. The team's focus for the coming months will be training for those new Safeguarding Officers coming onboard, reviewing the referral process to better manage the low-risk welfare cases and preparations for the new E6 Condition of Registration coming into force in August 2025 on Harassment and Sexual Misconduct.

1499   The Committee queried UCEM's approach to suicidal thoughts and mental health. RH responded that UCEM has a suicide safe strategy that is embedded within the Mental Health Strategy and UCEM has signed up for the University Mental Health Charter which provides access to a wealth of information with the sector on handling these cases. UCEM processes around suicidal thoughts are being reviewed though to ensure the senior leaders are well aware of cases too. For general mental health cases UCEM has adopted Silvercloud, an online wellbeing platform, which students can be referred to in order to access professional support when needed. UCEM also has access to Lionheart who can provide counselling services when needed.

1500   The Committee stressed the importance of all staff being training in safeguarding as the first concern of Ofsted. RH confirmed that UCEM does log and record this information for both safeguarding and Prevent and both stats on new starters completing training and on refresher training undertaken. He agreed to share this with the Committee for information.

ACTION: Share stats on staff safeguarding and Prevent training completions with the Committee. [RH]

1501   The Committee queried UCEM's data on cases and the degree of analysis done on types of cases and types of students. RH reported that now all cases are being properly recorded in the E:Vision portal the data is much more accurate and interrogatable. He will in time be able to present trends on severity of cases, types of cases, types of students, and by programme etc.

1502   Finally, the Chair recommended that in point 1.2 in the report on the Safeguarding Team, the report should mention that Lynne Downey is the Lead senior officer for Safeguarding and that there is a Lead Trustee for Safeguarding too.

> **ACTON:** **Amend the Safeguarding and Prevent Annual Report to include details of the Lead Senior Officer for Safeguarding and the Lead Trustee for Safeguarding. [RH]**

1503   The Committee **NOTED** the Safeguarding and Prevent Annual Report and that prior to it received Board approval for the Accountability Return, the updated report that corrects a few errors will be shared with the Board. The Committee **NOTED** that the recommendations in the report will be tracked to completion through the Quality Standards and Enhancement Committee, which reports to Academic Board. The Committee **AGREED** to recommend the revised Safeguarding and Prevent Annual Report 2023-24 and specifically the Accountability Return at Appendix A to the Board to ensure the data return is submitted by the 2 December 2024 OfS deadline.

1504   The Chair thanked RH for his contribution and invited him to leave the meeting.

5) ANY OTHER BUSINESS

1505   5/ ANY OTHER BUSINESS

1506   There were no other matters of business raised.

6) CLOSE

1507   The Chair thanked the Committee for the discussions and closed the meeting at 11.18am.

Date of next meeting:
25 May 2025 (although an additional exceptional meeting will also be scheduled for early 2025)

Signed

Name   Chris Costigan

Position   Chair of Audit Committee

Date   22 May 2025