



Minutes of the electronic meeting of the Audit Committee (AC) held at 1630hrs on 9 November 2023.

Present	Alison Davies (Chair)	Peter Walker	Mark Woods	Rachel Nicholls (IEG CEO)
In Attendance	Joanne Ulyatt (Governance Director/Company Secretary)	Lee Glover (Validera)	Liz Knight (UCP AD)	Louise Perry (CFO) from 5pm

Apologies

1/23 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.

2/23 STANDING ITEMS

- a. The Minutes of the last meeting held on 25 May 2023 were confirmed for electronic signature. **(Action 1)**
- b. There were no matters arising.
- c. Outstanding Actions from the last meeting were considered; all had been completed.

See referenced minute for full detail.		Status
Action 8	18/22a Minutes of the meeting held on 21 February 2023 approved for electronic signature	Complete
Action 9	21/22b Amendments to UCP Financial Regulations to include a reference to the shared service agreement in place and mention of the reserved powers of the IEG Board.	

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

3/23 TERMS OF REFERENCE

The UCP Audit Committee Terms of Reference were presented with a recommendation to remove two clauses from the list of Committee duties, and to amend the wording of two other clauses, to better reflect matters which are reserved to the IEG Corporation Board.

*The UCP Audit Committee Terms of Reference were **approved**.*

The information was received and noted.

4/23 INTERNAL AUDIT REPORTS

Academic Records – Validation

- a. The Academic Records Validation report was presented with Substantial assurance and only one blue recommendation.

UCP Annual Report 2022-23

- b. The Annual Report was presented drawing in all of the work undertaken across the wider IEG Group in terms of all the support functions. Overall assurance levels were noted, with adequate and substantial outcomes and just one advisory. An adequate and effective overall opinion was given.

UCP Annual Summary Audit Report

- c. The Summary Audit Report draws out the elements of work specifically relevant to UCP from the wider audit work of the Group.
- d. Some specific work around UCP Marketing was summarised.
- e. Overall the report presented a positive picture with just a few tweaks to be made for consistency across the Group, but otherwise working well. No red flags for major concern just some areas for improvement. All recommendations had been accepted by management and action plans put in place to ensure they are addressed, whether they are UCP specific or Group-wide.
- f. If something significant had occurred from the wider Group work within the year, this would have been reported during the UCP Audit Committee meetings throughout the year to ensure timeliness of reporting. However, going forward it was agreed that a shell document of the summary report will be created to be populated throughout the year and presented at each meeting (albeit with some blank sections as work progresses throughout the year)

The information was received and noted.

5/23 INTERNAL AUDIT PLAN 2023/24

- a. The programme and strategy for UCP Audit for 2023/24 follows the same process as the previous year since UCP is reliant on the wider IEG support functions. In addition, there are then some testing specific to UCP to make best use of the available audit days.
- b. Conversations between the auditors and the Executive Team have been undertaken to agree the areas to be covered, namely Performance Management, Financial Control, Procurement to Payment, and Cyber Security. The priority area for specific UCP review which will be a standalone audit and in greater detail will relate to Strategic Planning and Curriculum Development. The same number of audit days as the previous year are proposed; three audit days plus one management day.
- c. A minor mistake was noted following issue of the report where a date of validation from the previous year was left in. This will be amended and updated in the pack for accuracy.
- d. Governors enquired as to the process used for cyber security testing and this was further explained in greater detail. It will include a focus on controls in place, patching and ensuring that systems are suitably protected, and that strategies are applied in a timely fashion, plus a review of the performance of network monitoring and denial of service, ensuring robust mitigations are in place. It will also consider whether penetration testing is carried out and if results of such testing have been suitably actioned. Cyber Security is a regular item on the IEG Audit Committee agenda; JU to upload IEG Audit Committee Cyber Reports to UCP Audit section of the portal so committee members can review for oversight. Nothing particularly unique to UCP rather than IEG was noted such that it would present a higher cyber security risk.

*The UCP Internal Audit Plan was **recommended** for approval. (Action 2)*

The information was received and noted.

6/23 RISK REPORT

- a. The BAF and Risk Register were presented. Key risks and movements in rating were discussed. Actions taken and increased mitigations were noted.
- b. A potential risk around Advanced Learner Loans was flagged which could impact recruitment; additional funding has been requested from ESFA and a bid has been put into CPCA. IEG has already received extra funding through ESFA but it is likely that the allocation will still be exceeded. There is a cap on what can be secured through the ESFA and it is not likely to be enough. A further review meeting will be held with the ESFA in January where it is hoped some further funding will be secured. The team are looking at how much has been spent to date, what is needed going forward and if this exceeds what the ESFA can allocate then RN will escalate as an issue. The funding is an IEG allocation as UCP cannot get an ALL allocation in its own right, however, from a management accounts perspective the activity will be reported as UCP; this was the same contradiction noted in accounts last year requiring an adjustment at year end. UCP is the delivery arm for HE and therefore accounting in this way gives the credit to UCP for the work done on

developing and delivering the courses. From 2024/25, with the introduction of Lifelong Learning Entitlements the accounting will change anyway.

- c. HE in FE is a tough market and the fact that UCP has held its numbers is a huge success. Diversification of curriculum is helping, coupled with improved conversations with local competitors in order to collaborate and have a complementary offer.
- d. UCP received £838k following a bid submitted for implementation of HTQs. Circa £530k capital, and £300k on resource for staff development, etc. A delivery plan will be taken to an upcoming Exec Meeting and will then be brought to UCP Council.
- e. Staffing risk is reducing in terms of academic staff, with a shift in focus to professional administrative staff; HR are offering various contract options in order to appeal to a wider audience, including term time only contracts.
- f. The Risk Register was reviewed. Additions to controls relating to Silver TEF Award were noted as very significant and congratulations were conveyed to the team that have contributed to the award.
- g. Residual risks around student experience and OfS compliance reduced due to impact of TEF achievement.

The information was received and noted.

7/23 AUDIT COMMITTEE ANNUAL REPORT

- a. The draft report was presented. Two sentences in relation to the overall opinion from the Financial Statements and the Regularity Audit Findings were highlighted in red and flagged as provisional until the statements are finalised and presented.
- b. Governors felt it was a succinct and accurate report.

*The UCP Audit Annual Report was **recommended** to the UCP Council for approval subject to receiving the finalised opinions from the Financial Statements and Regularity Audit Findings. (Action 3)*

The information was received and noted.

8/23 URGENT BUSINESS

No urgent business was requested.

9/23 NEXT MEETING

The next meeting date would be Tuesday 20 February 2024 at 16:30.

ACTION TABLE

See referenced minute for full detail.		Resp	Date
Action 1	2/23a Minutes of the meeting held on 25 May 2023 approved for electronic signature	GD	wie
Action 2	5/23 The UCP Internal Audit Plan was recommended for approval	GD	06.12.23
Action 3	7/23 The UCP Audit Annual Report was recommended to the UCP Council for approval subject to receiving the finalised opinions from the Financial Statements and Regularity Audit Findings	GD	06.12.23

The meeting closed at 17:20pm.