

UCP AUDIT COMMITTEE

5th March 2025

4:30 PM - 5:30 PM

Online

ATTENDANCE

PRESENT

Dr Alison Davies	(Chair)
Peter Walker	
Mark Woods	(from Item 4 onwards)

IN ATTENDANCE

Rachel Nicholls	
Louise Perry	
Liz Knight	
Lee Glover	(Validera)
Roopa Patel-Harji	(Validera)
Jane Spurgin	(for Governance Director)

APOLOGIES

None

1. WELCOME

Standing item Speaker: Chair

- a. **Apologies for absence:** No apologies received and Lee Glover from Validera was welcomed to the meeting.
- b. **Confirmation of eligibility and declarations of interest:** No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate, and no interests were declared.
- c. **Requests for urgent business:** None received.

2. MINUTES

Standing item Speaker: Chair

- a. Minutes of the last meeting (27.11.24): The Minutes of the last meeting were confirmed for signature **(ACTION 1)**.
- b. Matters arising from the Minutes: None
- c. Actions from the minutes: Completed

3. MERGING UCP AND IEG AUDIT COMMITTEES

Information item

Speaker: Governance Director (proxy)

Members received a report outlining the activities and timeline for the merger of the IEG/UCP Audit and Search & Remuneration Committees which was agreed by the IEG Board and the UCP Council early 2024. It was noted that:

- Dr Alison Davies (UCP Audit Committee Chair) and Peter Walker (UCP Council member) will be co-opted onto the merged Audit Committee;
- the OfS has been advised of the planned approach and is content for us to proceed;
- in order to comply with our own governance arrangements, a number of checks must be undertaken and amendments made to statutory governance regulatory documents;
- the UCP Council and the IEG Board will each be presented with any amendments for approval at the next meetings towards the end of March.

Members **considered** and **noted** the planned approach.

4. INTERNAL AUDIT REPORTS

Decision item

Speaker: Internal Auditors

Internal Audit:

a. UCP Progress Report 2024/25

Validera presented the above report and it was noted that:

- Validera is growing and has recruited a new team of sector specialists from competitor firms, including Karl Bently as a Director, from RSM;
- a joint venture has been created (Validera HB&O Ltd) providing an external audit solution to the education sector;
- the internal audit plan is on track with 5 of the 10 audit briefs completed and the remainder scheduled for completion between March and May;
- currently there are no individual findings arising which are considered significant enough to impact negatively upon the overall Annual Opinion in respect of the organisation's risk management, governance, and control processes.

The Committee **welcomed** the report and its findings.

b. UCP Annual Summary Audit Report 2024/25

Validera presented the draft report and it was noted that all recommendations arising from the internal audit work had been accepted by management. The Committee considered the findings against the following audits:

Risk Management

The overall assurance opinion was **Adequate** with two recommendations arising (one Amber and one Green), as well as a Blue Good Practice point (applicable across the Group).

- | | |
|--------|---|
| Amber: | To determine Risk Appetite, develop a Risk Appetite Statement, and embed Appetite within the Register |
| Green: | Introduce a formal training programme covering all aspects of Risk Management |
| Blue: | To consider using 4Risk to support risk management purposes and introduce training to support staff. |

Budgetary Control

The overall assurance opinion was **Substantial** with one Green recommendation as well as a Blue Good Practice point (applicable across the Group).

- Green: To develop a structured training programme to budget holders including refresher training. It was confirmed that this has recently been rolled out to new managers.
- Blue: To review the Doli System and consider if it can be updated to allow further reporting and provide further training on the use of the Doli System.

Payroll and Expenses

The overall assurance opinion was **Adequate** with three recommendations arising (two Amber and one Green), as well as two Blue Good Practice points (one Amber point (Payroll Approvals) was not applicable to UCP).

- Amber: To review the Expenses Policy and identify what are classed as acceptable claims.
- Green: To introduce a timetable of cut off dates within the payroll process and communicate to applicable staff.
- Blue: Drivers Compliance Checks - to ensure appropriate checks are made (Business Insurance, MOT and Driving Licence).
- Blue: iTrent System - identify if additional system functions can be used for efficiency purposes (system approvals, self-service functionality, timesheets).

The Committee **noted** the report and its findings.

c. Assignment Brief for Student Records 2024/25

Validera presented the draft assignment brief and it was noted that:

- management has requested a review to consider whether the Group is making best use of its student records systems;
- the review will focus on the use of the Group's Student Records system and supporting modules to highlight inconsistencies and identify areas of good practice;
- the review will include specific testing relating to UCP;
- the review has a provisional start date of w/c 31/03/25.

d. Assignment Brief for HTQ's Development & Implementation

Validera presented the draft assignment brief and it was noted that:

- the management objective is to assess the effectiveness and efficiency of controls in place for developing and implementing Higher Technical Qualification(s) (HTQs) ensuring compliance with relevant regulations and standards;
- the review will be performed in accordance with the scope outlined in the Brief and testing will be performed where appropriate to verify the existence of controls within the available budget;
- an additional area of testing has been discussed with management and will be added to the brief: project returns and management (to reduce risk of clawback).

The Committee thanked Validera for the two assignment briefs which were **approved**.

5. GDPR HALF YEAR REVIEW

Information item

Speaker: CFO

Members received and discussed a review of GDPR incidents for the first 6 months of 2024/25, noting that:

- a half year review has been prepared, specifically to inform governors about the breaches received year to 31st January 2025 as, during 2023/24 there were twelve breaches over the entire year (with one relating to UCP), but there have been ten breaches this year to date;
- of the breaches to 31st January 2025, four were UCP;
- most breaches are down to human error, are low level data and affect low numbers of people;
- none of the breaches are ICO reportable.

Members considered the details of two specific UCP breaches: one relating to a student's access rights on Canvas and the other relating to a complaint received via a firm of solicitors for the use of a (family) photograph from the September 2024 UCP graduation ceremony in marketing materials. On the second issue, IEG has engaged Evershed Sutherland to act on IEG's behalf and are currently drafting their substantive response to the complainants' legal representatives.

The Committee **received** the report, was pleased to have been informed of the GDPR breaches to date and **welcomed** an update at the next meeting on the complaint issue. **(ACTION 2)**.

6. RISK REGISTER

Information item

Speaker: CFO/Academic Director

Time:

Members received the Board Assurance Framework and the UCP Contingency Risk Register providing a review of the risk environment for 2024/25. The following summary information was noted:

Board Assurance Framework (BAF)

- all three risks on the Board Assurance Framework have been revised as at February 2025;
- the residual risk score for finance has increased as achieving the financial forecast was dependent on the much larger recruitment January 2025 than had been planned in prior years. This did not achieve target, which impacts both 2024/25 and 2025/26. A full financial review is underway, and a paper will be presented at UCP Council;
- the worst-case scenario is a deficit at the end of 2024/25 of £117k which needs to be closed. There is work underway to identify any savings that can be made and the possibility of some further grant funding which may be claimable;
- it was recommended that the staff recruitment and retention risk be removed. The levels of retention and vacancies have normalised, and the residual risk score is now lower.

Members noted the changes on the BAF, that a full financial review will be considered by the UCP Council at its meeting on 20th March 2025 and agreed that the staff recruitment and retention risk be removed.

Contingency Risk Register

- all updates to contingency risks were noted;
- risk 231 was increased in the last iteration and it was noted that this score has now been reduced, as a number of mitigations have improved the position. There has been a restructure within MIS, intensive training is underway and an HE Officer has been appointed reducing the risks around delayed returns and student data.

Members considered the proposal that risk 264 (student accommodation) is now removed and held funds released into the 2024/25 accounts as this relates to a charge dispute for the 2019/20 academic year. The statute of limitations has not quite been

reached and the CFO advised that, prior to releasing the funds, she will be undertaking due diligence to provide confidence that the funds will not become due.

Members **noted** and **agreed** the updates to the Contingency Risks and supported the release of the held funds identified at risk 264 subject to the satisfactory due diligence checks to be undertaken by management following which the risk should be removed (**ACTION 3**).

7. URGENT BUSINESS

Standing item

Speaker: Chair

None.

8. DATE OF NEXT MEETING: 18TH JUNE 2025

Standing item

Speaker: Chair

Next meeting date noted with time to be confirmed.

Meeting closed at 17:04