

Audit Committee Annual Report 2021-22

Executive Summary

The Audit Committee Annual Report 2021-22 provides a summary of the key activities that were undertaken during the period September 2021 to July 2022 by the Audit Committee in line with its Terms of Reference as set out in Bloomsbury Institute's Corporate and Academic Governance Framework. See Appendix for details.

- The Audit Committee was instrumental in establishing an external Internal Audit function at Bloomsbury Institute in 2021, and subsequently approved an Internal Audit Plan 2021-25. The audit focus in 2021-22 was on 5 key areas and the reviews were undertaken from an advisory perspective only whereas for future years, Internal Audit will be issuing an opinion on the audits they undertake. Reports on each area were presented to the Audit Committee for consideration, resulting in a request from the Committee for the relevant area leads to draw up (where necessary) action plans that respond to the report findings.
- With the Internal Audit function in place, it was agreed that for 2021-22, the Audit Committee would no longer develop its own Annual Audit Plan; instead the Audit Committee's activities would focus, in the main, on its core activities, namely monitoring Bloomsbury Institute's Corporate Risk Register and Key Performance Indicators, and meeting with Heads of Divisions/Departments to identify any potential risks for further review. The same approach is being proposed for 2022-23 and continuing oversight of the internal and external audit processes.
- The Audit Committee continued to engage actively with its reviews of Bloomsbury Institute's Corporate Risk Register, making a number of comments and recommendations regarding the format of the document and also questioning a number of the recommended amendments made by the Senior Management and Leadership Team. The Audit Committee subsequently raised these points with the Board of Directors, requesting appropriate action, where necessary. The Audit Committee interrogated the Institute's Key Performance Indicators in a similar way, raising issues with the Board and, again, requesting action, where appropriate.
- In the course of 2021-22, the Audit Committee met with the Director of the Centre for Student Engagement, Wellbeing and Success, the Head of Communications and the Head of Equality, Diversity and Inclusion as part of their programme of meetings with Heads of Divisions/Departments. The Committee identified no causes for concern in these areas.
- The Audit Committee was proactive in its review of Bloomsbury Institute's Risk Management Framework, the monthly update reports it received on the Institute's compliance with the OfS Register, the Institute's Annual Value for Money Report and its Annual Value for Money Statement, making recommendations to the Board accordingly.
- Based on documentation received (including that produced by the Internal Audit team) and interviews held with Heads of Divisions/Departments and the Internal Audit team, the Audit Committee confirms that:
 - it is satisfied with compliance with procedures and processes; the adequacy and effectiveness of the company's risk management and control; the adequacy and effectiveness of data management and quality assurance processes; and the

adequacy and effectiveness of arrangements to ensure funds are being used for proper purpose and that value for money is secured.

- no causes of concern have been raised by either the Internal or External Auditors.

Appendix 1

Audit Committee Terms of Reference and Membership

As set out in the Corporate and Academic Governance Framework:

Terms of Reference

In accordance with **Regulation 15(b)** of the Articles, an Audit Committee is established to act as a check on the effectiveness or otherwise of, *inter alia*, the company's procedures and processes, and the company's compliance with any legal or regulatory requirements.

The Audit Committee will normally meet every two months.

Terms of Reference [Delegated by the directors]

Subject to the schedule of matters reserved to the Board of Directors (see **Section 2.2.14** above), the Audit Committee is responsible for:

- Recommending to the Board of Directors the co-opting of external members, if specific expertise is required and not available within the Audit Committee's current membership
- Establishing and implementing an Annual Audit Plan (which will be informed, in part, by the Corporate Risk Register) by no later than July each year to cover the subsequent 12-month period 1 August to 31 July
- Undertaking or commissioning the undertaking of internal audits (financial and non-financial, academic and non-academic), and assuming responsibility for monitoring implementation of any recommendations made
- Ensuring compliance with, and the effectiveness of, procedures and processes
- Ensuring compliance with the Financial Regulations and any associated policies and procedures
- Ensuring compliance with any legal or regulatory requirements
- Testing the processes and evidence that are used to inform the Key Performance Indicators set by the Board of Directors, and requiring the attendance of, and/or reports from, the Head of Quality and Compliance, the Academic Registrar, and/or the Data Analyst and/or any other member of staff
- Ensuring there are effective arrangements in place for the management and quality assurance of data, and requiring the attendance of, and/or reports from, the Academic Registrar, and/or the Data Analyst and/or any other member of staff
- Considering any causes of concern referred to it by the Board of Directors

- Requiring the attendance at any meeting of the Audit Committee of any executive director, member of staff and/or external academic advisor of the Academic Committee¹
- Recommending actions to the Board of Directors if there are serious concerns that could affect future financial and/or non-financial corporate sustainability
- Meeting with the external auditors following the audit of the annual accounts to discuss any causes of concern raised by the external auditors
- Considering and approving an Annual Audit Report for presentation to the Board of Directors, that shall include:
 - a commentary on implementation of the Annual Audit Plan
 - an opinion on compliance with procedures and processes
 - an opinion on the adequacy and effectiveness of the company’s risk management and control
 - an opinion on the adequacy and effectiveness of data management and quality assurance processes
 - a commentary on any causes of concern raised by the external auditors

Note: To ensure compliance with the Office for Students Regulatory Framework, Notices and Advice, the Annual Audit Report shall also include an opinion on the adequacy and effectiveness of arrangements to ensure:

- Funds are used for the purpose
- Value for money is secured

Membership

To ensure the independence of the Audit Committee, the company’s executive directors are excluded from its membership. The membership will comprise:

- Two independent non-executive directors (one of whom will act as Chair)

The Audit Committee has the power to recommend to the Board of Directors the co-opting of external members, if specific expertise is required and not available within the current membership.

The Audit Committee has the power to require the attendance of any executive director, member of staff and/or external academic advisor of the Academic Committee² at any of its meetings.

The Company Secretary provides secretariat services to the Audit Committee.

¹ The external academic advisors shall include, for this purpose, any academic representatives from our awarding bodies.

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Quorum

No business other than the appointment of a Chair shall be transacted at any meeting of the Audit Committee if the persons attending it do not constitute a quorum. All members must be present to constitute a quorum.

If such a quorum is not present within fifteen minutes from the time appointed for the meeting, the meeting shall stand adjourned.