

**Minutes of the meeting of the Audit Committee  
held at 4.00 pm on Thursday, 7 June 2018  
1B16 - Technopark, SE1 6LN**

**Present**

Steve Balmont (Chair)  
Duncan Brown  
Mee Ling Ng

**Apologies**

Shachi Blakemore

**In attendance**

David Phoenix  
Natalie Ferer  
Richard Flatman  
James Stevenson  
Joe Kelly  
Justin Martin  
Lucy Gresswell  
Fleur Nieboer  
Jack Stapleton  
David Mead  
Pat Bailey  
Ed Spacey (items 6, 7, and 8)  
Lisa Upton (item 11)  
Stuart Bannerman (item 12)

A pre-meeting took place with the Committee and internal and external auditors.

**1. Welcome and apologies**

The Chair welcomed members to the meeting.

The above apologies were noted.

**2. Declarations of interest**

No interests were declared on any item on the agenda.

**3. Minutes of the previous meeting**

The committee approved the minutes of the meeting of 8 February 2018 and their publication.

**4. Matters arising**

The committee noted that all matters arising had been completed or were on the agenda.

The committee noted an update on the former member of staff who is currently held in custody. A sentencing date of 12 July 2018 has been announced. The committee noted that the University had followed all internal processes and procedures in relation to this matter.

**5. ICT risk diagnostic - progress report**

The committee noted the update on ICT risk diagnostic.

The committee noted that approximately 50% of the development plan had been completed and that a deeper understanding of system architecture and detail was now informing future work and lowering exposure to risk. The committee noted that extended timeframes on a number of actions reflected the complexity of the issues and that these were being addressed by appropriate project plans.

The committee requested a further update at its next meeting.

**6. Fire safety report - progress report**

The committee noted the Fire Safety progress report.

The committee noted that both substantive issues from Fire Risk Assessments had been addressed.

The committee noted the mitigating controls on issues with longer timeframes. The committee noted that all life-saving matters are dealt with promptly.

The committee noted that new procedures, with associated training, were being rolled out across the University.

**7. UKVI audits - progress report**

The committee noted the UKVI audits progress report and actions already taken.

The committee noted that the University continues to develop holistic systems and processes, with associated staff training.

**8. Emergency planning report and action plan**

The committee noted the emergency planning report and action plan.

The committee noted good progress in the delivery of the action plan.

The committee requested that (i) the emergency plan is tested annually and entered onto the Corporate Risk Register, and (ii) that the committee receives an annual assurance report.

**9. Key Financial Systems update**

The committee noted the Key Financial Systems update.

The committee noted that the red risks had been addressed including updated credit control procedures and guidance on escalation to the debt collection agency.

**10. Internal audit progress report**

The committee noted the internal audit progress report. It noted that 74% of the plan had been delivered and that management interaction and response with the auditors was good.

The committee noted that the IT strategy report would be completed before the end of the financial year and would build on the work of the ICT risk diagnostic.

The committee noted there were two high-risk reports, international partnerships and student data: both these reports were addressed on the meeting agenda.

**11. Student Data Continuous Audit report**

The committee noted the student data continuous audit report.

The committee noted that the high risk rating was due to the introduction of a new control on apprenticeships which flagged 13 exceptions, of which 12 related to being unable to examine student learner packs; without this control the rating would have been comparable to the previous report. The committee requested management to establish a control for appropriate monitoring of learning plans. The auditors agreed to reduce the risk on student data to medium in their final report pending further follow up of outstanding documentation.

The committee noted that 22 of 25 management responses involved systems development. The committee requested management to reflect on a full range of response options and provide an update at its next meeting.

The committee requested management to review action completion dates in advance of September recruitment.

**12. Report on International partnerships**

The committee noted the report on International Partnerships.

The committee noted that new processes and controls have been established for new partnerships and are working effectively.

The committee noted that the high risk rating relates to historic partnerships, most of which have been closed and mitigating actions are now in place for those which remain. Accordingly, the auditors would review the risk grading in their final report.

**13. Internal Audit draft plan 2018/19**

The committee discussed the draft internal audit plan 2018/19. The plan was for 140 days, reflecting an additional 15 days on the 2017/18 audit. Additional days include proposed audits of South Bank Academies, CMA, and GDPR.

The committee approved the draft audit plan subject to finalising the scope of work for South Bank Academies.

**14. External audit draft plan 2017/18**

The committee discussed the external audit plan, which was based on areas of audit risk, namely pension liabilities and the risk of fraud from revenue recognition and management override of controls.

The committee discussed the proposed materiality level and agreed the levels were appropriate.

The committee noted that high risk journal entries would be identified at the start of the audit. The auditor agreed to revise the letter of engagement in reference to GDPR.

The committee approved the external audit plan 2017/18.

**15. Risk management benchmarking (KPMG)**

The committee noted the risk management benchmarking report.

The committee noted the report had been reviewed by management in detail and that no significant issues had been identified. The committee noted that all issues are already included in the corporate risk register which is aligned to the internal audit plan.

The committee requested the report is submitted annually.

**16. Corporate risk**

The committee noted the corporate risk register.

The committee noted the new summary format for reporting risk to the Board and the detailed appendix for Audit Committee review. The risks are grouped according to the goals of the Corporate Strategy.

The committee discussed the medium risk against low staff engagement.

17. **Annual debt write off**

The committee approved the revised write-off of tuition fee debt [REDACTED] which had been fully provided for in the year end accounts.

The committee noted that LSBU makes efforts to actively recover debt before referring the matter to collection agencies.

18. **GDPR compliance update**

The committee noted the GDPR compliance update.

The committee noted the creation of a register of processing activity which establishes the legal basis for collection, procedures for breach management, and publication of 1<sup>st</sup> tier privacy notices, internal and external.

The committee noted the appointment of a new Data Protection Officer.

The committee requested an update at its next meeting.

19. **Anti-fraud policy review**

The committee noted that the anti-fraud policy remained unchanged from last year. The committee approved the policy.

The committee noted the fraud self-assessment had been undertaken in May 2018.

20. **Anti-fraud, bribery and corruption report**

The committee noted the report. No issues had arisen since the last Audit Committee meeting.

21. **TRAC(T) return to OfS**

The committee reviewed the TRAC(T) return required by OfS.

The committee noted the report had been reviewed by Shachi Blakemore prior to its submission to OfS on 4 May 2018.

The committee ratified the report.

22. **Speak up report**

The committee noted the Speak Up report.

23. **Committee composition**

The committee noted the committee composition report, including the chair succession plan and future skills audit.

24. **Audit Committee business plan**

The committee noted the annual business plan.

The committee requested to see the full plan (looking forward) at each meeting.

25. **Matters to report to the Board following the meeting**

The committee requested that the Fire Safety report, Student Data report, International Partnerships report, internal audit plan, and external audit plan be reported to the Board. The corporate risk register would be reported to the Board as usual.

**Date of next meeting  
4.00 pm, on Thursday, 4 October 2018**

**Confirmed as a true record**

..... (Chair)